



City of Gothenburg Annual Report 2021

Sustainable city - open to the world



Göteborgs
Stad

City of Gothenburg Annual Report

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

The Annual Report begins with a summary of the past year by the Chairman of the City Executive Board in 2021, Axel Josefson. This is followed by general information about the City of Gothenburg's organisation, its employees, assignments and future challenges. The Annual Report is divided into four sections.

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

Future city of industry and knowledge

A stable financial surplus, positive trends in vulnerable areas of the city and large investments in climate-smart technology in 2021 laid a good foundation for the long-term sustainable development of Gothenburg.

As we entered 2021, life was weighed down by the pandemic and related restrictions. But at the same time the vaccination programme was gradually being rolled out and it felt as if we could see the light at the end of the pandemic. We also saw the global economy recovering faster than we had dared to hope. Nevertheless, uncertainty was the dominant emotion.

A year later, we were living under different restrictions and there were clouds on the horizon in the form of rising raw material prices, component shortages and disruptions in global distribution chains. However, the economic recovery had shown itself to be robust and Gothenburg and western Sweden in particular experienced strong economic growth in 2021 with broad upturns in most industries, falling unemployment and hence higher tax revenues. We once again had the lowest unemployment rate of all metropolitan regions in Sweden. We also saw the establishment of several successful, high-tech businesses, which bodes well for the future.

Large surpluses in the City's finances

The positive trend is also reflected in the City of Gothenburg's financial position. The surplus

for 2021 totalled SEK 5.4 billion, which is a record figure. A significant part of this surplus came from non-recurring items, primarily land and property sales, as well as temporary state subsidies related to the pandemic. But operating activities also show a surplus, which is proof of long-term sustainable finances.

This surplus gives us room to manoeuvre and creates opportunities to meet the considerable investment needs of the future. In total, our investment plan requires SEK 80 billion of investment in areas such as schools and housing for the elderly. The surplus built up in recent years means reduced borrowing needs, lower interest expenses and more room for manoeuvre.

Positive trend in vulnerable areas

One of our long-standing targets is that by 2025 no area in Gothenburg should be on the Swedish police authority's list of particularly vulnerable areas. This is an ambitious target and achieving it requires investments in property and infrastructure as well as efforts to give people the opportunity to develop. The work is led by the city housing group Framtiden, which combines both private and commercial stakeholders.

In 2021 it was rewarding to see the status of Tynnered improve from a particularly vulnerable area to a risk area. This meant that Tynnered followed the earlier trend in Gårdsten, whose status further improved from risk area to vulnerable area in 2021. It means that the number of particularly vulnerable areas in Gothenburg has fallen from seven to five in two years. In addition, the district of Rannebergen has been completely removed from the Swedish police authority's list.

Everything starts at school

The foundation for a positive future is laid in schools. Early initiatives for students with special needs and a larger number of special teaching teams are just two examples of initiatives taken to improve the opportunities of all children and young people. A further measure is additional funding for new teaching materials.

During the year, school attendance in Tynnered was also improved as result of the Rescue Mission (Räddningsmissionen) setting up a Community School for high-school students. We also continued with efforts to ensure that all schools follow the curriculum and contribute to the integration process.

Reduced benefit dependency

In social services, efforts continued to help people escape unemployment and benefit dependency. By setting conditions for welfare, incentives and opportunities are created for people who have been excluded from the labour market.

The results of these efforts are good so far, and in 2021 there was a fall in unemployment among residents born outside Sweden, while the number of city residents dependent on income support was lower than it had been for many years. This positive trend was reflected in a continued decline in the number of homeless people.

Housebuilding reaches record level

In 2021, 5,350 new homes were completed in Gothenburg. This is a new record for a single year. For the third year in a row the number of new homes that were built exceeds population growth. This means that the housing shortage is shrinking.

One important change is that we decided to build more single-family homes in 2021. This is important for improving stability in vulnerable areas and enabling more families with children to stay in Gothenburg. Retaining families with

children, and hence maintaining tax revenues in Gothenburg, is also important for the city's continued growth.

Care of elderly meets the challenge

The service that faced the toughest challenges at the start of the pandemic was care of the elderly. But in 2021, the situation began to return to something close to normal. We reduced the number of hourly paid employees and increased the number of permanent employees. Increased staffing led to greater continuity, increased security and improvements in the quality of service.

More residents of Gothenburg are applying for elderly care and elderly residents now have greater rights to choose their provider of home-help and housing.

Gothenburg is leading the green transition

In December, the City of Gothenburg received the *Gold Charger (Laddguldet)* award, which is given to municipalities that have taken concrete initiatives and a holistic approach to charging infrastructure and the electrification of vehicles. We also maintained our ranking as the world's most sustainable visitor destination in the *Global Destination Sustainability Index, GDSI*. The City received two further awards in a series of awards that validate and encourage our efforts to reduce our climate footprint close to zero by 2030.

Leading the way in this transition is important for the climate and for our competitiveness and finances. As one of the world's most dynamic automotive clusters, it is important to stay at the forefront of developments in new technology. This also secures tomorrow's jobs and prosperity. We therefore worked hard during the second half of 2021 to ensure that Volvo Cars and Northvolt build their new battery plant in Gothenburg. On the table were 3,000 new jobs at the plant and several thousand future jobs with subcontractors and partners. In early 2022, we learned that these efforts had been successful. This decision marks the start of the next phase in the development of Gothenburg as the climate-smart industrial and high-tech city of the future.

Axel Josefson (Mod.)

Chairman of the City Executive Board

City Executive Board members



Axel Josefson (Mod.)
City Councillor,
Chairman



Axel Darvik (Lib.)
City Councillor,
1st Vice Chairman



Daniel Bernmar (Left)
City Councillor,
2nd Vice Chairman



Blerta Hoti (Soc. Dem.)
City Councillor



Martin Wannholt (Dem.)
City Councillor



Karin Pleijel (Green)
City Councillor



Hampus Magnusson (Mod.) City Councillor



Marina Johansson (Soc. Dem.)
City Councillor



Grith Fjeldmose (Left)
City Councillor



Jessica Blixt (Dem.)
City Councillor



Jörgen Fogelklou (Swe. Dem.)
City Councillor



Emmyly Bönfors (Centre)
City Councillor



Jonas Attenius (Soc. Dem.)
City Councillor



Nina Miskovsky (Mod.)
City Councillor



Jenny Broman (Left)
City Councillor



Viktoria Tryggvadottir Rolka (Soc. Dem.)
City Councillor



Elisabet Lann (Chr. Dem.)
City Councillor



Henrik Munck (-)
City Councillor



City of Gothenburg organisation, assignments and challenges

Sustainable city – open to the world

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

The pandemic has continued to have a big impact on the city and its residents, visitors and business community during the year. Services have continued to adapt during the year in response to Covid-19. As the population was vaccinated and the infection rate fell, plans were made to return to more normal operations and these were gradually implemented after summer. At the end of the year the infection rate rose again and had a large impact on services. For many of the City's employees and managers the pandemic is still a tangible issue and considerable efforts are needed to provide sufficient staff for services due to widespread infection and significant levels of sick leave.

The City of Gothenburg

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

of vocational training courses, two universities and around 60,000 students. 2021 was the 400-year anniversary of the City of Gothenburg. Parts of trade and industry, including the visitor industry, were again severely affected by the second year of the pandemic, due to restrictions for some periods of the year. At the same time, the situation has led to new ways of thinking and creativity that have accelerated technical development and made home working and remote meetings part of many residents' everyday lives.

The city is growing

The new general plan, which was approved by the Planning and Building Committee and is scheduled for consideration by the City Council in spring 2022, explains the need to build 120,000 homes by 2050. Building a city for the next generation demands safe and green environments, the expansion of public transport, and space for culture, education, service and social care. The city must develop in a way that is sustainable – ecologically, economically and socially.

The Municipality's responsibilities

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

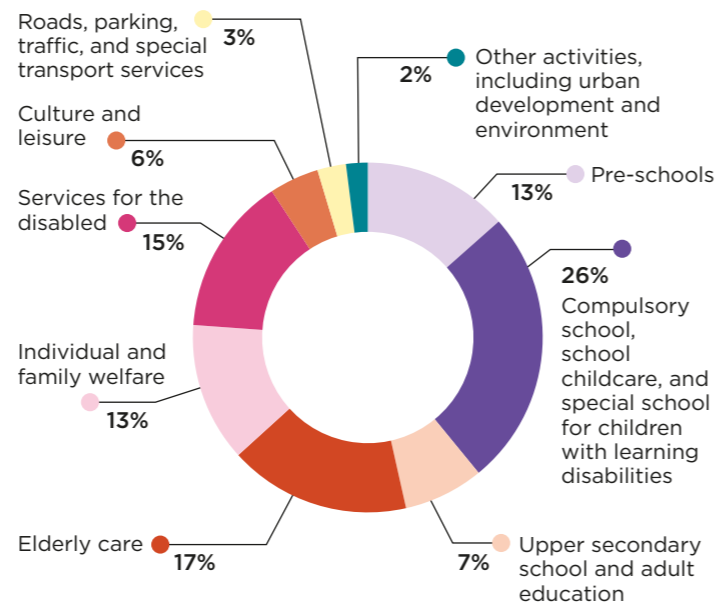
Our employees

The City of Gothenburg is the largest employer in Gothenburg and employs 59,750 people in more than 100 job roles in specialist administrations and municipal companies. Our shared mission is to create a good quality of life for all the city's residents and to develop Gothenburg for the future. The average age of permanent employees is 45, and 71 per cent of employees are women. The gender distribution varies between administrations and companies. In the City's administrations, women make up 76 per cent of employees, while in the companies they make up 49 per cent.

Our residents

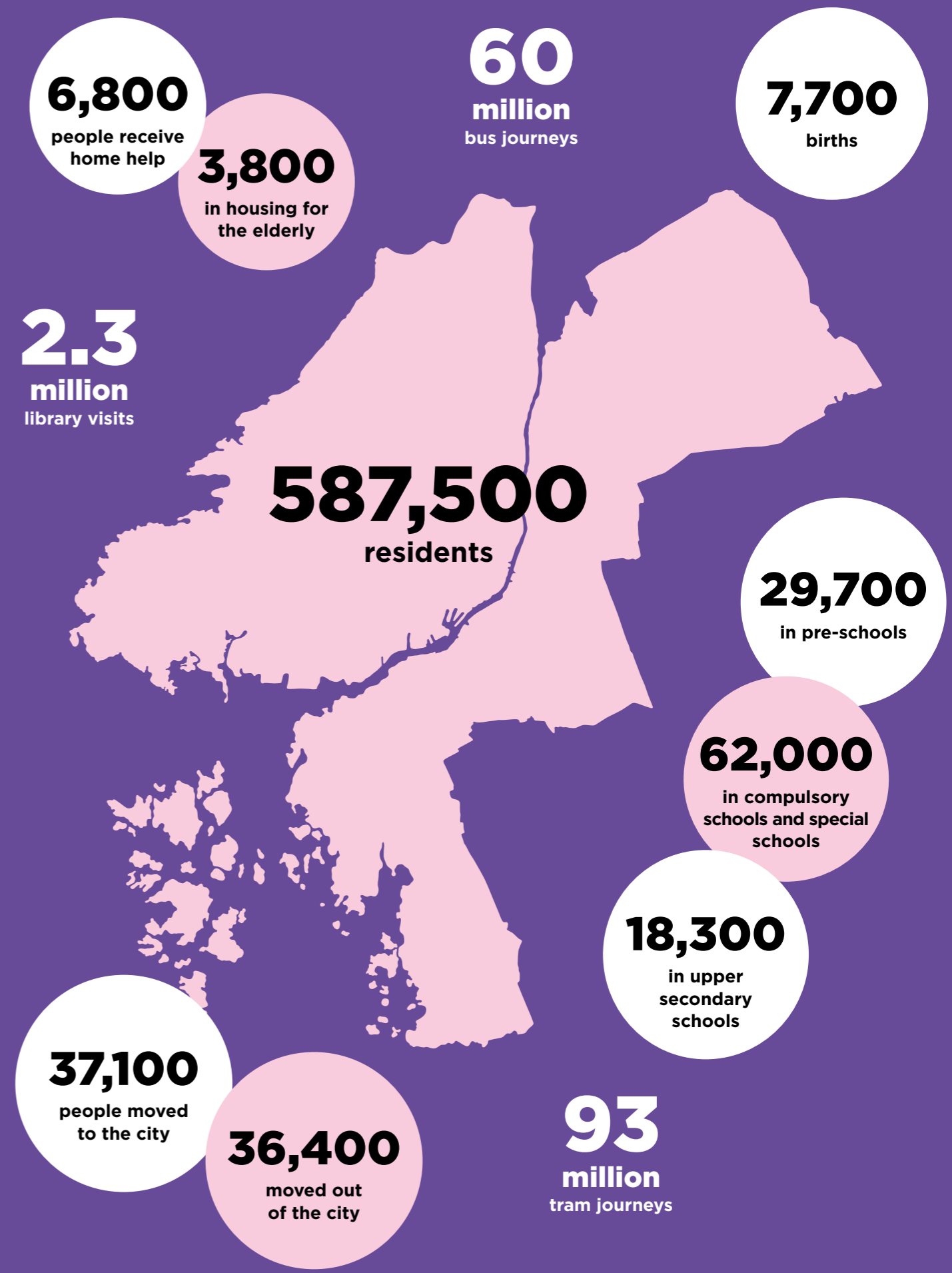
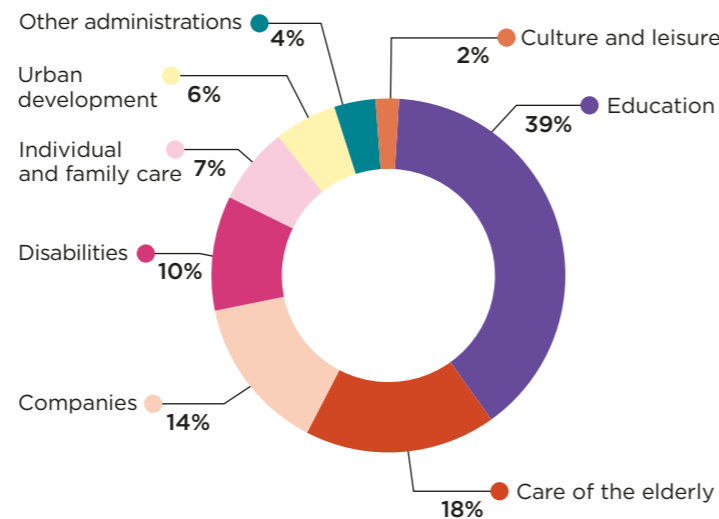
The City's various operations conduct regular user surveys to improve the quality of services based on users' needs. An attitude survey is also conducted annually through Statistics Sweden (Statistiska Centralbyrån, SCB) and the SOM Institute. According to the most recent resident survey by SCB, 90 per cent of Gothenburg residents feel that Gothenburg is a very good place or quite a good place to live. They are very satisfied with the opportunities for education and work, public transport and the range of commercial and cultural activities. Crime and sense of security bring down the score. The latest survey by the SOM Institute shows that most residents of Gothenburg feel very satisfied or quite satisfied with the way democracy works in the City of Gothenburg. Residents in the age group 16–29 are most satisfied.

How tax money is used



How each SEK 100 of municipal tax is spent: Around SEK 90 is spent on healthcare, schools and social care.

City of Gothenburg employees in 2021





How to read the City of Gothenburg Annual Report

1

Administration Report

14

The Administration Report provides information on the administration of the Municipality and the Municipal Group in accordance with *the Swedish Municipal Accounting Act (2018:597)*. The Administration Report is intended to provide a clear and comprehensive picture of the Municipality's services over the past year. The main focus is on the Municipal Group, which is made up of the municipal committees and companies. The Swedish Council for Municipal Accounting also publishes guidelines for administration reports, which set out the headings that must be included.

2

Annual Accounts

64

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

3

Economic and Financial Report

98

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

4

Overall operational goals and developments in operations

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The overall operational goals and developments in operations are presented on progress towards the City Council's three overall goals and the overall operational goals, together with an assessment of whether the goals are considered to have been achieved or not. Assessment of the overall goals is based on a general assessment of progress towards the operational goals. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target values for each indicator have been met.

The section also gives a summary of progress for each of the municipal services towards some of the overall operational goals. The section begins with an account of how the City Council's goals relate to the goals of Agenda 2030.

The Annual Report concludes with the Auditor's Report.

1

Administration Report

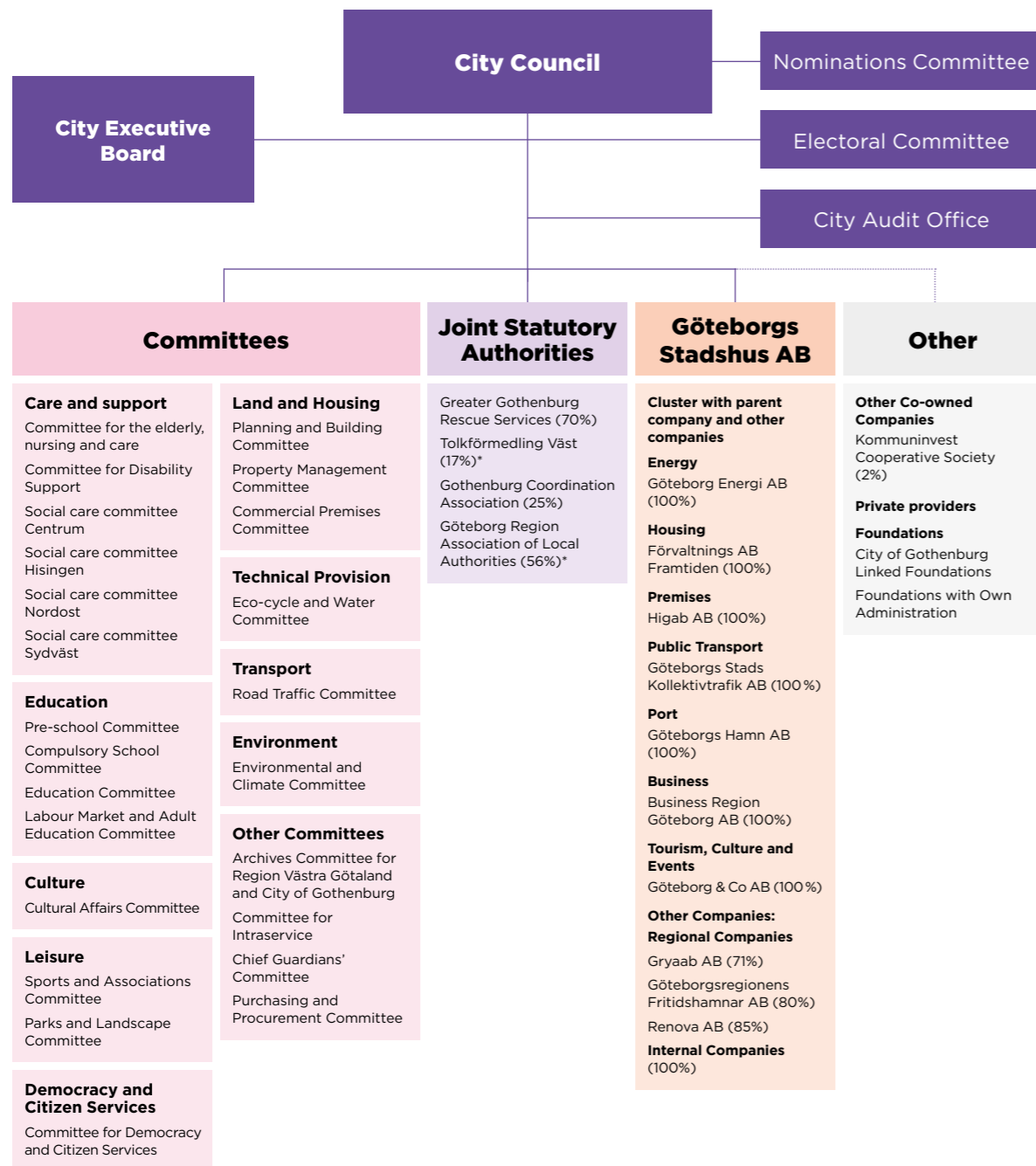
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Administration Report

- 16 The Municipal Group**
An overview of the committees and companies that make up the Municipal Group is presented here, along with the changes that took place during the year.
- 18 Overview of trends in operations**
This section presents a number of measures and key figures that describe the trends in operations compared with the three immediately preceding years. A general description of developments is also presented here.
- 21 Key conditions for earnings and financial position**
A summary financial analysis for the Municipality and Municipal Group which highlights financial developments and trends. This also includes information on progress and risks, as well as a summary of pension obligations.
- 27 Significant events**
This section describes a number of significant events that occurred in 2021. The section also includes events that occurred at the beginning of 2022.
- 31 Governance and monitoring of municipal operations**
A presentation of information and important facts regarding governance, monitoring and internal control for the Municipality and Municipal Group.
- 35 Good financial management and financial position**
This section analyses the Municipality's financial development in relation to good financial management practice and the guidelines set by the City Council.
- 52 Balanced budget requirement**
A description and analysis of the balanced budget requirement, followed by a report on the Municipality's earnings equalisation reserve (EER).
- 53 Significant personnel-related conditions**
The Administration Report is required to include a description of significant personnel-related conditions.
- 59 Expected development**
A summary of market trends describing expectations for the future. This analysis is based on known, real-world conditions that affect the Municipal Group and Municipality directly or indirectly. It also includes comments on risks and uncertainties related to these conditions.

The Municipal Group

This section describes the Municipal Group and the Municipality's overall operations in a broader context. It also includes information about the changes that occurred during the year with respect to both the organisation and ownership.



*Excluded from combined accounts

The Municipal Group consists of an organisation of committees in the municipal sector that constitute a legal entity, municipaland coordination associations mainly consisting of Greater Gothenburg Rescue Services and the company sector under the parent company Göteborgs Stadshus AB. The Municipal Group is usually presented in the combined accounts.

The summary shows the overall operations of the Municipality, which is a broader concept than the Municipal Group. The overall operations also include significant private providers, organisations in which the Municipality has ownership interests but that are not classified as Municipal Group companies and the Municipality's linked foundations and foundations with their own administration. The City of Gothenburg's ownership interests are specified in notes 11 and 29. In addition, note 1 describes what is included in the combined accounts.

As of 1 January 2021, the City of Gothenburg had a new organisation and the ten district committees and the Committee for Allocation of Social Welfare were replaced with departmental committees. The following six new committees with associated administrations were created:

- » Committee for the elderly, nursing and care
- » Committee for Disability Support
- » Social care committee Centrum
- » Social care committee Hisingen
- » Social care committee Nordost
- » Social care committee Sydväst

The Committee for Consumer and Citizen Services changed its name to the Committee for Democracy and Citizen Services.

Changes in ownership

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

- » Sörred Energi AB, 556618-8651, merged with Göteborg Energi AB.
- » Skår Fastigheter 1 AB, 559272-9106, was sold. Ownership was 100%.
- » Hotell Liseberg Heden AB, 556050-2501, was sold by Liseberg AB to Higab AB.

Several small warehouse companies were formed within Göteborgs Hamn AB.

Private providers

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

In services for people with disabilities, the cost for private providers is SEK 1.2 billion, which corresponds with 25% of net costs for this operational area. The largest provider is Föreningen Betaniahemmet at SEK 135 million.

In services individual and family care, the cost for private providers is SEK 0.8 billion, which corresponds with 20% of net costs for this operational area. In social services, in some cases all accommodation is managed by private providers. Individual places for social services healthcare and accommodation are largely procured and the largest provider is Gryning Vård AB* at SEK 78 million.

Within health and social care for the elderly, the cost for private providers is SEK 0.7 billion, which corresponds with 13% of net costs for this operational area. The largest private provider is Attendo Sverige AB at SEK 143 million.

For operations and maintenance of streets and parks, the cost of private providers is approximately SEK 0.4 billion, where the largest provider is LPE Sverige AB at SEK 117 million. Other operational areas with relatively low costs for private providers, but where they account for a large proportion of gross costs, are special transport services, SEK 0.2 billion, adult education services, SEK 0.2 billion, and other education, SEK 0.1 billion.

Since 2018, users have been able to choose their own home-help service providers under the *Act on System of Choice in the Public Sector (LOV)* and since 2019, this freedom of choice is also extended to daily activities under the *Act concerning Support and Service for Persons with Certain Disabilities (LSS)*. The costs for these services are SEK 77.9 million and SEK 25.2 million, respectively, and are included in the above amounts.

Many children and pupils attend private pre-schools and independent schools. These schools are run on the basis of the right of establishment and are not regarded as private providers. The cost of external providers amounts to a total of SEK 3.6 billion, which together accounts for 24% of total net costs in the operational area. External providers for pre-schools and after-school recreation centres account for 16%, compulsory schooling 21% and upper secondary school 50% of net costs for the respective operational area.

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

Overview of trends in operations

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

	2018	2019	2020	2021
All operations				
Number of residents	571,868	579,281	583,056	587,549
0-17 years	113,343	114,844	115,434	115,777
18-64 years	370,382	374,875	376,804	379,434
65- years	88,143	89,562	90,818	92,338
Number of employees in the Municipal Group*	55,857	56,142	53,552	59,750
of which Municipality	47,801	48,114	46,993	48,073
Sick leave Municipal Group (%)	-	-	9.0	8.1
Sick leave Municipality (%)	8.6	8.1	9.6	8.6
Earnings Municipal Group (MSEK)	2,355	2,406	3,323	5,438
Earnings Municipality (MSEK)	1,792	1,690	2,408	2,593
Net operating expenses Municipality (MSEK)	30,216	31,196	31,587	32,960
Pre-school				
Net cost Pre-school Committee (MSEK)*	4,135	4,310	4,265	4,385
Net cost deviation (%)***	-2.8	3.2	3.9	-
Number of children in pre-school, average March and October	30,044	29,961	30,024	29,675
Number of children who did not get a place within 4 months	177	2	0	0
Compulsory and special needs schools, pre-school class and after-school recreation centres				
Net cost Pre-school Committee (MSEK)**	7,256	7,814	7,947	8,726
Net cost deviation compulsory school and after-school recreation centres (%)***	1.8	6.9	8.4	-
Number of pupils in compulsory schools and special schools, average March and October	59,316	60,717	61,582	62,009
Percentage of pupils who achieved the goals in all subjects in year 9, registered locally	73.4	72.5	74.9	73.2
Upper secondary school				
Net cost Education Committee, upper secondary school (MSEK)	1,930	2,012	2,117	2,178
Net cost deviation (%)***	-8.5	-6.3	-3.0	-
Number of pupils in upper secondary and upper secondary special schools, average March and October	17,533	17,787	18,048	18,259
Upper secondary students who gained diploma within 3 years, registered locally, percentage (%)	61.9	60.8	63.2	66.6

	2018	2019	2020	2021
Adult education				
Net cost for labour market and adult education (MSEK)	485	497	432	425
Number of full-year places purchased	13,213	12,949	12,890	14,142
Elderly care and medical care				
Net cost Committee for the Elderly, nursing and care****	-	-	5,302	5,450
Net cost deviation (%)***	4.5	4.1	5.7	-
People in permanent special housing (average/month)*****	4,042	4,109	3,948	3,842
People receiving home-help services (average/month)*****	7,902	7,714	7,179	6,764
Individual and family care				
Net cost Social Care Committees (MSEK)****	-	-	4,159	4,251
Net cost deviation**	8.9	9.3	4.0	-
of which net cost income support (MSEK)****	-	-	905	913
Disability services				
Net cost Committee for Disability Support (MSEK)****	-	-	4,318	4,589
Net cost deviation LSS (%)***	6.7	4.6	6.4	-
Number of people with measure according to LSS	4,210	4,302	4,405	4,487
Culture and leisure				
Net cost committees (MSEK)	1,280	1,306	1,412	1,449
Number of library visits	4,219,000	4,167,000	2,863,000	2,257,000
Number of sports and exercise facility visits (Sports and Associations Committee)	1,203,030	1,096,716	657,787	381,633
Housing and building				
Number of completed homes	3,168	4,357	4,494	5,365
of which homes on municipal land	1,608	2,326	2,641	2,300
Number of homes in adopted local plans	6,389	1,282	3,285	1,202
Transport				
Percentage of journeys with public transport (%)	29	30	25	24
Percentage of journeys on foot or by bike (%)	27	28	28	29
Investment volume (MSEK)	1,168	1,241	1,926	1,303
Number of special transport journeys	617,727	655,535	413,470	423,396
Environment				
Drinking water quality, number of non-potable water samples	0	0	0	2
Number of complaints about waste collection	3,267	1,335	1,574	1,045
Number of food inspections	5,991	6,011	4,829	5,211

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

** 2018 includes net cost for the first half of the year for corresponding operations from the district committees

*** Percentage deviation between net cost per resident and reference cost as defined in the national financial equalisation system. Positive values indicate higher costs than expected and negative values indicate lower costs than expected. The figure for 2021 will be supplied by Statistics Sweden in May/June 2022.

**** For comparability, the 2020 net cost of the district committees and Committee for Allocation of Social Welfare is presented for corresponding activities (for disability support also earlier central municipal items)

***** Beginning with the 2021 annual report, figures are presented in accordance with the National Board of Health and Welfare monthly statistics.

For 2021, the number of people on average from January to November.

The year 2021 was once again largely marked by the Covid-19 pandemic. The year began with high case rates and extensive restrictions. These restrictions were gradually eased as the situation improved over the course of the year, but a new surge in cases at the end of the year resulted in the reintroduction of stricter measures.

These events affected the City's ability to conduct operations to varying degrees. Employees in all activities were affected, but the greatest impact was on those requiring close contact with users, where staffing challenges arose over time. As a result, the most essential services were given priority over other activities.

Open pre-school and meeting spaces for the elderly and people with disabilities were closed for much of the year. The same applied to museums, art exhibitions and the City Library. Valhalladets swimming pool and sport and leisure facilities were closed to the general public for extended periods in 2021, but were open for school activities, professional athletes and organised sport, leisure and cultural activities for children and young people. Liseberg was able to open in early June after being closed for 17 months, but with extensive restrictions that meant only a limited number of guests could enter the park.

Once again, the impact of the pandemic was great for both elderly care and disability services in 2021. For example, preventive and open services could not be provided, or had to be provided differently. Moreover, because of the risk of infection, the elderly have chosen to refrain from home-help services and, to a certain extent, even from housing for the elderly.

Older compulsory school pupils and all upper secondary school pupils were taught through distance learning, in whole or in part, during part of the year. Education was also affected by high sick leave rates. No clear negative effects have been observed regarding pupil performance for year 9 and upper secondary school year 3, but it is uncertain whether the pandemic may have more long-term effects on teaching and learning. The Compulsory School Committee notes that younger pupils and pupils in need of special

support in particular may have been negatively affected.

Another area where the impact of the pandemic is clearly visible is the negative trend for the number of passengers using public transport and special transport services.

Fears that were expressed about a slowdown in construction due to the pandemic have not yet materialised. In 2021, almost 5,400 homes were completed, of which Förvaltnings AB Framtiden accounted for almost 1,600. This was a clear increase compared with recent years.

The Municipality's net cost increased by 4.3% in 2021. However, this figure should be considered in light of the extremely low increase in 2020. Once again, the net cost was lower in 2021 as a result of temporary government subsidies and a situation in which not all activities could be conducted to the full extent. The lower population increase in 2020 and 2021 also helped to curb rising costs. Seen over a two-year period, the net cost increase is lower than expected, which can also be seen in the Municipality's performance. The net cost increase will therefore likely be higher over the next few years, as operations return to normal and the temporary government subsidies are cut back.

The inability to provide services at full capacity in 2020 and 2021 also had an impact on the number of employees. After a decline in 2020, the number of employees in the Municipality in December 2021 was approximately the same as in 2019. For the Municipal Group, the main reason for this large increase compared with 2020 is that Liseberg was closed in December 2020.

Key conditions for earnings and financial position

This section contains information about conditions that are not recognised in the balance sheet or the income statement, but that are important for an assessment of the Municipality's earnings or financial position. The section begins with a description of external factors within areas of relevance to the City. Information is also presented on financial risks, pension obligations and the internal dealings that occur within the Group.

As in 2020, the population of the City increased to a lower extent than in previous years, which was in line with the population forecast for 2021. However, the trend differed for different age groups in relation to the forecast. The number of pre-school children declined more than expected, while the number of children in the lower compulsory school ages fell slightly instead of increasing. As a result the need for pre-school and compulsory school was less than planned. However, the number of residents aged 20–64 years increased somewhat more than forecast, which does not have the same direct impact on the City's operations.

Once again in 2021, because of the pandemic, certain activities could not be conducted during part of the year, or were not conducted at full capacity, while other activities could be conducted digitally. As a result, the personnel and net cost increase was not as high as otherwise might have been expected. In 2020, the government implemented extensive support measures in response to the pandemic. The general government subsidies were expanded to offset the lower tax revenue, while special targeted government subsidies were implemented to cover the added costs in care services. In addition, temporary rules were implemented to provide increased compensation for sick pay costs. In total, the support measures were estimated to amount to SEK 1.4 billion for the Group in 2020.

In 2021, these support measures have gradually begun to be phased out. The increased compensation for sick pay costs remained until 30 September, after which it returned to pre-pandemic levels. The large additions of general government subsidies have also gradually begun to be phased out. At the same time, a large portion of the general additions that the Riksdag approved in 2020 have become permanent, thereby raising the level of government subsidies for the coming years as well. Of the temporary pandemic-related general government subsidies, just under SEK 400 million remained for the City in 2021. These subsidies will be reduced by 50% in 2022 and eliminated completely in 2023. The total support measures are estimated to amount to SEK 0.9 billion for the Group in 2021, including SEK 0.7 billion for the Municipality and SEK 0.2 billion for the companies.

The City's investments in urban development are increasingly affecting its financial position, since the City cannot fully finance them with its own funds. Meanwhile, the increase in indebtedness was relatively low in 2021 because of high capital gains and resultant high earnings. In addition, investment plans were postponed and the investment rate was lower than planned compared with 2020 and 2019. Going forward, a continued high debt trend can be expected, in line with budget goals that have been set, and which can be attributed to the City's current urban development needs.

Financial monitoring and risk management

The Group's total external net borrowing was SEK 50.9 billion at the end of the year, an increase of SEK 0.9 billion compared with the previous year. The Municipality's net borrowing, the Municipality's own borrowing needs, totalled SEK 7.4 billion at the end of the year. Net borrowing increased by SEK 1.1 billion compared with the same period the previous year.

The financial infrastructure

Financing activities are conducted based on the financial guidelines, which are decided by the City Council and include risk mandates and limits for financial activities within the Municipality and Municipal Group. Financial administration for the Municipality and the Municipal Group is coordinated through the Group Bank at the City of Gothenburg Executive Office. The purpose of coordination is both to achieve lower total borrowing costs by leveraging economies of scale and the Municipality's good credit rating, and to be able to manage financial risks from a holistic perspective. Monthly feedback regarding compliance with financing activity guidelines is presented to the City Executive Board.

Borrowing

All external borrowing in the Group is coordinated through the Group Bank. Consequently, the Municipality is responsible for all credit to the Group companies, with the exception of loans for dividends and financing of shares in subsidiaries, where the companies themselves are responsible for the borrowing with a municipal guarantee. Borrowing takes place through several different financing sources:

Capital market: Most of the loan financing, 68%, takes place in the open capital market through bond issues and certificates. There are established capital market programmes for this purpose. The Municipality has a bond programme (*Euro medium Term Note*, EMTN), a certificate programme denominated in SEK (*municipal certificate programme*, KCP), and a certificate programme denominated in USD (*eurocommercial paper*, ECP). During the year, six bonds totalling SEK 6.5 billion were issued within the City's bond programme.

Kommuninvest: Kommuninvest i Sverige AB is a Swedish credit market company that offers loans to the Swedish municipalities and regions

that own and are members of Kommuninvest Cooperative Society.

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

The table below shows the breakdown between different sources of financing and the level of agreed loan limits on 31 December 2021.

Funding sources

Programme	Loan limit	Degree of utilisation
EMTN, bond loans	EUR 6 bn	SEK 28.9 bn NOK 2.8 bn SEK 15.3 bn
of which green bonds		
KCP, short loans <1 year	SEK 6 bn	SEK 0.8 bn
ECP, short loans <1 year	USD 0.5 bn	USD 0.2 bn
Kommuninvest		SEK 8.2 bn
European Investment Bank	SEK 9.9 bn	SEK 6.2 bn
Council of Europe Development Bank		SEK 1.0 bn
Nordic Investment Bank		SEK 1.0 bn

Continued high credit rating

In order to have full access to the capital market, the Municipality has a credit rating. The credit rating agency Standard & Poor's confirmed the Municipality's strong credit rating in 2021. The Municipality's credit rating is the second highest, AA+ with a stable outlook. For investors, the Municipality's high rating means that lending capital to the City of Gothenburg is associated with very low risk.

Derivatives portfolio

Borrowing takes place at both variable and fixed interest rates. The Group Bank is responsible for both interest and financing risk. Until 31 December 2019, parts of the companies' debt was hedged through derivatives at the companies themselves, and the existing interest rate derivatives held by the companies are matured. As of 2020, the companies will not enter into any interest rate derivatives of their own.

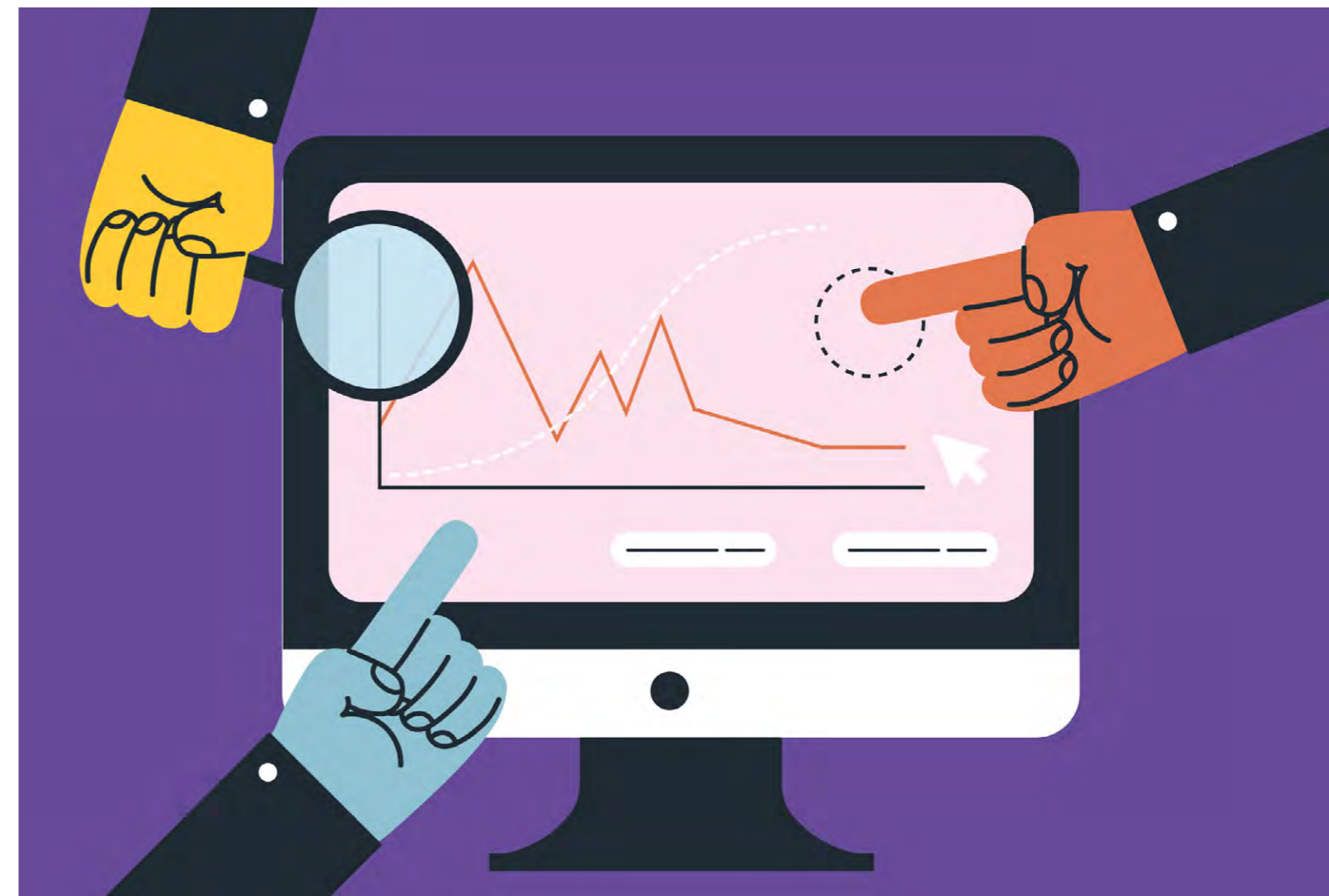
The Municipality uses derivative instruments to hedge interest rate and currencies on underlying loans. The nominal value of the derivative portfolio in the Group amounted to SEK 19.3 billion for interest rate hedging and SEK 4.8 billion for currency and interest rate hedging for bond loans in foreign currency. On 31 December 2021, interest rate derivatives had a negative market value of SEK 0.3 billion. A negative market value can be described as the interest that would have been paid if the interest rate derivatives had been redeemed prematurely on the balance sheet day. In 2021, interest rate hedging through interest rate derivatives increased the Municipality's borrowing costs from SEK 61 million by SEK 75 million.

Effectiveness of hedging instruments

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

City of Gothenburg's risk management

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



Interest risk

Interest risk refers to the risk that a rapid change in market rates will negatively impact the Municipal Group's net financial items. The risk is managed through risk mandates for fixed interest term and interest maturity decided by the City Council:

- » The average fixed interest term on the total external borrowing should not be less than two years and should not exceed six years.
Outcome: 3.1 years
- » A maximum of 35% of total fixed interest term may mature within the next twelve-month period.
Outcome: 32%

Financing risk

Financing risk refers to the risk at any given time of not having access, or having access only at a higher cost, to funds for payments. The risk is managed through risk mandates for capital commitment and capital maturity decided by the City Council:

- » Binding loan commitments shall cover loans maturing over the next twelve months (at least 100%).
Outcome: Contribution margin 154%
- » Binding loan commitments and liquidity reserve shall cover loans maturing over the next twelve months plus forecasted net outflow for the next twelve months (at least 100%).
Outcome: Contribution margin 125%
- » The average maturity on the total external borrowing should not be less than two years and should not exceed six years.
Outcome: 3.3 years
- » A maximum of 35% of total external borrowing may mature within the next twelve months.
Outcome: 22%

The Municipality has SEK 900 million in agreed overdraft facilities, of which SEK 900 million was undrawn as of 31 December 2021.

Counterparty risk

Counterparty risk refers to the risk that the counterparty will not be able to fulfil its contractual obligations. The risk is managed through risk mandates for counterparties decided by the City Council:

- » For new agreements on overdraft facilities, binding loan commitments and derivative

instruments, the counterparty's long credit rating shall be at least A3 at the Moody's credit rating agency, or at least A- at Standard & Poor's.

Outcome: No deviations

- » A maximum of 35% of the total counterparty risk in derivative agreements may be with an individual counterparty.
Outcome: Counterparty with the highest share amounts to 30%.
- » A maximum of 35% of the total volume of credit commitments may be with an individual counterparty.
Outcome: Counterparty with the highest share amounts to 21%.

Currency risk

Currency risk refers to the risk of incurring increased costs due to fluctuations in exchange rates. Currency risk arises when purchases, sales, borrowings, or investments are made in foreign currencies. Currency risks must be hedged immediately regarding financial assets and liabilities, and with the sale and purchase of goods or services, currency hedging must be made by a significant amount.

» **Outcome: No deviations for this risk**

Operational risk

Operational risk refers to the risk of losses from inadequate internal procedures, errors caused by the human factor, or failed systems. Operational risks must be limited through internal controls and procedures for continuous identification, assessment and management of operational risks in financing activities.

» **Outcome: No deviations for this risk**

Green bonds

As part of the bond programme, green bonds are issued to finance various projects within the framework of the City's environmental programme. Five of the year's bond issues have been green bonds totalling SEK 5.3 billion. The City has a total of SEK 15.3 billion in outstanding green bonds, which is 48% of the City's total bond volume and 30% of total borrowing. The breakdown of projects can be seen in the table below. As of 31 December 2021, the project portfolio totalled SEK 3.6 billion, which means that in 2022 there is room to borrow SEK 0.6 billion for projects that have already been classified as green.

Project breakdown – Green bonds

Project (MSEK)	Administration/ Company	Project category	2013-2017	2018	2019	2020	2021
GoBiGas	Göteborg Energi AB	Renewable energy	920	-920	-	-	-
Ultrafilter	Eco-cycle and Water Committee	Water management	575	-	22	27	58
Electric vehicles	Gatubolaget AB/ Göteborgs Stads Leasing AB	Sustainable transport	79	17	27	34	39
Denitrification	Gryaab AB	Water management	353	3	-	-	-
Tree planting	Parks and Landscape Committee	Sustainable environment	25	8	7	8	7
Celsius district heating	Göteborg Energi AB	Energy efficiency	5	-	-	-	-
Pedestrian-friendly city	Traffic & Public Transport Authority	Sustainable transport	77	32	17	8	7
Cycle-friendly city	Traffic & Public Transport Authority	Sustainable transport	116	65	84	80	61
Energy efficiency in traffic	Traffic & Public Transport Authority	Energy efficiency	127	43	18	46	41
Sustainable construction*	City Premises Administration	Green buildings	1,781	707	906	70	750
Framtiden**	Förvaltnings AB Framtiden AB	Green buildings	1,359	830	1,633	1,302	1,416
Trams	Göteborgs Stads Leasing AB	Sustainable transport	261	41	9	-311	-
Kodammarna pumping station	Eco-cycle and Water	Water management	34	80	66	117	98
Solar cell park	Göteborg Energi AB	Renewable energy	-	38	6	31	14
Selma Stad	Förvaltnings AB Göteborgslokaler	Green buildings	-	239	214	118	-
Water and sewage lines	Eco-cycle and Water	Water management	-	-	69	15	78
Stormwater management	Eco-cycle and Water	Water management	-	-	6	22	24
Brudare mossen landfill	Eco-cycle and Water	Water management	-	-	28	18	0
Hotels	Liseberg AB	Green buildings	-	-	65	277	435
Electric buses	GS Buss AB	Sustainable transport	-	-	92	40	-
Commercial Premises	HIGAB	Green buildings	-	-	144	-	106
500 new public charging sites for electric cars	Göteborg Energi AB	Sustainable transport	-	-	-	-	19
Replacement of furnaces Rya HVC*	Göteborg Energi AB	Renewable energy	-	-	-	-	364
Björlanda Pump Chain	Eco-cycle and Water	Water management	-	-	-	-	59
Vadhavet wetland	Göteborgs Hamn	Biodiversity	-	-	-	-	47
Solar cells LF	City Premises Administration	Renewable energy	-	-	-	-	22
Total per year			5,712	1,182	3,414	1,902	3,645
Total accumulated				6,894	10,308	12,211	15,855

* City Premises Administration volume for 2021: SEK 750 million, consists of additions of SEK 599 million and deletions of SEK 0 million.

** Framtidens volume for 2021: SEK 1,416 million, consists of additions of SEK 122 million and deletions of SEK 0 million.

Disclosure about pension obligations

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

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Pension obligations				
1. Total pension obligation on balance sheet and contingent liability	13,973	14,284	15,318	15,628
a. of which provision incl. special employer's contribution	3,578	4,055	4,799	5,278
b. of which contingent liability incl. special employer's contribution	10,395	10,229	10,519	10,350
2. Pension obligations secured in pension insurance	437	411	1,620	1,657
3. Pension obligations secured in pension foundation	0	0	0	0
4. Total pension obligation (incl. insurance and foundation)	14,410	14,695	16,938	17,285
Managed pension funds – Market value				
5. Total pension insurance capital	616	693	2,102	2,198
a. of which surplus funds	86	128	188	238
6. Total assets, pension foundation	0	0	0	0
7. Financial investments (own managed pension funds)	0	0	0	0
8. Total managed pension funds	616	693	2,102	2,198
Financing				
9. Funds re-invested	13,794	14,002	14,836	15,088
10. Consolidation rate	4	5	12	13

Disclosure about own managed pension funds:

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

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

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

The table above presents the total pension obligations of the Municipality and the Municipal Group in the balance sheet and as a contingent liability. The largest portion relates to obligations for pensions and special employer's contribution prior to 1998. These obligations are not recognised as a provision in the balance sheet, but as a contingent liability pursuant to the Municipal Accounting Act.

As of 31 December 2021, there was also an accrued defined-contribution pension in the Municipality of SEK 872 million including special employer's contribution.

The City of Gothenburg's guidelines for financing activities state that funds set aside for pension obligations that are managed by the City of Gothenburg should primarily be re-invested as a loan, which means that the funds are used in the City's own operations. The background is that the Municipality is a net borrower, which means

that its financial liabilities are greater than its financial assets. An investment of pension funds would then require an increase in borrowing. The Municipality therefore works according to the principle that pension funds should not be invested externally as long as the Municipality is a net borrower. The Municipality has no invested pension funds of its own. Pensions earned before 1998 are managed entirely as loans, with the exception of the insurance redemption of SEK 700 million that was made according to separate procurement. Pensions earned from 1998 are paid as occupational pension insurance to procured pension insurance companies, and the employee selects a pension or unit-linked insurance to which the pension contribution is to be paid. Changed life expectancy commitments in the calculation of the pension liability in 2021 have entailed an increased cost of SEK 115 million including employer's contribution.

Significant events

During the year a number of decisions were made at various levels in the City of Gothenburg to enable the city's development, safeguard the high quality of services and mitigate the effects of the pandemic. A selection of important decisions and events are described below.

With effect from 1 January 2021 the administrative structure of the City of Gothenburg was reorganised. The ten district committees and the Committee for Allocation of Social Welfare were replaced by departmental committees. Six new committees and associated administrations were created: the Committee for the Elderly, Nursing and Care, the Committee for Disability Support, and social care committees for Centrum, Nordost, Hisingen and Sydväst.

During the year, the City Council approved a new organisation for urban development. At the turn of the year 2022/2023, the Planning and Building Committee, Property Management Committee, Road Traffic Committee, Parks and Landscape Committee and the Commercial Premises Committee will cease to exist. In their place, the City of Gothenburg will have four new committees. They will be responsible for spatial planning, development, implementation and management of land, and implementation and management of buildings.

The City of Gothenburg took a number of decisions at various levels to prevent the spread of Covid-19 and mitigate the effects of the pandemic. In autumn, most companies and administrations experienced some impact on their abilities to carry out their basic assignment. Restrictions were gradually lifted as the percentage of the population that had received vaccinations increased. In October, employees began to return to their workplaces, while certain measures remained in force in the various services. Following the appearance of a new variant of the virus, the spread of infection increased again at the end of the year and new measures were taken. Employees were encouraged to work from home where possible, following the recommendations of the Swedish Public Health Agency. The situation in some administrations was again strained due to staff shortages.

The City of Gothenburg placed greater emphasis on improving security and crime prevention in the city during the year. In response to a report submitted to the City Executive Board that described a culture of silence in the City of Gothenburg, in-depth studies of the situation and surveys of the culture of silence are now being drawn up. A proposal for a programme to improve security and prevent crime has been developed, as well as an action plan that will guide efforts to tackle problems in vulnerable areas. The goal is for the city to have no vulnerable areas by 2025.

Extensive work is already under way in the city to increase security and reduce crime, including the *Safe in Gothenburg (Trygg i Göteborg)* initiative and the new *Group Violence Intervention (GVI)*, inspired by a crime prevention initiative in the city of Malmö.

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

Programmes and plans:

- » *Plan for crisis preparedness and civil defence measures 2021–2023*
- » *Environment and climate programme 2021–2030*
- » *Programme for housing provision 2021–2026*
- » *Electrification plan 2021–2030*
- » *General plan for Gothenburg, with greater detail for Västra Arendal and Torsviken in the districts of Arendal, Syrån and Torslanda*



The City Council has also decided, among other things, to:

- » Adopt a guideline for guarantees of dignity in care of the elderly
- » Adopt a guideline for land allocation within the City of Gothenburg
- » Adopt a guideline for governance, coordination and financing of digital development and management
- » Adopt the *City of Gothenburg's guideline for coordinated construction*
- » Adopt a policy decision regarding a new pedestrian and cycle bridge between Lindholmen and Centrum
- » Approve an alternative for the Lindholmen link and a new project framework for tram and city bus services between Brunnsbo and Linné / Implementation decision and implementation agreement for Backastråket city bus service
- » Assign Framtiden to increase conversion work in areas dominated by rental apartments, increase the number of stakeholders in housing sales in vulnerable areas of the city, and ensure

- that most new housing consists of shared ownership housing and single-family homes
- » Extend the *action plan for mental health 2018–2022* in Västra Götaland
- » Adopt an *action plan for suicide prevention 2020–2025* in Västra Götaland

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

- » Local plan for the West Link (Västlänken) central station in the Gullbergsvass district in Gothenburg
- » Local plan for Gamlestaden factories in the districts of Gamlestaden, Olskroken and Bagaregården in Gothenburg
- » Local plan for business, trade and housing north of the Central Station in the Gullbergsvass district
- » Local plan for the University of Gothenburg at Renströmsparken, phase 1, in the Lorensberg district

Important events

- » Decision to sign agreement and on the location of support centres for people at risk of honour-based violence and oppression.
- » Presentation of *Tranzero Initiative* – a collaborative project between the Port of Gothenburg, the Volvo Group, Scania and Stena Line to accelerate the transition to fossil-free transport to and from the port. One of the measures under this project will be the Nordic region's first public station for supplying heavy vehicles with charging and hydrogen, planned for completion in 2022.
- » Gothenburg celebrated its 400-year anniversary on a small scale on 4 June. Due to the Covid-19 pandemic, the big anniversary programme has been postponed until 2023.
- » As Covid restrictions were eased during early summer, Liseberg and the city's sports facilities, arenas and other cultural attractions were able to open for limited numbers of visitors.
- » The opening ceremony for the new Hisingsbron bridge was held in September and it opened to traffic on 9 May. Some buckling of the steel structure was discovered during commissioning. Considerable efforts have been taken to identify the cause and select a method for repairing the buckling. Repairs have begun.
- » The latest police assessment of the situation in the most vulnerable areas of Sweden shows a positive trend in Gothenburg. Tynnered is no longer on the police list of particularly vulnerable areas; Gärdsten is now at lower risk and Rannebergen has been completely removed from the list.
- » Higab is selling three properties at Medicinareberget with a combined area of 52,800 square metres, including Odontologen.
- » The Swedish Schools Inspectorate decided to close the independent Römossa schools due to shortcomings in operations. The administrative court deferred the decision, which meant that the schools could remain open pending their judgement. On 15 February 2022, the administrative court decided to refer the matter back to the Swedish Schools Inspectorate. For a period of time the City wanted the financial contribution to the schools to be deposited with the County Administrative Board, but in November it

- was decided that the funding would be paid out. At the end of the year, the schools' representatives reported that the schools no longer had a bank account to accept funds, since the bank had closed the association's account.
- » The City of Gothenburg has signed a letter of intent with Volvo Cars and Northvolt for a new plant that will manufacture lithium-ion batteries for Volvo's electric cars. The battery plant will be located next to Volvo's existing Torslanda plant.
- » The war in Ukraine broke out shortly after the end of the reporting period. The extent of the war and its effects could have major consequences for the economy and for services. Work has begun on analysing the possible consequences and reviewing the need for coordination.

Impact on the financial reports

High capital gains of SEK 3 billion affected the financial reports during the year, with almost equal contributions from the Municipality and its companies. The Municipality's capital gains arose from the City's development activities, while the companies' capital gains were mainly due to property sales by Higab.

The effects of the pandemic have had a continued impact on the financial reports. In 2020, the government introduced extensive support measures. Parts of these will be phased out gradually by 2023, but most have been made permanent and have thus also raised the level of state subsidies from 2021 onwards. Municipal costs, which were low last year because the City had to limit the extent of some services, are now returning to a higher level. This trend is a result of the fact that services have gradually begun to return to a normal level.

Otherwise, many of the significant events described consist of investment decisions and future development measures. These will mainly have an impact on the financial reports in the long term, as the investments are implemented.



Governance and monitoring of municipal operations

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

Governance frameworks

The City of Gothenburg's governance system integrates planning and monitoring, risk management, internal management and control, as well as quality management.

The governance, monitoring and control of committees and company boards must be systematic, preventive and development-oriented. The City's guidelines for governance, follow-up and control are therefore based on the PDSA model (plan, do, study, act) in order to clarify what is expected of committees and company boards in the various phases of governance.

In general terms, this requires that committees and company boards have an effective system for governance, monitoring and control that is documented in those areas where this is deemed effective. The term system refers here to the framework of systematic methods, structure and culture that the committee and administration or the board and the company use to guide them towards achieving goals and fulfilling assignments.

Evaluation of governance, monitoring and control

Committees and boards must annually assess their management systems for operations to ensure they are satisfactory in relation to the common requirements that are set. This assessment must be conducted every year to ensure long-term efficiency as the management system is influenced by the ever-changing dynamics within the organisations.

The criteria developed to support the assessment include structure, systematic methods and organisational culture. A sufficiently effective system must provide management levels with relevant information, so that decision-makers at different levels can make informed decisions and thus take responsibility for the operations. This applies regardless of whether it involves planning of operations, risk assessments, results from internal control, deviation management, analysis and conclusions of results or decisions on improvement initiatives. In addition to this infrastructure for governance, the management system must support a communicative and open climate and actions that are in line with the best interests of the operations.

The assessment conducted in 2021 shows that the new committees and administrations created as part of the organisational changes are currently being built up, and reliable forms of governance and management processes are being established. Other committees and boards are in the administrative phase. It is the assessment of these committees and boards that their management systems are sufficiently effective and that they are taking action in those areas that require improvement.

Whistleblower service

In 2021, the City's whistleblower service dealt with 76 reports of suspected irregularities. The reports varied in nature and concerned job appointments, purchasing/procurement, second jobs and conflicts of interest, misuse of the City's resources, and issues relating to health and safety and leadership. A growing number of people are using the City's whistleblower service to report suspected irregularities and other misconduct in operations. No external investigations were initiated by the whistleblower service in 2021, but two administrations have ordered external reviews following reports that were received. These were led by the administrations, as the reports did not involve personnel in senior positions. The organisation that was reported most frequently in the past year was Göteborgs Spårvägar.

In December 2021, the Swedish *Whistleblowing Act (2021: 890)* came into force. This means that the whistleblower service will be regulated by law and there will be a designated supervisory authority. All forms of misconduct that relate to matters of public interest will be reportable issues in future. The scope of reporting was previously limited to serious misconduct involving personnel in senior positions or key roles.

New social care committees set up

At the turn of the year 2020/2021, six new social care committees were established to replace the district committees and the Committee for Allocation of Social Welfare. The six new social care committees are the Committee for the Elderly, Nursing and Care, the Committee for Disability Support, and social care committees for Centrum, Nordost, Hisingen and Sydväst. Unlike the districts, the operational responsibility of these new committees is limited to a narrower target group. This organisational change is intended to give the City of Gothenburg better opportunities to offer more equal and effective welfare.

Some activities and certain responsibilities were transferred to other existing committees. Among other things, the committee for democracy and citizen service was given greater responsibility for developing local democracy. Local responsibility for improving security, public health, social experience in community planning and collaboration with civil society, which was previously shared by the districts, has been divided between other committees as a result of the reorganisation. Collaboration between relevant committees in these areas will be based on the areas of the city that were drawn up during the reorganisation.

New organisation for urban development

The City Executive Board instructed that an earlier review of the City's organisation for urban development should be updated during the year. After reporting back on this assignment, the City Council decided at the end of November 2021 to go ahead with the organisational changes. The purpose of the changes is to ensure that the organisation delivers a more integrated urban development process – for planning, implementation and administration of the city. The changes will contribute to increased efficiency and transparency in urban development, for residents, visitors and businesses.

The decision means that four new committees will be set up at the turn of the year 2022/2023. Operational responsibility will be allocated in a different way than at present, but another important aspect involves changing mandates, roles and interfaces in urban development processes. This in turn requires other changes in working methods, financial flows and processes. The five current committees will be wound up when the new organisation comes into effect. These are the Planning and Building Committee, Property Management Committee, Road Traffic Committee, Parks and Landscape Committee and the Commercial Premises Committee. The new committees that will be set up are:

- » Spatial Planning Committee
- » Development Committee
- » Committee for Land Implementation and Management
- » Committee for Building Implementation and Management.

Among other things, this process involves clarifying central working methods and processes in the new organisational structure at an overall level to ensure that the changes meet the stated purposes and objectives.

New environmental governance

The City of Gothenburg continued to improve its collective environmental governance during the year. The City Council's approval of a common environmental management system in November 2020 was followed in March by approval for the *City of Gothenburg's Environment and Climate Programme 2021–2030*. The programme's 3 overall goals for nature, climate and people, comprising 12 twelve targets and 7 general strategies, will pave the way for the transition to an ecologically sustainable city.

Following approval, the focus for the year was to anchor both programmes and management systems among the City's administrations and companies. The Environment and Climate Committee, which has a central role in supporting and driving the work, has carried out the first round of supporting audits, an important driving force in the environmental management system. The audits will in particular assist the City's administrations and companies in their systematic environmental efforts, ensure compliance with regulations for systematic environmental management, and identify any deviations for the city as a whole. They involve extensive consultation and are an opportunity to pass on good examples and experiences.

Most administrations and all companies have set up or started to set up foundations for systematic environmental work, and many companies have made good progress during the year. Many of the administrations and companies that are leading the way have reviewed and assessed their environmental impact thoroughly, which is a requirement for making environmental work more efficient. The companies, which have a history of working more systematically with environmental management, for example by following the *Swedish Environmental Base* or ISO 14001 standard, have made greater progress towards the City's internal requirements. Based on the conclusions of the audits, most administrations and companies are expected to meet the requirements for systematic environmental management by the start of 2022.

It is important that the *City of Gothenburg's Environment and Climate Programme* that was adopted during the year is now reflected in the local efforts of the administrations and companies, for example by establishing collaboration and monitoring.

New guidelines for digitalisation of the city

On 25 November 2021, the City Council approved the *City of Gothenburg guidelines for governance, coordination and financing of digital development and management*. The guidelines are part of a revised governance model for digitalisation and IT. The revised governance model is expected to make the digitalisation process more efficient and fit for purpose.

The governance model is intended to enable new working methods that are expected to contribute to stronger governance and allow overall priorities to be applied to the Municipal Group as a whole. This can only be achieved if the administrations and companies prepare and adapt for new ways of working.

The entire governance model, i.e. all governing documents relating to IT and digitalisation, has been adapted and consolidated so that it is better aligned with the intended subject of the governance, financing and coordination model. The regulations for the relevant committees will also be reviewed by 2023, when the new governance model comes into effect.



Good financial management and financial position

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

The City Council has adopted guidelines for sound financial management in accordance with the Local Government Act. The guidelines set a long-term strategic perspective for operations and finances that extends beyond the budget perspective of one or three years. An overall budget is not prepared for the Municipal Group. Good financial management includes a financial perspective and an operational perspective. The principle underlying the financial perspective is that each generation must bear the costs of the services it uses. This means that no generation should have to pay for the services a previous generation has used. The principle underlying the operational perspective is that the Municipality must conduct its operations in a cost-effective manner that is fit for purpose. The Annual Report assesses whether the Municipality and the Municipal Group are developing in line with good financial management. This assessment must also report whether there is any need to adjust the targets in future budgets to maintain the long-term goals of the guidelines. To assess whether goals have been fulfilled and good financial management has been achieved, the City Management Office assesses both the overall goals and overall operational goals.

On the whole, the City of Gothenburg is deemed to have had good financial management in 2021.

In the case of the financial goals, the target values set by the City Council were exceeded for 2021 and over a ten-year average according to the financial guidelines.

In the case of the overall operational goals, where assessment was possible, the majority are deemed to be fully or partly fulfilled. The pandemic has again had a negative impact on the overall operational goals in 2021, and for several of the goals this meant they were not fulfilled as well as would otherwise be expected. For some of the overall operational goals, the ability to assess fulfilment was complicated by changes in the citizen satisfaction survey conducted by Statistics Sweden (SCB) that came into effect in 2021. This means that the outcomes for a number of indicators are not available for 2021.

The overall assessment from a financial perspective and an operational perspective is that the City's finances have been managed well based on the target values for 2021 set by the City Council.

The City Council's overall goals

In its 2021 budget, the City Council agreed on three overall goals for all City operations. Each of the overall goals corresponds to a number of overall operational goals. The City Council has established indicators and target values for each of these overall operational goals.

Assessment of whether or not the overall goals have been met is based on a general assessment of the degree to which the overall operational goals have been fulfilled. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target value indicators have been met. Consideration is also given to the long-term trend in indicators, as well as other information and data that are considered relevant as a measure of development.

The following is a brief account of the assessment, together with a table showing the assessment for each of the overall goals and overall operational goals.

For the overall goal *Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded*, the assessment is that it is partly fulfilled. Two of the overall operational goals are partly fulfilled, two are difficult to assess and two are not considered to be met. The pandemic has had a large impact on the overall operational goals. It had a particularly big impact on the City's care of the elderly services. The results for schools were also negatively affected, as was the City's ability to provide early social initiatives during the year. The visitor

industry and the city of culture, sports and events also experienced considerable negative impact. The assessment for the overall goal *Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future* is that it is partly fulfilled. Two of the overall operational goals are considered partly fulfilled, one is difficult to assess and one is not considered to be met. The goals show a varied picture, partly due to the pandemic. Some indicators measure the effect of a long-term process of change, and the results for an individual year are not always available. However, it is relevant to track the trend towards a long-term goal, not just the value for an individual year. Generally, it can be said that Gothenburg is to some extent a sustainably growing metropolitan city where steps are being taken to create a safe environment with confidence in the future.

The overall goal *Gothenburg is a metropolitan city with a stable economy and strong growth* is considered to be partly fulfilled. Two of the overall operational goals are considered to have been fulfilled, two are partly fulfilled and one is difficult to assess. The City's financial position is stable, but there are long-term challenges. Unemployment is now falling again and the impact on income support was never as great as feared. Following the downturn that resulted from the pandemic, growth is now strong and the number of newly registered companies has risen. Despite this, the perceived improvement in the business climate has stalled.

City Council's goals and overall operational goals	Assessment of goal fulfilment for 2021
Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded	Partly fulfilled
Gothenburg has pre-schools and schools that foster equality	Not fulfilled
Gothenburg takes early social initiatives to create equal living opportunities for everyone	Partly fulfilled
Gothenburg provides dignified and reassuring care for the elderly, with freedom of choice	Difficult to assess
Gothenburg is distinguished by close collaboration between the City, academia, civil society and the business community	Partly fulfilled
Gothenburg is a vibrant city of culture, sports and events for residents and visitors alike	Difficult to assess
Gothenburg is an equal city that fosters a sense of community and trust	Not fulfilled
Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future	Partly fulfilled
Gothenburg takes responsibility for the quality of life of future generations	Difficult to assess
Gothenburg is a city with sustainable mobility and good accessibility	Partly fulfilled
Gothenburg is a safe and well-managed city	Not fulfilled
Gothenburg has attractive urban spaces that are dense and varied	Partly fulfilled
Gothenburg is a metropolitan city with a stable economy and strong growth	Partly fulfilled
Gothenburg has a balanced budget and long-term sustainable finances	Fulfilled
Residents of Gothenburg get value for their taxes and high-quality welfare	Partly fulfilled
The City of Gothenburg is an attractive employer that provides good working conditions	Partly fulfilled
Gothenburg has an attractive and innovative business community of a high international standard	Difficult to assess
Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good	Fulfilled

Financial targets for the City

The table below shows the financial focus areas for good financial management as decided by the City Council. The interpretation of good financial management in the City is based on four focus areas with long-term targets. In addition to a focus area for the annual minimum level of the aggregate equity/assets ratio for the Municipal Group, the focus areas refer to the Municipality and are set as ten-year average levels of earnings, level of self-financing of investments and balance in land development activities. The annual targets set in the budget are based on the long-term focus areas. The outcomes for 2021, as well as from a ten-year average, exceed the targets approved by the City Council. Good financial management is therefore deemed to be in place from a financial perspective.

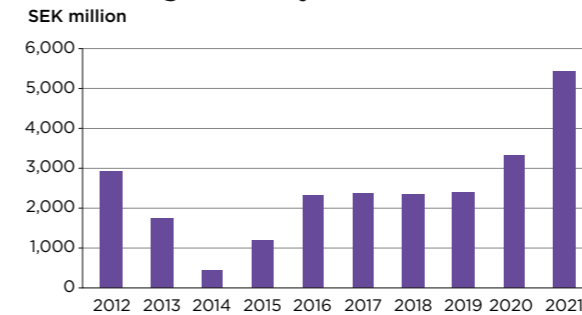
Focus areas	Target 2021	Outcome 2021	Target 2021 rolling ten-year basis	Outcome 2021 rolling ten-year basis
The equity/assets ratio for the Municipal Group should be 15%, including the contingent liability for pension obligations.	15%	25%	-	-
Over a rolling ten-year period, earnings should be at least 2% of the Municipality's tax revenue and municipal financial equalisation.	0%	7.3%	3.5%	4.7%
The level of self-financing of investments should be at least 50% over a rolling ten-year period.	26%	156%	94%	115%
Land development activities should be in balance over a rolling ten-year period.	-*	-*	100%	112%

* The 2021 budget does not provide any targets for 2021 for the level of self-financing of land development activities, but only states the long-term targets for the rolling ten-year period.

Financial analysis of the Municipal Group

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

Net earnings for the year



Net earnings for the year totalled SEK 5,438 million for the Municipal Group, of which the Municipality accounted for SEK 2,593 million, the companies SEK 2,812 million and the joint statutory authorities SEK 8 million. Adjustments for handling internal transactions relating to the Municipality and the companies amounted to SEK 25 million and mainly comprised a positive adjustment to earnings relating to an external sale of previous internal profits, as well as a negative adjustment to earnings relating to an internal profit when property was transferred from the Municipality to the companies.

The significantly higher consolidated earnings can largely be explained by capital gains, SEK 2,967 million, where the Municipality and companies contributed essentially equal parts. The companies' part mainly consists of capital gains from Higab's property sales. As in the previous year, the Municipality received extra government subsidies, as well as compensation for sick pay costs and for added costs in care and social services attributable to the pandemic. Parts of these subsidies have been made permanent, while others are gradually being phased out beginning in 2021 and moving forward. In addition, the trend for the City's tax revenue was significantly better than expected, since the number of hours worked during the year rose faster than what most analysts had expected. Consequently, unlike the previous year, the cost trend also increased because activities gradually returned to a normal status over the course of the year.

Net earnings for the year combined with net earnings from prior years helped to generally strengthen long-term financial manoeuvrability.

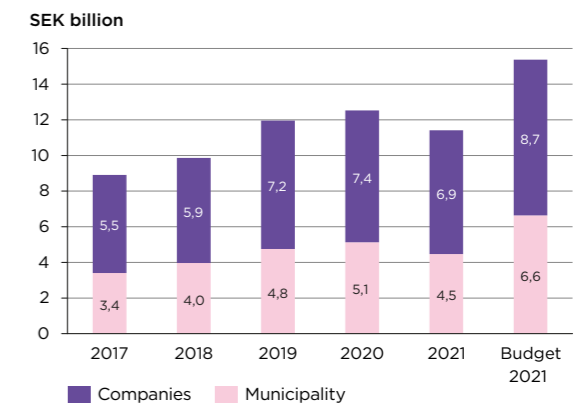
Revenue for the operation

The Municipal Group reported income of SEK 66.8 billion in 2021, of which 53% comprised tax revenue, general government subsidies and municipal financial equalisation. The corresponding proportion in 2020 was 58%. The changed share was primarily affected by high capital gains, but also shows that the effects of the pandemic have diminished somewhat. Compared with 2020, income rose by a total of SEK 7.9 billion, of which operating income increased by SEK 6.4 billion, while tax revenue and general government subsidies equalisation increased by SEK 1.5 billion.

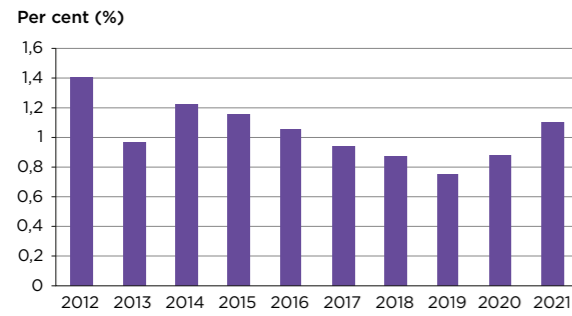
Investments

From year to year the Municipal Group carries out major investments when the population grows; urban development and the expansion of operations will also continue over time. Gross investments decreased 9% compared with the previous year, and totalled SEK 11.4 billion in 2021. The total volume of investment, however, was a full 26%, or SEK 4.0 billion, under budget. The City's needs and ambitions for urban development, as expressed in the budgeted levels, were difficult to fully realise during the year, mainly because projects were postponed for various reasons, such as delays due to appeals and retrials. In 2021, the pandemic also disrupted progress and affected the ability to allocate resources to projects.

Gross investments



Level of self-financing for the year's investments

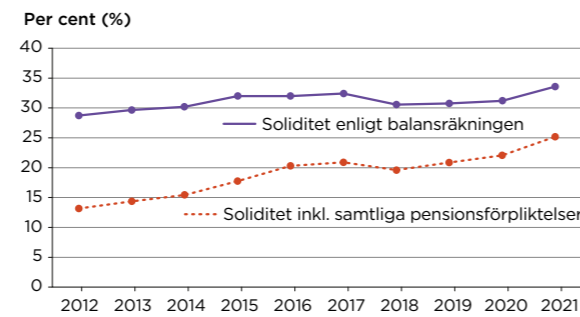


High earnings and an investment level under budget helped to enable the Group to finance investments largely with its own funds. The level of self-financing for the year's investments was 110%. For several years before 2020, however, the level of self-financing declined, as the surplus did not increase to the same extent as investment volumes. Consequently the ten-year average declined for several years from a previously high level. The downward trend has now broken and the ten-year average in 2021 was 103%.

Total assets

Total assets (total book value of the assets) were SEK 123.0 billion, of which the Municipality accounted for SEK 100.0 billion, the joint statutory authorities for SEK 0.6 billion and the companies for SEK 78.7 billion. Internal transactions within the combined accounts for the Group amounted to SEK 56.3 billion. Total assets increased by almost 7%, which can largely be attributed to increased investments.

Equity/assets ratio



In 2018, equity was adjusted to correct for write-ups within the companies. This reduced the equity/assets ratio by about 3%. In 2019, equity was adjusted due to a new revenue recognition principle, which improved the equity/assets ratio by about 0.5%.

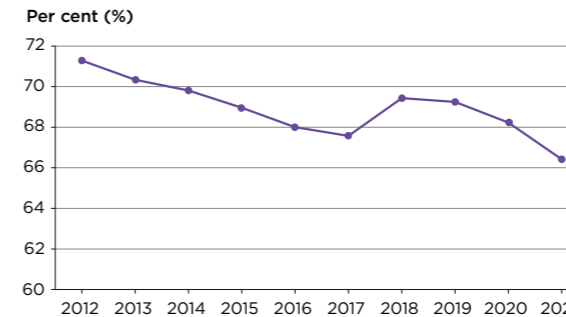
The equity/assets ratio is a measure of long-term financial manoeuvrability and illustrates what proportion of the assets are financed through equity. The equity/assets ratio trend depends on the change in equity and assets. In 2021, the equity/assets ratio was 34%, three percentage points higher than the previous year. The equity/assets ratio according to the fully funded model, which includes all pension obligations, increased by five percentage points and was 25% in 2021.

The increase in 2021 is attributable to the high earnings of the Municipal Group in relation to the change in total assets.

The off-balance sheet pension obligations have remained steady in recent years and as equity and total assets have increased, the impact of the pension obligations on the equity/assets parameter has decreased.

There is no general level for how high the equity/assets ratio should be for a city the size of Gothenburg, but the higher the ratio, the greater the manoeuvrability to be able to handle fluctuations in the earnings trend. According to the guidelines for good financial management, the focus area for the City of Gothenburg is a level of at least 15%, including all pension obligations. It is important for the companies included in the Municipal Group to have a good equity/assets ratio in order to be able to handle, over time, business risks and self-financing of investments. The Stadshus Group has a robust equity/assets ratio. The Operational accounts section presents the equity/assets ratio of the various companies. The Group's equity/assets ratio is also part of the assessment of good financial management, as can be seen in the section on financial targets for the City.

Debt/equity ratio and borrowing

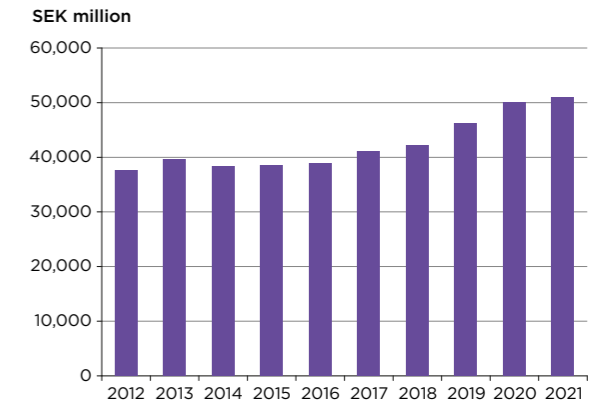


The diagram above illustrates the size of the Group's total indebtedness in relation to total assets. The debt/equity ratio amounted to 66%, a decrease of two percentage points compared with 2020. The high earnings and a lower than planned investment rate have kept the debt/equity ratio down.

For many years, borrowing has been relatively stable, varying between SEK 37 billion and SEK 42 billion over the ten-year period 2009–2018. The debt trend during these years did not increase as expected in the budget for each year. This was due to two interacting factors: investments did not increase at the pace that was budgeted, and earnings were higher. Consequently, investments could be financed with the Group's own funds. In 2019 and 2020, the debt increased by about SEK 4 billion annually, but in 2021, the increase was relatively low because of sales and postponed investments. A continued high debt trend can be expected, in line with budget goals that have been set, and which can be attributed to the City's current urban development needs.

The diagram below shows that the Municipal Group's external net borrowing was SEK 50.9 billion at the end of the year, an increase of SEK 0.9 billion compared with the previous year. The companies' borrowing was SEK 43.2 billion, of which SEK 22.9 billion is attributable to the Framtiden Group. The part of the debt relating to the tax-funded operation, the Municipality's net borrowing, amounted to SEK 7.4 billion. Of the total increase in 2021, the Municipality accounts for SEK 1.1 billion and the companies for SEK 0.5 billion, which along with reduced liquidity, SEK 0.3 billion, and increased deposits from the companies, SEK 0.4 billion, explain the increased external debt of SEK 0.9 compared with the previous year.

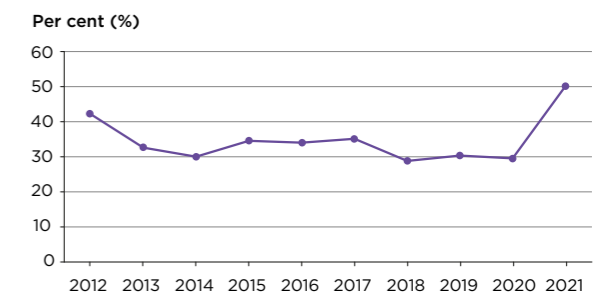
Borrowing Group



Liquidity

The acid-test ratio, a measure of short-term manoeuvrability for the year, increased from 29.6% in 2020 to 50.1% in 2021. The change is largely attributable to the fact that the long-term investment in housing bonds is less than one year and is therefore reclassified to a current receivable. This also affected the Municipality's acid-test ratio, which increased from 35% to 58%. The Municipality's Group Bank also serves as an internal bank for the Municipality's companies. In recent years, the Group Bank level of the acid-test ratio has been such that in the short and medium-term financial perspective, the Municipality has not had to take drastic measures to meet financial payments. The Group Bank's lending to companies is gradually transitioning from lending by promissory note to lending through a line of credit. The line of credit is considered to be long-term lending, unless amortisation is expected within twelve months.

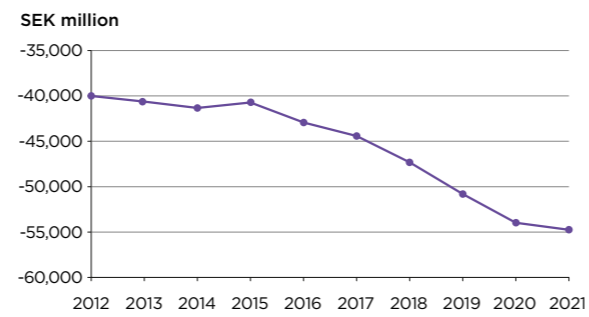
Acid-test ratio



Net financial assets

The net financial assets parameter includes all financial assets and liabilities in the balancesheet that the Municipality expects to convert over the next ten years, namely financial assets and current assets, as well as current and non-current liabilities. The parameter is important since it reflects financial manoeuvrability somewhere between the short-term liquidity parameters and the long-term equity/assets parameter. The financial net assets, which weakened over time, continued to decrease further to a small extent and the change was SEK 0.8 billion, which equates to 1.5%. The weakening can largely be explained by the major investments carried out within the Group, which were financed in part by loans, thereby increasing the Group's total borrowing.

Net financial assets



Income statement for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	The Municipal Group
Operating income	10,864	523	23,762	-3,931	31,218
Operating expenses	-41,832	-488	-17,190	3,364	-56,147
Depreciation/amortisation	-1,992	-22	-3,266	566	-4,714
Net operating expenses	-32,960	12	3,306	-1	-29,643
Tax revenue	31,088	0	0	0	31,088
General government subsidies and equalisation	4,467	0	0	0	4,467
Operating earnings	2,595	12	3,306	-2	5,912
Financial receipts	432	2	19	-388	64
Financial expenses	-434	-5	-513	414	-538
Earnings after financial items	2,593	8	2,812	25	5,438
Extraordinary items	0	0	0	0	0
Net earnings for the year	2,593	8	2,812	25	5,438

Balance sheet for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	The Municipal Group
Non-current assets	87,063	422	69,898	-48,668	108,714
Infrastructure subsidies	24	0	0	0	24
Current assets	12,948	195	8,805	-7,688	14,261
Total assets	100,035	617	78,703	-56,356	122,999
Equity	31,164	80	23,911	-13,847	41,308
Provisions	4,862	413	6,434	-37	11,672
Non-current liabilities	43,205	0	37,372	-34,868	45,709
Current liabilities	20,804	124	10,986	-7,604	24,310
Total liabilities and equity	100,035	617	78,703	-56,356	122,999



Key financial figures

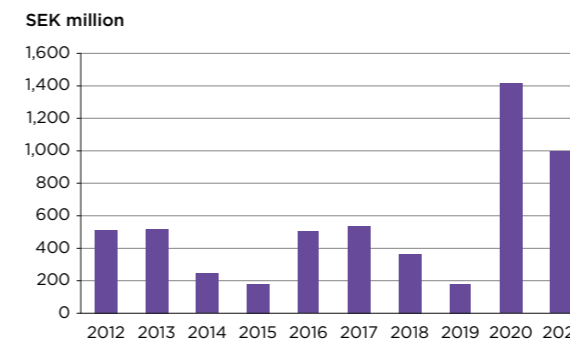
Per cent (%)	2017	2018	2019	2020	2021
Equity as a share of earnings	7.7	7.7	7.4	9.3	13.2
Total assets as a share of earnings	3.8	3.2	3	3.6	5.1
Acid-test ratio	35	29	30	30	50
Level of financing for investments	94	88	75	88	75
Equity/assets ratio					
Mixed model	32	31	31	31	34
Full funding	21	19	21	22	25
Debt/equity ratio	68	69	69	68	66
of which degree of provision	10	9	9	9	9
of which short-term debt/equity ratio	19	23	22	20	20
of which long-term debt/equity ratio	39	37	39	39	37
Net financial assets (MSEK)	-44,427	-47,326	-50,803	-53,964	-54,747

Financial analysis of the Municipality

This section presents a financial analysis of the Municipality, excluding the municipal group companies. All in all, it can be concluded that the financial position of the Municipality improved during the year because of the surplus that arose, in part because of high tax base growth during the year. The equity/assets ratio strengthened and additional funds were added to the earnings equalisation reserve. Borrowings increased, but since earnings exceeded expectations at the same time that investment volumes did not maintain the pace included in the budget, the increase in debt was significantly lower than expected.

Net earnings for the year and earnings trend

Structural earnings

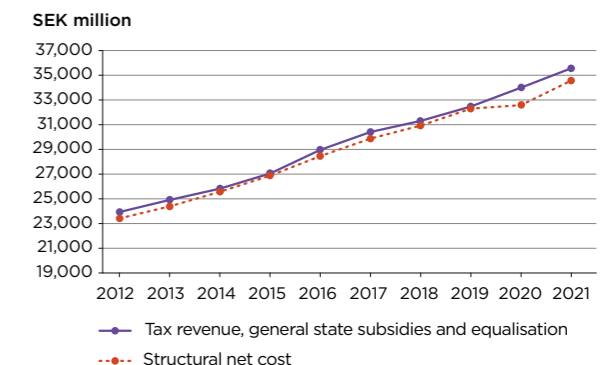


In order to see the underlying ongoing operating-earnings and analyse what this figure means in the longer term, earnings are reported excluding various non-recurring items, i.e. structural earnings. The diagram shows structural earnings over a longer period. In 2021, structural earnings amounted to SEK 997 million, or 2.8% in relation to tax revenue and municipal financial equalisation. Viewed in the context of the most recent ten-year period, earnings were only higher in 2020.

Just as in 2020, great uncertainties prevailed during the year regarding the effect of the pandemic on the economy. The uncertainties have related to the trends for both tax revenue and the cost of operations, with respect to the burden of the pandemic. Now that 2021 can be summed up, clearly the economy recovered faster than expected. Both GDP and the number of hours worked rose faster than what most analysts had expected, which

caused the development of the City's tax revenue to be significantly better than expected as well. Because of the strong development of tax revenue, the City Council was able to improve the financial circumstances of the committees through decisions to expand the municipal subsidies during the year. At the same time, it became clear towards the end of the year that the net cost development for the committees did not increase to the extent that the initial forecasts had indicated. Taken together, this meant that the City's financial performance in 2021 was once again significantly more favourable than what analysts had expected at the beginning of the year.

Development of tax revenue and net costs



The diagram presenting the development of tax revenue and net costs shows the difference between the trend for tax revenue, including general government subsidies and municipal financial equalisation, as well as structural net costs over the past ten years. The average



development of tax revenue between 2012 and 2019 has been 4.3%. Structural net costs during the corresponding period increased by 4.8% a year on average. The financial margins have therefore decreased over time during this period. 2020 was a year during which the economic development was largely marked by the pandemic and in which Gothenburg, like the municipal sector in general, reported large surpluses. Costs developed more slowly when some activities could not be carried out at the same capacity as previously, at the same time that both targeted and general government subsidies to the municipal sector rose sharply.

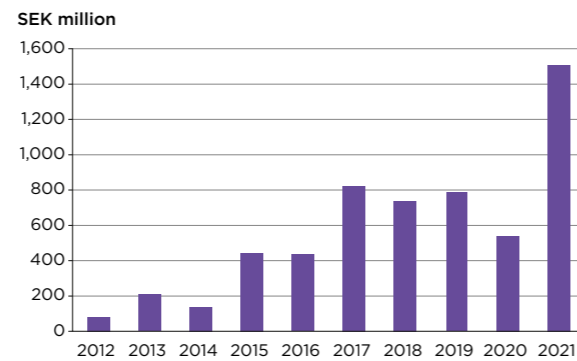
In 2021, margins narrowed somewhat once again. Net costs increased during the year by 6.1%, which is the highest increase in netcosts over the most recent ten-year period. However, the trend for 2021 must be analysed in the context of the unusually low net cost development in 2020 and the unique circumstances of that year. In particular, the high net cost development is the result of the recovery of staff volume, which climbed 2.7% in 2021 as activities gradually returned to a more normal status over the course of the year.

Tax revenue and general government subsidies increased by 4.6% compared with 2020. Although income from equalisation and general government subsidies declined somewhat compared with 2020, the income trend was higher than the average for the most recent ten-year period. The strong development of the tax base, mainly the result of an increase in the number of hours worked, means that tax revenues compensate for a slightly worse outcome elsewhere. Given that the economy was in a recovery phase following the sharp drop in GDP in 2020, the development of income should also be analysed.

Items outside structural earnings

Net earnings for the year were impacted by a number of items affecting comparability that are recognised outside the 'structural earnings'. These items include capital gains, dividends from companies, private investment and developer contributions, as well as other items affecting comparability. Total items affecting comparability amount to SEK 1,597 million for 2022. Capital gains for the year amounted to SEK 1,509 million, which is SEK 1,000 million higher than the budget and substantially higher than the previous year's earnings from capital gains.

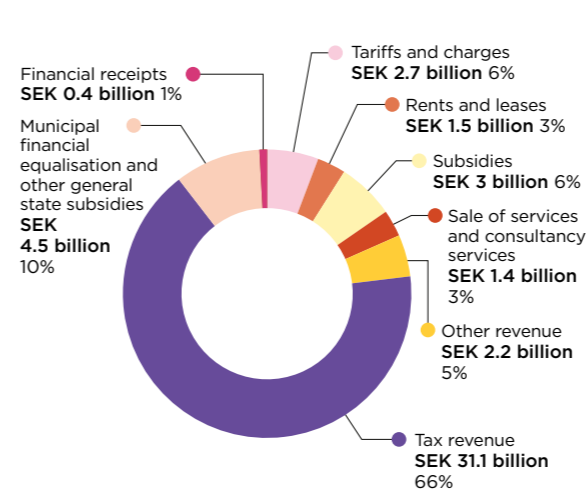
Capital gains



In addition to capital gains, two other items are recognised outside structural earnings. The changed revenue regulations in RKR R2 helped to increase income from private investment and developer contributions by just over SEK 200 million. Moreover, a negative one-off effect of SEK 115 million arose because of an upward adjustment of the City's pension liability as a result of new life expectancy assumptions. The budgeted dividend of SEK 540 million from Göteborgs Stadshus AB was not paid in accordance with a City Council decision in November.

Revenue and expenses for the year

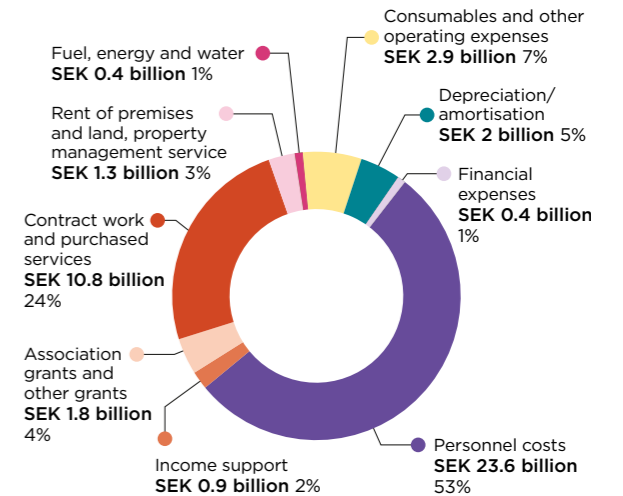
Revenue



The Municipality's revenue for the year totalled SEK 46.8 billion. Tax revenue with the municipal financial equalisation and other general government subsidies are clearly the largest revenue item and accounted for 76% of the Municipality's income in 2021, totalling SEK 35.6 billion, an increase of SEK 1.6 billion or 4.6% compared with 2020. The unexpectedly strong economic recovery during the year caused an increase in tax revenue alone of almost 6% over 2020, but the City's municipal financial equalisation outcome continued to weaken, which held back the development of total revenue. In particular, the outcome within cost equalisation weakened where the model changes that were gradually implemented beginning in 2020 had a negative impact on the City's outcome.

Other revenue of significance for the Municipality mainly includes tariffs and charges, as well as subsidies which together account for about 12% of the Municipality's income. The subsidies mainly include targeted subsidies from the government aimed at financing a specific purpose or project. The subsidies decreased somewhat compared with the previous year, as some of the Covid-19-related government subsidies gradually began to be phased out during the year.

Costs

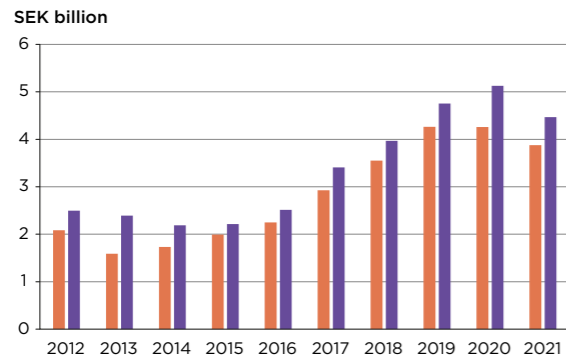


Total costs for the year amounted to SEK 44.3 billion. Personnel costs, the single largest item, totalled SEK 23.6 billion, accounting for about 53% of total costs. Compared with 2020, personnel costs increased by over SEK 1.1 billion, which equates to just under 4.9%. The increase is substantially higher than in recent years. The increase in staff costs is mainly attributable to the increase in staff volume, in terms of time worked, by approximately 2.7% compared with 2020. The large increase should be viewed in light of the decrease in staff volume by almost 2% in 2020.

Contract work and purchased activities are the other large cost item. These costs totalled SEK 10.8 billion in 2021, accounting for 24% of total costs. Compared with 2020, the costs increased by about SEK 0.6 billion.

Income support decreased somewhat and totalled almost SEK 1 billion. Depreciation totalled SEK 2.0 billion, an increase of almost 15% on the previous year. The trend is the result of a sharp increase in investment volumes in recent years.

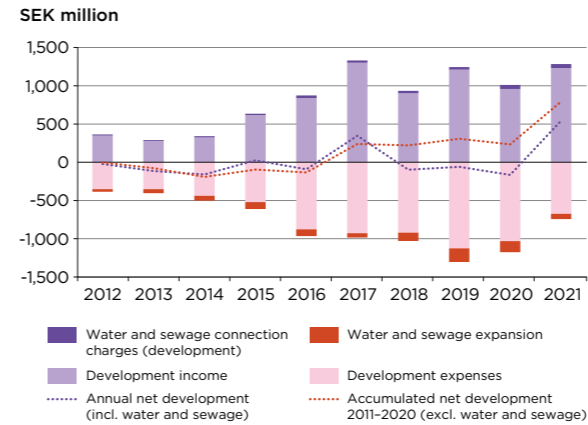
Investments



The committees' investment expenditure totalled SEK 4.5 billion in 2021. Government investment subsidies and other investment income totalled just under SEK 0.6 billion during the year, for a net investment of approximately SEK 3.9 billion, where investments in premises for the Municipality's activities as well as infrastructure amount to 71% of the Municipality's total net investment expenses. The committees' net budget for 2021 was about SEK 6.1 billion. The budgeted investment pace was therefore not carried out as planned.

In general, the deviations can mainly be attributed to delays in planning and implementation, where a growing proportion of volumes relate to more complex and extensive projects, with greater impact on total investment volumes. Effects related to the pandemic also prevented the investment pace from reaching the planned level.

Annual development outcome

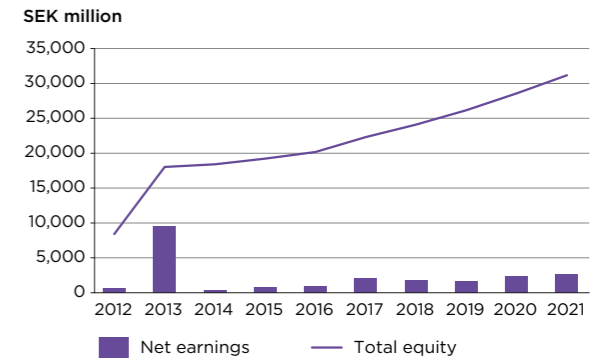


The table above shows investments in development 2012–2021.

The Municipality's total development income and development expenses amounted to SEK 1.3 billion and SEK 0.7 billion, respectively, for 2021. The outcome for development expenses in particular is significantly lower in relation to both the budgeted volumes and expansion level from recent years. Nevertheless, the budgeted volumes continue to point to the trend from recent years with a completely new level for the pace of urban development in the City, but where delays related to major projects significantly affect outcomes in relation to the planned implementation volumes. The number, but mainly the size and complexity of many of the development projects in progress, entail great variations in cash flows from one year to the next, and in relation to planned activities, even with minor delays or changes in schedule or pace of implementation. The overall net outcome was about SEK 540 million for 2021, of which the outcome excluding the water/sewage facilities expansion project was about SEK 560 million.

The level of self-financing that has been the goal for the past ten-year period is based on land development activities excluding expenses and income related to the water/sewage facilities expansion project. At year-end, accumulated net development for the period 2012–2021 was about SEK 0.8 billion. Because of the positive net outcome for the year, the level of self-financing rose for the rolling ten-year period from 10.4% to 11.2%.

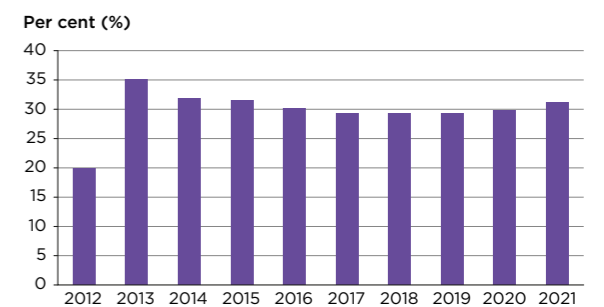
Development of equity and the equity/assets ratio



Equity doubled in 2013 due to the effect on earnings of restructuring in the company sector (an extraordinary item totalling SEK 8.7 billion). The transfer of companies to Göteborgs Stadshus AB was a wholly intra-group transaction and therefore eliminated from the City of Gothenburg's combined accounts.

Gothenburg Municipality's equity was strengthened by net earnings for the year of SEK 2,593 million and amounted to SEK 31.2 billion as of 31 December 2021. In all, SEK 5.3 billion of equity is what is known as the earnings equalisation reserve.

Equity/assets ratio as per the balance sheet

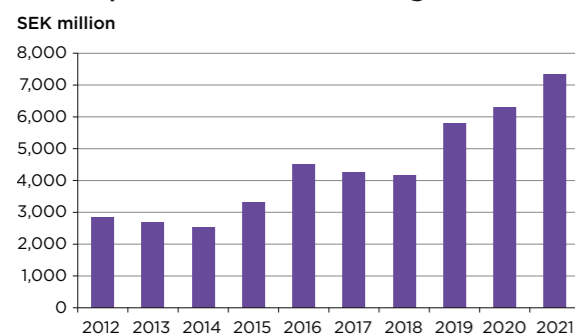


The equity/assets ratio is a measure of the Municipality's long-term financial manoeuvrability. It shows what percentage of the Municipality's assets has been financed using its own funds. The diagram above shows the development of the equity/assets ratio using the so-called mixed model, in which certain pension obligations are recognised outside of the balance sheet. For 2021, the equity/assets ratio was 31% and was therefore marginally higher than in the annual accounts for 2020. In 2013, the equity/assets ratio was considerably strengthened due to the restructuring in the company sector. Since then, despite the positive financial performance and an increase in equity, the equity/assets ratio has declined over time because of the decrease in equity in relation to the increase in total assets. The increase in total assets can in turn largely be attributed to the fact



that borrowing for the whole Group is handled centrally in the Group Bank. For the Municipal Group, where internal dealings are eliminated, the equity/assets ratio is developing positively and therefore following a more expected improvement linked to the positive earnings trend.

Development of net borrowing



The diagram illustrates the development of the Municipality's net borrowing over the past ten years. Net borrowing is defined as the Group Bank's borrowing less lending to the companies and with the liquidity invested in the market. Over the entire ten-year period, net borrowing went from about SEK 2.9 billion to SEK 7.4 billion. In 2021, net borrowing increased by about SEK 1 billion. The development of the net borrowing is mainly the result of the extent to which the City is able to fund investments on its own. The increased debt in 2021 was lower than expected because the Municipality's earnings exceeded expectations at the same time that investment volumes did not maintain the pace included in the budget. The increase in net borrowing over the past ten-year period can largely be attributed to the relatively substantial increase in investment volumes during the corresponding period. Despite high earnings levels for many years, the Municipality has not been able to fully finance the increasing volume of investment from its own funds.

Budget performance

The City Council budgeted to break even in 2021. Net earnings for the year of SEK 2,593 million therefore represents a positive deviation in its entirety in relation to the City Council budget, despite the Council decision in November to remove the budgeted dividend requirement for the companies. The committees, which had budgeted for a deficit of SEK -80 million, ultimately reported a surplus of SEK 1,061 million. This result is therefore on a level with net earnings for the previous year, and just as last year,

the committees largely attribute the result to the special circumstances that prevailed during the continued pandemic. The expanded government subsidies to cover sick pay costs and extra costs related to Covid-19 in care and social services contributed to the result for the committees. Another explanation is that some activities could not be carried out, or were carried out to a lesser extent, due to the pandemic.

In addition, during the year the City Council decided to expand the municipal subsidy to several committees by a total of SEK 345 million.

A deviation from the budget of almost SEK 900 million was reported at the central municipal level. The central municipal deviation can largely be attributed to substantially higher tax revenue than budgeted, because of the unexpectedly strong economic recovery in 2021. The outcome from tax revenue was about SEK 1 billion higher than the budget.

In addition to the positive deviations for the committees and for the central municipal items, earnings were also affected by capital gains that were substantially higher than the budget. Capital gains totalled SEK 1,540 million, which is just over SEK 1 billion higher than the budget and substantially higher than previous years.

Once again in 2021, as in recent years, the committees did not use the planned investment volumes for the year. The aggregate investment and development expenses were budgeted at about SEK 8.9 billion, while the outcome ultimately totalled about SEK 5.7 billion, which is about SEK 3.2 billion lower than the plan. Overall, the outcome also entails a somewhat lower investment pace in relation to the increased volumes in recent years.

The committees primarily attributes the deviations to delays in ongoing and planned projects, but for a variety of reasons. Partial explanations may be budget decisions based on overly ambitious or optimistic schedules, or changed circumstances or handling of target conflicts during planning and implementation that need to be managed in projects that are often complex and extensive. But other explanations may be that resources, both internal and external, are not available or sufficiently coordinated with the planning and ambitions of each party.

Budget performance

Amounts in MSEK	Budget 2021	Annual accounts 2021
Earnings, committees	-80	1,061
Earnings, central municipal items	-960	-65
Earnings before items affecting comparability	-1,040	997
Capital gains	500	1,509
Dividends from companies	540	-
Other items affecting comparability	-	88
Earnings	0	2,593

Key financial figures - Municipality

Per cent (%)	2017	2018	2019	2020	2021
Tax revenue trend	5.0	2.9	3.7	4.7	4.6
Net cost trend excl. items affecting comparability	4.9	3.6	4.4	0.9	6.1
Proportion of running costs	93	94	95	93	93
of which operating income and expenses (net)	90	92	91	88	87
of which planned depreciation/amortisation	4.6	4.8	5.1	5.1	5.6
of which net financial items	-2.0	-2.3	-1.3	0.0	0.0
of which non-recurring items affecting comparability	0.0	-0.4	0.0	0.1	0.0
Net earnings for the year / tax revenue and municipal financial equalisation	7	5.7	5.2	7.1	7.3
Structural earnings for the year / tax revenue and municipal financial equalisation					
Gross investments / gross costs	9.9	11.0	12.4	13.8	11.3
Net investments / gross costs	8.7	9.9	11.8	12.2	10.5
Net investments / depreciation/amortisation	209	264	295	280	220
Level of self-financing for the year's net investments	131	92	88	103	156
Equity/assets ratio as per the balance sheet	29	29	29	30	31
Equity/assets ratio incl. all pension obligations	15	16	18	20	21
Total debt/equity ratio and degree of provision	71	71	71	69	69
of which degree of provision	4.9	4.9	5.0	4.6	4.9
of which short-term debt/equity ratio	19	24	22	22	21
of which long-term debt/equity ratio	47	41	44	43	43
Primary municipal tax rate (%)	21.12	21.12	21.12	21.12	21.12
Acid-test ratio	103	57	59	35	58
Net financial assets (MSEK)	-10,763	-12,638	-14,356	-16,002	-17,033
Net borrowing (Municipality's interest-bearing debt) (MSEK)	-4,260	-4,154	-5,809	-6,307	-7,352

Balanced budget requirement

The balanced budget requirement means that municipalities and county councils cannot adopt a budget where costs exceed income. If earnings at the end of the year turn out to be negative, this must be offset by surpluses within three years. A balanced budget requirement analysis is conducted annually to establish whether the requirement has been met.

Gothenburg Municipality achieved the statutory balanced budget requirement in 2021 with earnings excluding capital gains of SEK 1,084 million and has thereby met the requirement every year since its introduction in 2000. With the aim of levelling income over a cyclical downturn and creating greater stability for the activities, a provision can be made to the earnings equalisation reserve. The Municipality's guidelines allow for a provision for the portion of earnings that exceeds

1% of tax revenue, general government subsidies and equalisation, which for 2021 equates to SEK 728 million. The earnings equalisation reserve may not exceed 15% of the total of tax revenue, general government subsidies and equalisation, which for 2021 equates to SEK 5,333 million. A provision of SEK 728 million was made for this purpose, after which the earnings equalisation reserve totalled SEK 5,258 million.

Balanced budget requirement analysis

Amounts in MSEK	2021
Net earnings for the year according to the income statement	2,593
- All capital gains	-1,509
+ Capital gains applying exception option	-
+ Capital losses applying exception option	-
-/+ Unrealised gains and losses on securities	-
+/- Reversal of unrealised gains and losses on securities	-
Net earnings for the year after adjustments to meet balanced budget requirement	1,084
- Provision of funds for earnings equalisation reserve	-728
+ Use of funds from earnings equalisation reserve	-
Balanced budget requirement	356

Significant personnel-related conditions

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

The pandemic has continued to have a major impact on the city and its employees and managers during the year. When the vaccination programme started and the infection rate fell during the first half of the year, plans were gradually made for a return to normal, however this process was interrupted when the infection rate rose again. For the City as a whole, sick leave decreased and staff turnover increased during the year.

Staff volume and number of employees

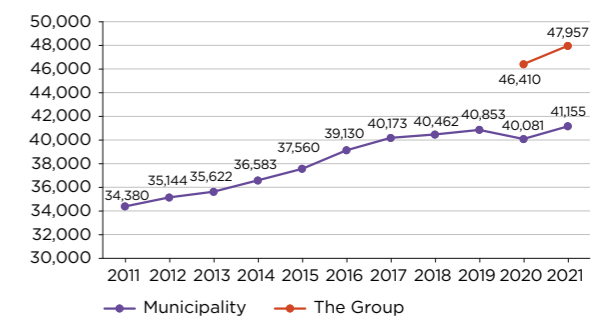
The City's staff volume is measured on the basis of time worked and is usually expressed as full-time equivalents (FTEs). The Group, i.e. the Municipality, the companies and Greater Gothenburg Rescue Services had a staff volume of almost 48,000 FTEs. This is an increase of 1,550 FTEs or 3.3 per cent compared with the previous year.

The Municipality had a staff volume of 41,155 FTEs, an increase of almost 1,100 FTEs, or 2.7 per cent compared with the previous year. With the exception of 2020, staff volume has been rising for several years, but at a much lower pace in recent years. The rising number of staff is due to the growing population and hence the increased demand for the Municipality's services. The increase is also partly due to additional assignments in urban development. The reduction in staff volume in 2020 was due to the ongoing pandemic and, among other things, closures of operations and reduced demand for the Municipality's services.

The companies reported a staff volume of just over 6,300 FTEs. This is an increase of 500 FTEs

compared to the previous year. The increase was largely due to resuming operations at Liseberg following closure due to the pandemic in 2020.

Staff volume expressed as accumulated full-time equivalents per calendar year



Information on the Group's total staff volume is only available from 2020.

The City's staff volume is given as accumulated FTEs for the full calendar year. The number of employees is on the other hand given for a single month, December. Over a longer term, the number of permanent employees has increased slightly over the years. On the other hand, the number of fixed-term employees and hourly paid employees has varied considerably over the years. This affects the total number of employees, which is the total of permanent employees, fixed-term employees and hourly paid employees. The previous year, 2020, was in many ways an extreme year due to the ongoing pandemic. Comparison of the figures for this year with those for 2020 therefore shows some extreme increases in both staff volume and the number of employees.

The number of employees in the Gothenburg Group, in other words the administrations, companies and Greater Gothenburg Rescue Services, totalled 59,750 in December. This is an increase of 6,200 of employees compared with the same period in the previous year. The increase in the number of permanent employees was just over 1,000. The remaining increase (5,200) is due to a larger number of fixed-term employees and hourly paid employees for the month of December. The increase is largely due to the companies employing more hourly paid and fixed-term employees, particularly Liseberg, which has resumed operation following closure due to the pandemic. Within the Group, 71 per cent of employees were women and 29 per cent were men. Just over 2,600 employees were managers. Of these, 66 per cent were women and 34 per cent were men.

The Municipality, in other words the administrations, had 48,100 employees, which is an increase of 1,100. The increase is largely due to a rise in the number of permanent employees. This occurred in the majority of occupational groups. Within the administrations, 76 per cent of employees were women and 24 per cent were men. Just under 2,000 of these employees were managers. Of these, 75 per cent were women and 25 per cent were men.

Seen over a longer period of time, the proportion of permanent employees in the administrations has risen for several years, to the current level of just over 80 per cent. This trend is well in line with the City's goal to offer permanent employment in order to be an attractive employer.

The proportion of permanent employees in the administrations who also work full-time is relatively high, just over 95 per cent of women and just under 96 per cent of men.

Skills provision

The pandemic continued to affect the City and its ability to attract staff with the required skills in 2021. The focus was on maintaining staffing levels and competence in healthcare and social care. The situation has highlighted a strong need to improve quality and continuity in operations. There have also been challenges in staffing other operations that involve close contact with customers and users, such as pre-schools and Göteborgs Spårvägar AB. Due to demographic changes, long-term challenges remain in supplying the City's operations with staff who have appropriate skills. The pandemic led to a quicker introduction of new and revised ways of working

and a more efficient organisation of operations with a focus on the basic assignment, which has been facilitated by increasing digitalisation.

Staff turnover in the city as a whole has increased compared with the previous year and was below nine per cent in 2021. Staff turnover has been decreasing for a few years and the decrease in 2020 was significantly greater than previously, which may be partly due to the pandemic. As predicted in the interim report in August, several committees and boards report increased staff turnover compared with 2020. Nurses continue to have very high staff turnover, in line with a trend we have seen for several years. Work is under way to try to identify the causes of difficulties in recruiting and retaining nurses. In addition to the challenges in the welfare sector, a shortage of skills in the visitor industry also affected Liseberg to some extent. There is also a continuing shortage of personnel with key skills among administrations and companies involved in urban development. Similarly, there is a shortage of project managers for planning and staffing feasibility studies and projects that affect the delivery capacity for providing premises in the City. Recruitment advertising for permanent positions in the City's administrations has increased since last year and is now just below the 2019 level. The number of applicants per position has decreased since 2020, but is still at a high level.

The Committee for Disability Support reports on changes in the nursing and care programme with effect from 1 July 2021, which means that the demand for skills for support assistants will not be met through upper secondary education. Supplementary training has been developed in collaboration with the Labour Market and Adult Education Committee, but this means that staff will receive training during working hours.

The provision of staff for care of the elderly has been a priority during the year. More than 300 employees have received various forms of training, including basic training for assistant nurses, higher vocational training for specialist nurses and leadership training for first-line managers. During the year, the City of Gothenburg contributed SEK 143 million to the state initiative for the elderly.

Work continued in 2021 on the development of working methods that were introduced rapidly in response to the pandemic. The digitalisation of the workplace, including training and system solutions, will make this work even easier, as

a growing proportion of society seems to be moving towards working from home. The most tangible effect of the pandemic has been an ongoing transition from physical to digital meetings for the people we serve. Digitalisation places an emphasis on employees' skills in using digital tools and their familiarity with new solutions that improve efficiency. The ability to use the tools available in the City yields time savings in operations, as well as opportunities to improve quality. The organisation needs to ensure basic competence and understanding among infrequent users to ensure greater participation, commitment and motivation.

The joint *competence and transition agreement* (KOM-KR), aimed primarily at administrations and certain companies, has meant greater opportunities for competence-enhancing initiatives, mainly in basic digital competence, but also basic vocational training in pre-schools, healthcare and social care, disability support and professional terminology.

In addition to the reorganisation of the district committees and the Committee for Allocation of Social Welfare into departmental committees, which involved large parts of the City organisation in 2021, a decision was taken to set up a new organisation for urban development during the year. Other major changes that impact on the organisation and employees are also under way, such as the winding down of GS Buss and the divestment, or future closure, of GS Trafikant-service. There have also been various operational transitions in recent years, including the shifting of responsibility for Stora Teatern from the Cultural Affairs Administration to Stadsteatern. The

situation has led to several committees and boards reporting a risk of increased staff turnover.

Health and safety

Opportunities to safeguard health and safety at work have varied widely between the City's administrations and companies in 2021. The pandemic and associated restrictions have affected the operations differently, as operations that involve working closely with customers and users continue to have a high level of sick leave, despite an improvement in 2021. This is the case in care of the elderly, pre-schools, a large proportion of eco-cycle and water operations and in public transport, for example.

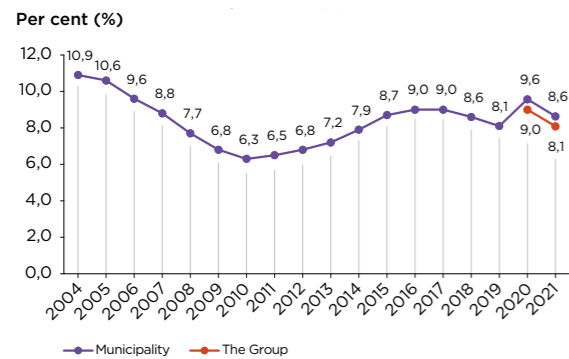
Overall sick leave for the Group was 8.1 per cent, a decrease of 0.9 percentage points compared with last year. Sick leave among women was 9.0 per cent and among men 5.8 per cent. For illness lasting a maximum of 14 days, sick leave totalled 3.2 per cent, compared with 3.5 per cent in 2020. The corresponding figure for women was 3.4 per cent and for men 2.8 per cent. The reduction in sick leave is partly due to the decline in cases of Covid-19.

Overall sick leave in the administrations was 8.6 per cent, compared with 5.1 per cent for municipal companies.

Among the major occupational groups with high levels of sick leave, figures have fallen for all groups except childcare workers. Student assistants 13.3 per cent (-0.9 percentage point compared to last year), childcare workers 12.8 per cent (0.0), support assistants 12.4 per cent (-0.4), pre-school teachers 12.2 per cent (-0.4), assistant nurses 12.0 per cent (-2.2) and care assistants 10.8 per cent (-1.9).



Sick leave



Information on overall sick leave for the Group is only available from 2020.

In services where staff must be physically present, such as in care, nursing and schools, there were already well-established routines and working methods in place and thus good opportunities to manage the risk of infection. But the pandemic has continued to affect the workload and the ability to provide adequate staffing. For example, the Committee for the Elderly, Nursing and Care reports that the situation is strained. Among these services, there was also concern about the spread of infection in various ways during 2021.

Another important factor that had an impact on health and safety during the year is the re-organisation from ten district administrations and the Administration for Allocation of Social Welfare into six departmental administrations. These changes involved a great deal of work in setting up a collaborative structure, as well as developing common working methods and routines.

In 2021, the City Management Office presented a report entitled *Is there a culture of silence in the City of Gothenburg? (Finns det en tystnadskultur i Göteborgs Stad?)* The report showed that there is a culture of silence in several of the City's organizations, which among other things means that negative information may be censored due to concerns it would give the organisation a bad reputation, while employees also fear they may face reprisals if they report misconduct.

For the first time the 2021 employee survey included questions about unauthorized influence, a collective term for harassment, threats, vandalism, violence and corruption. According to the results, five per cent of respondents say have been exposed to unauthorized influence. Of these, 64 per cent report that it has not affected their professional practice.

In September, the city approved the City of Gothenburg's routine for discrimination, harass-

ment, sexual harassment and reprisals in working life. All committees in the City of Gothenburg are covered by the routine and it applies regardless of the form of employment and to trainees and contractors. The routine is intended to support a consistent way of working across the City. The City of Gothenburg is also required to have a common, city-wide routine by the Discrimination Ombudsman (DO) in its supervisory capacity.

Leadership

The continued impact of Covid-19 meant that the workload was again stressful for many employees in 2021. The City's managers have been affected in various ways by the long-term pressure caused by the spread of infection, stressed employees, staff shortages and, for many, having to manage staff remotely. Due to the pandemic, it was necessary to postpone or cancel some planned skills development initiatives for managers, centrally and within companies and administrations.

The managers' survey yielded a score of 81 for *Sustainable Employee Engagement (HME)*, which is unchanged from the previous year. The sub-index for motivation and governance fell slightly and the sub-index for leadership increased.

Executive turnover in the administrations has risen since last year, from 8.1 to 10.5 per cent, but is still below the 2019 level of 13 per cent. No corresponding information is available for the companies as a whole.

Organisational conditions for managers remain a priority issue both nationally and in the City of Gothenburg. The term 'organisational conditions' refers to the structures, requirements and resources that managers have access to in their work. These conditions must enable managers to run effective operations in a working environment where employees are willing and able to contribute to a good everyday life for the people we serve. Further work was carried out using the Chefoskopet management tool during the year, building on the work that was started prior to setting up the new departmental administrations in the welfare sector. This work helps the management teams in several of the newly formed administrations to develop the required organisational conditions for managers within their organisations. The work also assists in the development of a dedicated model based on the Chefoskopet tool that the City can then apply in other administrations and companies.

A development programme for administration and company managers was implemented during the year.

Priority issues under this programme included leadership and organisational culture.

Wages and benefits

Equal and competitive salaries are a focus area for the City and it is important to continue working to eliminate unjustified pay differences. For the City's administrations, this requires further measures to raise wages for professional categories in healthcare, social care and education in relation to other sectors. The ongoing equalisation of structural wage differentials is one of the challenges that must be resolved in order attract staff with the right education and skills into the City's administrations in the short term and long term.

Due to the postponement of the 2020 salary review, the 2021 review could not be completed until November. The resulting salary rise for the administrations was 2.4 per cent. In addition to the 2021 salary review, pay for unsocial working hours was also increased.

An analysis following the salary review in 2021 shows that wage differences still exist between sectors in the municipal labour market, as health-

care, social care and parts of the education sector have wage levels below those of the technical and administrative sector. In the City's administrations, the average salary for women is now 97.5 per cent of the salary for men. The gap has decreased by 5.5 percentage points over a ten-year period. The reasons for this positive trend are salary prioritisation in previous years, market impact on female-dominated occupational groups, government initiatives in schools, and a larger proportion of women in traditionally male-dominated occupational groups that require higher educational qualifications. The Swedish National Mediation Office (MI) reports that the Swedish labour market is largely divided so that women and men work in different occupations that have different wage levels, which is also reflected in the City's survey.

The City's companies belong to six different employers' organisations. Most of the Group's companies are members of Sobona and Fastigo. During the year, Liseberg's Board of Directors decided to switch employers' organisation, from Arbetsgivaralliansen to Visita, with effect from 2022. For some companies the new wage agreements that resulted from collective bargaining entailed a joint salary review for 2020 and 2021.



Significant personnel-related conditions City of Gothenburg

	2020						2021					
	The Municipality			Municipal Group			The Municipality			Municipal Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees	35,977	11,016	46,993	38,224	15,328	53,552	36,667	11,406	48,073	42,181	17,569	59,750
Permanent employees	29,182	8,365	37,547	31,182	12,248	43,430	29,719	8,780	38,499	31,783	12,662	44,445
Fixed-term employees	2,807	1,197	4,004	2,933	1,369	4,302	2,661	1,080	3,741	4,331	2,095	6,426
Hourly employees	3,988	1,454	5,442	4,109	1,711	5,820	4,287	1,546	5,833	6,067	2,812	8,879
Permanent managers	1,415	474	1,889	1,664	850	2,514	1,480	482	1,962	1,735	890	2,625
Average age of permanent employees	45.7	45.1	45.5	45.6	44.7	45.3	45.7	45.1	45.5	45.6	44.7	45.3
Sick leave, total (%)	10.3	7.0	9.6	10.1	6.4	9.0	9.4	6.3	8.6	9.0	5.8	8.1
Sick leave, 1-14 days (%)	3.8	3.3	3.7	3.7	3.0	3.5	3.5	2.9	3.3	3.4	2.8	3.2
Sick leave, > 14 days (%)	6.5	3.7	5.9	6.3	3.4	5.5	5.9	3.3	5.3	5.7	3.1	4.9
External recruits	7,410	2,884	10,294	8,089	3,654	11,743	8,823	3,192	12,015	10,823	4,811	15,634
for permanent employment	2,289	863	3,152	2,485	1,160	3,645	3,154	1,143	4,297	3,370	1,563	4,933
for fixed-term employment	5,121	2,021	7,142	5,604	2,494	8,098	5,669	2,049	7,718	7,453	3,248	10,701
External departures, permanent employees	2,199	632	2,831	2,368	928	3,296	2,431	724	3,155	2,617	1,156	3,773
of whom with a pension	520	109	629	548	188	737	595	148	743	634	258	892
of whom of own volition	1,445	427	1,872	1,543	592	2,135	1,633	480	2,113	1,740	678	2,418
External staff turnover, per cent (%)	7.5	7.7	7.6	7.6	7.8	7.7	8.7	9.1	8.8	8.7	9.8	9.0

Significant personnel-related conditions, only the administrations

Per cent (%)	Municipality 2020			Municipality 2021		
	Women	Men	Total	Women	Men	Total
Mobility between administrations	1.7	1.2	1.6	1.7	1.6	1.7
Sick leave						
Total	10.3	7.0	9.6	9.4	6.3	8.6
60 days or more (percentage)	48.5	38.4	46.8	51.2	42.0	49.6
29 years or younger	9.1	7.4	8.6	7.9	7.0	7.7
30-49 years	9.6	6.7	8.9	8.7	5.9	8.0
50 years or older	11.6	7.2	10.6	10.6	6.5	9.7

Expected development

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

Good conditions, but great uncertainty

The economy recovered faster than expected in 2021. GDP and the number of hours worked have both risen faster than most analysts had expected. The strong economic recovery has contributed to a strong rise in tax revenues for the City and for the municipal sector as a whole. According to the latest tax base forecast from the Swedish Association of Local Authorities and Regions (SALAR), conditions should lead to a relatively healthy increase in tax revenues in 2022. Admittedly, tax base growth is expected to slow down somewhat as the economic recovery dampens, but SALAR still forecasts high growth figures for both GDP and hours worked next year. Overall, SALAR estimates that tax base growth in 2022 will be four per cent. For Gothenburg, this would mean increased tax revenues of approximately SEK 1 billion, which is in line with the agreed budget.

According to SALAR's scenario the labour market will reach economic balance in 2023. From then on, hours worked will not increase as rapidly as during the current economic upturn.

The regional business community is also in a recovery phase. This year's latest economic report from Business Region Gothenburg (BRG) states that most key indicators for the regional economy show a strong upward trend. Unemployment in the region is falling and notices of redundancy are at a low level. Looking towards 2022, continued strong GDP growth is expected in the region's key markets, providing the conditions for continued growth for the regional business community. Despite the fundamentally positive view of economic development for the coming years, there are still considerable uncertainties in both the long and short term. The strong economic recovery has largely been a result of extensive



government stimulus. Central banks' key interest rates have been lowered and governments have launched extensive crisis measures and applied expansionary fiscal policy. The Swedish government has also brought in extensive stimulatory measures. In its autumn financial report, SALAR states that fiscal policy in 2022 and 2023 will probably be less expansionary in a global perspective. Rising inflation means that central banks are now starting to consider raising interest rates, while rising debt and interest rates are shrinking the future fiscal space. This could affect the economic recovery and in the long term there is also a risk that the City's tax revenues will be negatively affected.

Municipal earnings in coming years will also be affected by the fact that pandemic-related state subsidies will be gradually ramped down until 2023. State subsidies in response to the pandemic have been a strong contributing factor to the large economic surpluses in Gothenburg and in the municipal sector in general in 2020 and 2021. Uncertainties regarding the level of state subsidies are also greater than usual over the next few years due to the parliamentary elections in autumn.

Slower rise in costs, but demographic challenges ahead

The latest population forecasts show slower growth than previously, especially in the youngest age groups. This trend applies to Gothenburg and to the country as a whole. In its autumn financial report, SALAR states that this trend means there is reason to expect a slower rise in costs for municipalities and regions in the coming years. Based on the updated population forecasts, SALAR also states that the pressure due to demographic changes will fall to a significantly lower level than in the last ten years. While demographic pressure on costs will be lower than previously expected in the short term, it is important to note that the long-term challenges of demographic change still remain. The population in older age groups will grow significantly faster than the working-age population. Although the slower population growth in the youngest age groups will lead to lower costs in the short term, in the long run this trend will actually add to the long-term demographic challenge.

Continuing strong need for investment

Gothenburg, like the municipal sector in general, is still in a phase of high investment. The increased investment level is a consequence of ongoing

urban development and the need to renovate existing facilities, as well as a growing population. The growing investment demand poses a major challenge for the City in the coming years.

On one hand, investment itself imposes heavy planning requirements on the organisation, and on the other, it imposes stricter requirements on earning levels in order to meet long-term financial requirements for the equity/assets ratio and self-financing of investments. Increased investment volumes also gradually lead to higher operating costs. Depreciation in the Municipality increased by almost 15 per cent in 2021. Depreciation will continue to rise in the coming years as well. Financial costs will also increase in the coming years in line with increased borrowing. If rising inflation leads to higher interest rates, this trend will become even more apparent. There are also several uncertainties linked to investment activities. Cost inflation is particularly evident in the construction industry. If prices continue to rise at the same high rate, it could in turn lead to higher investment costs.

An ageing population and fewer school children

Gothenburg's population grew by 4,500 in 2021 – a rise of 700 on the previous year, but 2,700 below the average for the ten-year period leading up to the pandemic. Compared with 2020, the number of deaths fell to normal levels after an increase in excess mortality last year, while the number of births rose by 260 to 7,700, the highest number since 2016. The lower population growth compared with the years prior to the pandemic is due to people moving in or out of the city. The number of people moving to the city or leaving it increased to record levels, but the excess was as low as in 2020: 700 people.

In the next few years, the large numbers of babies born around 2010 will start to reach upper secondary school age. This means that the large increases in children of compulsory school age in recent years are declining and the number of children of upper secondary school age is rising rapidly instead.

Another large population group, those born in the 1940s, is starting to reach an age where they need home help and, to some extent, housing for the elderly. The number of people in the age group 75–84 is growing rapidly and in a few years' time the demand for care of the elderly will increase significantly.

The current shortage of qualified staff in health-care and social care is expected to persist or rise until 2035. It is expected that there will be a serious shortage of specialist nurses and staff trained in healthcare and social care at upper secondary level. Shortages are also expected in several teaching categories. Technology is another area where there are shortages in certain skills.

The City's operations will continue to have difficulty recruiting people with the necessary skills. This will require adaptations to ensure that skills are used more appropriately, for example by recruiting more people in support and assistance roles, such as care assistants and service assistants. Digitalisation tools will also become even more important and require a transition in skills and new ways of working.

The labour market situation is bright, but not for everyone

The labour market recovered strongly in 2021 as restrictions were eased, and unemployment in Sweden has now returned to the same level as before the pandemic. The Swedish Public Employment Service estimates that the number of unemployed will continue to fall in 2022 and 2023, albeit at a slower rate. Gothenburg and Stockholm, where private service sector workers who have close contact with customers and users make up a comparatively large proportion of the employed, still have higher unemployment than before the pandemic. The Swedish Public Employment Service estimates that this is where the largest reductions in unemployment will take place in the coming years, as the sector recovers from the restrictions.

Although unemployment is declining, long-term unemployment remains at a high level. One aspect of particular concern is that the number of people who have been without work for more than two years continues to rise. According to the assessment of the Swedish Public Employment Service, the effects of the pandemic will be long-lasting for this group and long-term unemployment could persist at a higher level in the future. At the end of 2021, around 12,000 people were registered as long-term unemployed in Gothenburg, just over 3,000 more than before the pandemic. A persistent high level of long-term unemployment could mean wider economic and social gaps in society and higher expenditure on income support.

An uncertain world

Russia's invasion of Ukraine and the demands Russia made of NATO mean that the security situation in Europe is considered more serious than it has been for decades. Russia has threatened military action unless NATO's reach and membership are limited, demands which NATO and the EU have dismissed as unreasonable. It is currently uncertain how the situation will develop, but few commentators believe that Sweden is at risk of any direct threat.

The City of Gothenburg continuously monitors the security situation in Sweden and abroad. The ability to monitor the world around us and maintain an overview of the impact on the City's operations is also being reviewed and improvements will be made in 2022.

Sweden has a strong lead in digitalisation, which is generally positive but also opens up the possibility of new or changing vulnerabilities and threats. The number of cyber-attacks on Swedish operations more than doubled in 2021. Ransomware attacks, in which information is stolen or encrypted and the attackers then demand a ransom to restore systems, are increasing exponentially and are estimated to have cost authorities and companies SEK 170 billion in 2021 globally. Cyber security and information security will become increasingly important as digitalisation grows.

The City of Gothenburg's security protection work is a high priority and is constantly under development, together with the ability to resist cyber-attacks. The City works continuously to improve and reinforce the various capabilities needed in this area, in cooperation with the relevant authorities where required.

The energy market had a turbulent year, with higher energy prices at the end of the year. In Gothenburg, work is under way on electrification to create a more sustainable society. The number of charging stations for cars and buses is visibly growing. Investments of various kinds will be required to meet expanding electrification and increased sustainability efforts in society. Göteborg Energi is an important player that is committed to supplying more power through expansion of the electricity grid and through ongoing close dialogue with the regional grid companies that supply Gothenburg with electricity.

A strategic location – for better or worse

Gothenburg's geographical location is one of the reasons why the Port of Gothenburg is the largest in Scandinavia. Three Scandinavian capital cities and 70 per cent of Scandinavian industry and population lie within a 500-kilometre radius. Almost 30 per cent of Sweden's foreign trade passes through the port.

The Port of Gothenburg has coped relatively well during the pandemic. Despite container shortages, bottlenecks and shutdowns that disrupted the global logistics system, as well as component shortages in the automotive industry, the port has increased its freight volumes and gained market share. Rail freight volumes were higher than ever in 2021 and accounted for a higher share of the total. Rail freight carried 60 per cent of the container goods that crossed the quay. This is a very high proportion in comparison with other ports, which benefits the climate as well as mitigating the impact of a shortage of truck drivers and high fuel prices. The balance between imports and exports through the Port of Gothenburg meant that the container shortage had less impact than in many other ports. The pandemic is a continuing cause for concern, but few commentators believe there will be a decline in either volumes or freight prices over the next six months, and rail freight is forecast to continue growing in 2022. If the return to normal continues without further setbacks, the

situation looks very encouraging and there are many signs that passenger numbers will return close to normal.

Gothenburg's geographical location also means that it is vulnerable to rising sea levels and extreme weather. Based on various emission scenarios – from sharply reduced carbon dioxide emissions and negative emissions from 2050 onwards, to a continued rapid increase in carbon dioxide emissions until 2080 – the UN Climate Panel estimates that the global average temperature in 2100 will probably be 0.5–3.5 degrees Celsius higher than today. In all probability this will mean a rise in sea level, in the extreme case by up to one metre, as well as more frequent extreme weather events such as torrential rain.

Climate adaptation measures in the form of flood protection will be essential for further development of many coastal and riverside sites for building, and in many cases to protect existing buildings and infrastructure. In the long term, the highest priority measures are flood protection, rainfall management and a flood barrier for the Port of Gothenburg. Flood protection and rainfall management measures are expected to be completed by 2040 and plans for a flood barrier will be implemented in 2060–2070.

Parallel measures must also be taken to prevent climate change. The City of Gothenburg's Environment and Climate Programme shows the direction of measures and provides a common platform for the City's long-term environmental strategy.



2

Annual accounts

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

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This section defines a number of financial concepts

Income statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
Operating income	2.8	9,992	10,864	24,787	31,218
Operating expenses	3.8	-39,842	-41,832	-50,235	-56,147
Depreciation/amortisation	4	-1,737	-1,992	-4,750	-4,714
Net operating expenses		-31,587	-32,960	-30,198	-29,643
Tax revenue	5	29,373	31,088	29,373	31,088
General government subsidies and equalisation	6	4,623	4,467	4,623	4,467
Operating earnings		2,409	2,595	3,798	5,912
Financial receipts	7.8	463	432	131	64
Financial expenses	7.8	-464	-434	-606	-538
Earnings after financial items		2,408	2,593	3,323	5,438
Extraordinary items		-	-	-	-
Net earnings for the year		2,408	2,593	3,323	5,438

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23a.

Balance sheet

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
ASSETS					
Non-current assets					
Intangible fixed assets	9	2	1	171	208
Property, plant and equipment	10	39,849	43,214	101,148	107,519
<i>land, plant and buildings</i>		<i>36,189</i>	<i>38,773</i>	<i>92,094</i>	<i>97,845</i>
<i>machinery and equipment</i>		<i>3,591</i>	<i>4,355</i>	<i>8,879</i>	<i>9,486</i>
<i>other property, plant and equipment</i>		<i>69</i>	<i>86</i>	<i>175</i>	<i>188</i>
Financial assets	11	47,591	43,848	4,633	987
Total non-current assets		87,442	87,063	105,952	108,714
Infrastructure subsidies	12	24	24	24	24
Current assets					
Supplies	13	999	893	2,195	2,072
Receivables	14	6,420	11,377	5,395	10,584
Investments in securities etc.		-	-	-	-
Cash and bank		941	678	1,416	1,605
Total current assets		8,360	12,948	9,006	14,261
Total assets		95,826	100,035	114,982	122,999
EQUITY, PROVISIONS AND LIABILITIES					
Equity					
Net earnings for the year		2,408	2,593	3,323	5,438
Earnings equalisation reserve		4,530	5,258	4,530	5,258
Other equity		21,633	23,313	28,010	30,612
Total equity	15	28,571	31,164	35,863	41,308
Provisions					
Provisions for pensions and similar obligations	16	3,578	4,055	4,799	5,278
Other provisions	17	836	807	6,020	6,394
Total provisions		4,414	4,862	10,819	11,672
Liabilities					
Non-current liabilities	18	42,063	43,205	45,228	45,709
Current liabilities	19	20,778	20,804	23,072	24,310
Total liabilities		62,841	64,009	68,300	70,019
Total equity, provisions and liabilities		95,826	100,035	114,982	122,999
PLEDGES AND CONTINGENT LIABILITIES					
Pledges and equivalent collateral	20	6,184	6,322	1,354	1,539
Contingent liabilities	20	-	-	163	171
Pension obligations not recognised as liabilities or provisions	21	10,395	10,229	10,519	10,350
Other contingent liabilities	22	1,877	1,760	1,516	1,530

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23b.

Comparative figures for 2020 have been adjusted for Pledges and contingent liabilities: for the Municipality from SEK 16,857 to SEK 18,456; for the Group from SEK 12,218 to SEK 13,552; see note 22.

Cash flow statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
OPERATING ACTIVITIES					
Net earnings for the year	BR	2,408	2,593	3,324	5,438
Items not affecting liquidity	15,16,17, 18,23,24	1,234	662	5,860	4,245
Items affecting liquidity	25	549	924	-175	654
Cash flow from activities before change in working capital		4,191	4,179	9,009	10,337
Increase/decrease accrued connection charges and investment subsidies	18	-675	-86	-675	-263
Increase (-)/decrease (+) in current receivables	11,14	513	-944	788	-5,188
Increase (-)/decrease (+) supplies and inventories	13	-2	-1	-440	123
Increase (+)/decrease (-) in current liabilities	19	-498	-270	-51	325
Cash flow from operating activities		3,529	2,878	8,631	5,334
INVESTING ACTIVITIES					
Acquisition of intangible fixed assets	9	-	-	-49	-67
Sale of intangible fixed assets	9	-	-	3	1
Acquisition of property, plant and equipment	10	-6,010	-5,119	-12,729	-11,876
Sale of property, plant and equipment	10	209	624	1,142	1,404
Investment income	18	534	590	546	813
Acquisition of financial assets	11	0	-	0	-65
Sale of financial assets	11	0	-	-	-
Cash flow from investing activities		-5,267	-3,905	-11,087	-9,790
FINANCING ACTIVITIES					
Newly raised loans	18	7,803	8,137	9,758	8,601
Repayment of non-current liabilities	18	-4,453	-7,289	-6,322	-8,580
Increase (+)/decrease (-) in interest-bearing current liabilities	18,19	1,531	263	399	914
Increase (-)/decrease (+) in non-current receivables	11,14	-2,243	-270	-718	3,710
Newly raised loans for financial leases	18	145	-77	-	-
Amortisation loans, financial leases	18	-404	-	-	-
Cash flow from financing activities		2,379	764	3,117	4,645
DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES	12	-1	0	-1	0
Cash flow for the year		640	-263	660	189
Liquid funds at beginning of year	BR	301	941	756	1,416
Liquid funds at year-end	BR	941	678	1,416	1,605

The cash flow statement is based on changes in the balance sheet. In the Municipality, several items are handled on different lines in the cash flow statement. Below is a presentation of the larger items that are needed to be able to link the two reports.

- Property, plant and equipment changed by SEK 3,364 million according to note 10. Line Acquisitions amounts to SEK 5,119 million. Sales proceeds are recognised on the line Sale of property, plant and equipment for SEK 624 million. Gains of SEK 453 million and depreciation/amortisation of SEK 1,507 million are recognised on the line Items not affecting liquidity (note 24).
- Financial assets decreased by SEK 3,743 million according to note 11. Long-term lending to Group companies decreased by SEK 785 million, and other non-current receivables decreased by SEK 2,997 million. Kommuninvest's share increased by SEK 39 million.
- Supplies decreased by SEK 106 million. The line Supplies and inventories SEK -1 million (note 14) and earnings effects after development SEK 107 million (notes 24 and 25).

- Receivables increased by SEK 4,957 million according to note 14. Current receivables increased by 3,906 million and non-current receivables by SEK 1,051 million.
- Provisions changed by SEK 448 million. New and reversed provisions amount to SEK 580 million on the line Items not affecting liquidity (note 24) and utilised amount to SEK 133 on the line Items affecting liquidity (note 25).
- Non-current liabilities increased by SEK 1,142 million according to note 18. Dissolution of investment subsidies decreased by SEK 86 million. Increase in public subsidies SEK 589 million. Non-current liabilities increased by SEK 749 million, though interest-bearing liabilities decreased by SEK 33 million and leases decreased by SEK 77 million.
- Current liabilities increased by SEK 26 million according to note 19. Current liabilities decreased by SEK 270 million and current interest-bearing liabilities increased by SEK 296 million.

Notes including accounting policies

1. Accounting principles and other disclosures

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

Introduction

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

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

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

The comparative year has been restated based on the new accounting principles in the annual

report. For longer time series in tables and diagrams, etc., only the previous year is restated. It was not deemed possible to go farther back in time for a reasonable effort in relation to the benefit.

Other disclosures

In accordance with R2 *Revenue*, income from payments for street costs and developer contributions is recognised as revenue in its entirety upon completion of the investment. As stated in the 2020 annual report, an adjustment to the rule was made in conjunction with the annual accounts for the year. Revenue was recognised at that time and also for 2021 at the central municipal level, which means that no accounting occurred within the relevant committee, and was based on when the investment to which the income is attributable was completed for use/capitalised by the administration. The revenue recognition principles were reviewed in 2021 and will be applied from 2022.

An addition was made to the note for leases in order to comply with RKR R5 *Leases*, with values where the Municipality and the Municipal Group are lessor and lessee, respectively, for operating leases. See note 22 for more information.

Combined accounts

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

According to the Swedish Municipal Accounting Act, the Annual Report must include

all operations run by the Municipality, regardless of organisational structure. The Municipal Group consists of the Municipality's committees along with the municipal group companies. The latter comprise companies, joint statutory authorities and coordination associations in which the Municipality has a lasting significant influence, which is primarily applied as ownership greater than 20%. A list of companies in which the City of Gothenburg has ownership interests is provided in note 29 and material changes in the composition of the Municipal Group are described in the section of the Administration Report dedicated to the Municipal Group.

The Municipal Group includes joint statutory authorities, Greater Gothenburg Rescue Services and Gothenburg Coordination Association. Tolkförmedling Väst – by definition a municipal group company – is excluded from the combined accounts beginning in 2021, since its activities are insignificant in scope and the Municipality's ownership stake has decreased over time and likely will continue to decrease. Comparative figures for 2020 have been adjusted, see note 23a. and 23b. It has also been clarified during the year that the Göteborg Region Association of Local Authorities (GR), with its wholly and partly owned companies, is considered to be a municipal group company. GR has also been excluded from the combined accounts, since its activities fall within the limit for what can be considered to be insignificant in scope in accordance with RKR R16. The combined accounts are not affected since GR was not included in them previously.

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

Consolidation principles

The combined accounts are prepared using proportional consolidation. This means that consolidation takes place in proportion to the

Municipality's share of a municipal group company's revenues, costs, assets and liabilities. The annual accounts of each sub-group are used as the basis for consolidation. Internal transactions and internal profit of significant value within the Municipal Group have been eliminated.

Cash flow statement

The cash flow statement is carried out according to the indirect model and essentially follows the layout recommended in RKR R13. The cash flow statement is based on items in the balance sheet. To clarify the cash flow structure and its links to the income statement and balance sheet, supplementary disclosures were made with notes. See notes 24 and 25.

Extraordinary items and items affecting comparability

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

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

Operations and Investment

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

Operational accounts

The City Council allocates municipal subsidies (net grants) to the committees to carry out the activities for which they are responsible. The municipal subsidy must cover the costs that remain when income from tariffs, charges and subsidies does not fully cover operating expenses. The municipal subsidies are allocated per committee. In their own committee budgets, the committees allocate the City Council's municipal subsidies among the various activities and organisational

entities for which the committees are responsible. Under the City's regulations, the committees have the right, based on certain circumstances, to accumulate and use equity. The committees therefore have the opportunity, within certain limits, to budget for both a surplus and a deficit.

Internal management accounting policies

Income and expenses in the operational accounts must reflect the financial relations of each committee with the outside world, of which the other committees are a part. This means that compared with income and expenses in the income statement, which contains only non-municipal items, the operational accounts also include intra-municipal items, such as purchases and sales between committees. There are also items in the income statement that have been allocated on an accrual basis in the operational accounts. Examples are personnel costs (40.15%) comprising employer's contributions, contractual insurance and collectively agreed pensions, as well as internal interest (1.25%) allocated on the basis of the residual book value of capitalised non-current assets.

Investment accounts

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

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

In addition, the City Council decides separately regarding project budgets for indi-

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

Revenue

Tax revenue

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

Other revenue

In accordance with R2, income from payments for street costs and developer contributions is recognised as revenue in its entirety upon completion of the investment. Revenue is currently only recognised at the central municipal level, which means that no accounting occurred within the relevant committee, but is based on when the investment to which the income is attributable is completed for use/capitalised by the administration.

Regarding deferred income, investment subsidies are accrued in the interval 10 to 70 years, depending on the component. For older revenue (before the introduction of component accounting in 2017), dissolution is applied for essentially 33 years. Beginning in 2021, connection charges are accrued at the Eco-cycle and Water Committee over 80 years (previously 50 years). Göteborg Energi recognises its connection charges for electricity, gas and district heating in their entirety as revenue in accordance with R3 when delivery of the connection begins. External connection charges amounted to SEK 147.8 million in 2021 (previous year SEK 137.8 million). In the combined accounts, the item has been adjusted to deferred income in accordance with R2. The charge is distributed over five years according to a simplified model in order to meet costs incurred. All income is accrued on a straight-line basis. See notes 2 and 18.

Costs

Depreciation/amortisation

Depreciation of intangible assets and property, plant and equipment is normally made for the estimated useful life, with linear depreciation based on the cost excluding any residual value. Depreciation begins from the time the asset is put into use. Non-current assets such as land, art and work in progress are not written down. The useful life undergoes a review if there are circumstances that make this necessary, such as operational changes and changes to technology.

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

Depreciation periods (years)

Plant	Municipality up to and incl. 2016	Municipality 2021	Companies
Capitalised expenditure for development and similar	5	3-5	3-7
Goodwill	5-10	5-10	5-10
Land improvements	20-50	7-80	10-50
Buildings	20-50	15-80	10-100
Leasehold improvements	-	2-33	10-20
Kiosks, pavilions, barracks	10	10	10
Plant, machinery and equipment	5-10	5-30	3-25
Personal computers and IT equipment	3	3-4	3
Pipe/cable rights	-	-	100
Tenancy rights	-	-	20

Write-downs

Recommendation R6 *Write-downs* is to be applied for write-downs of the value of a non-current asset used in such municipal services that are regulated by the cost-price principle. In accordance with R6, a valuation must be carried out if there is still service potential for the write-downs made in the municipal companies. The valuation refers to non-current assets that are wholly or partially financed through tax and/or regulated by

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

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

the cost-price principle. Write-downs exceeding SEK 5 million have been reviewed. If a write-down based on a different principle is made by a municipally owned company, it must be reversed in the consolidated accounts.

The Municipality's earnings have been affected by reversed write-downs for a total of SEK 49.5 million. The reversed amounts were scrapped in their entirety during the year as a result of completed demolition. For Group companies, write-

downs and any reversal of write-downs are based on market valuations according to the rules in K3 and mainly relate to buildings where write-downs were used to adapt the value to actual rental levels. For assets that are written down for operations conducted in accordance with the cost-price principle, the recoverable amount is normally calculated at the adjusted value in use. Items written down by companies and reversed in the Municipal Group have not changed during the year. For the Group, new write-downs total SEK 89 million and reversed write-downs SEK 318 million.

Interest expenses in connection with investments

Interest expenses in connection with investments can be reported according to the main rule or the alternative rule in accordance with recommendation R4. Gothenburg Municipality has applied the main rule since 2014, which means that the loan expenses directly affect earnings. The company sector follows the alternative rule which means that the loan expenses, under certain conditions, may be charged to the cost of the asset. In the company sector, loan expenses are capitalised primarily for property companies that have a yield requirement and therefore follow the alternative rule. When calculating loan expenses to be capitalised, the average financing cost of loans for investment purposes was used. The combined accounts include the capitalised borrowing costs for the year, with SEK 50 million (previous year SEK 42 million) in Property, plant and equipment, calculated at an interest rate of 1.5%. Closing capitalised loan costs are SEK 616 million. See notes 7 and 10.

Assets

Drawing a boundary between cost and investment

Within the City of Gothenburg, assets for continuous use or holdings with a useful life of at least three years are viewed as non-current assets if the amount is greater than half a price base amount. The boundary is the same for property, plant and equipment as it is for intangible assets, as well as for financial lease agreements. When reinvesting, Municipality guidelines for component accounting specify rules for classifying component replacement as operations or investments. Art deviates from the boundary and two price base

amounts are applied, with the exception of cases that fall under artistic decoration/design according to the "one per cent rule". The boundary for art is a deviation from R4. The reason for this deviation is that the purpose of such purchases is primarily to promote local culture; in addition, the amounts are insignificant in relation to the City's investment volumes. See notes 10 and 22.

Intangible fixed assets

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

Property, plant and equipment

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

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

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

Leases

A decision by the City Council stipulates that as of 2007 the Municipality's investments in movable property must be financed through leases, with the municipal company Göteborgs Stads Leasing AB (GSL) as lessor. According to R5 *Leases*, lease agreements will be classified as financial if the economic benefits and risks associated with ownership of the object are in all essentials transferred to the lessee. Assets in agreements that are classified as financial leases must be recognised as non-current assets and the obligation to pay lease fees in the future recognised as a liability in the balance sheet. The value of the assets is depreciated using the same model and depreciation period as if they had

been purchased. Paid lease fees are recognised as repayment by instalments and interest.

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

Future minimum lease fees are calculated based on data from the lessor and are reported as an obligation in memorandum items. See note 22.

Financial assets

See the section Financial liabilities.

State infrastructure subsidies

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

Equity

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

Liabilities and provisions

Financial liabilities

Financial assets and liabilities are recognised as non-current or current items depending on their character. Reclassification to current occurs when the item matures within twelve months or for the part that is amortised within twelve months, unless an extension agreement exists at the balance sheet date. Financial assets and liabilities are recognised at cost. See notes 11 and 14 for financial assets and notes 18 and 19 for financial liabilities.

Lending to Group companies is not reclassified as current if the company expects the debt to be settled on a non-current basis. Lending to

companies that is expected to be repaid within twelve months is classified as current.

For premiums, discounts and charges, straight-line accrual is used over the life of the loan. Assets and liabilities denominated in foreign currencies are measured at the hedged exchange rate when available; otherwise they are translated at the exchange rate on the balance sheet date as provided by the Riksbank.

Derivative and hedge accounting

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

The City of Gothenburg hedges part of the debt through interest rate derivatives. The aim is to eliminate variability in future cash flows relating to the payment of variable interest and to fix interest expenses. The Municipality also hedges its foreign exchange exposure through currency derivatives. The effectiveness of the hedging relationship is assessed at each balance sheet date by comparing the principal terms of the hedging instruments with the principal terms of the hedged item. The hedging relationship is considered to be effective as long as there is no material change in the principal terms of either the hedging instrument or the hedged item. The Municipality complies with the requirements for hedge accounting as at 31 December 2021.

Swap interest is recognised in profit and loss on an ongoing basis as part of the City's interest expenses, taking into account the accrual of interest on the swap. The effect of termination of a derivative contract due to termination of the hedging relationship is recognised directly in profit and loss and is not allocated over time. See notes 18 and 19.

Pensions

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

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

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

Defined-contribution pension including employer's contribution is included in the accruals and deferred income item under current liabilities. See note 19.

The City of Gothenburg calculates the current pension liability for employees in the Municipality as in the specified guidelines, RIPS. Pension obligations for employees of the municipal companies are reported in accordance with the Swedish Accounting Standards Board's BFN K3.

Provisions

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

Provisions for restoration of landfill sites have been entered at amounts assessed to be necessary to settle the obligation on the balance sheet day. Provisions relate to restoration of the City's closed landfills. No present value has been calculated for a provision for landfill sites and the City of Gothenburg therefore does not comply in these aspects with R9. Reliable information to make this calculation is not available.

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

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

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

Memorandum items

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

2. Operating income

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Sales revenue	388	384	5,605	8,626
Tariffs and charges	2,560	2,641	2,880	2,801
Rents and leases	1,469	1,469	8,376	8,108
Government subsidies and reimbursements	2,980	2,835	3,018	2,875
Grants and gifts from private participants	53	36	53	36
EU grants	25	21	25	21
Other subsidies	121	52	171	239
Sale of services and consulting services	1,548	1,439	2,543	3,006
Revenue from development activities	590	1,226	590	1,226
Capital gains from non-current assets	172	582	372	2,290
Other operating income	86	179	1,154	1,990
Total operating income	9,992	10,864	24,787	31,218

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23a.

3. Operating expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Personnel costs excluding social security contributions and pension costs	-15,910	-16,431	-18,795	-19,616
Social security contributions including employer's contribution	-5,276	-5,456	-6,278	-6,514
Pension costs	-1,347	-1,748	-1,627	-2,041
Subsidies paid	-2,696	-2,743	-2,696	-2,746
Purchase of main activity	-7,867	-8,268	-8,143	-8,263
Rent for premises and land	-1,356	-1,349	-1,110	-1,087
Fuel, energy, water, etc.	-361	-377	-3,249	-5,615
Materials, services and other operating expenses	-4,827	-5,257	-7,744	-9,438
Capital losses and disposals	-86	-131	-264	-413
Cost of sold development properties	-116	-72	-116	-72
Current and deferred corporate tax	-	-	-213	-342
Total operating expenses	-39,842	-41,832	-50,235	-56,147

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23a.

4. Depreciation/amortisation and write-downs

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Amortisation, intangible assets	-1	-1	-18	-16
Depreciation, buildings and plant	-1,224	-1,378	-3,492	-3,792
Depreciation, machinery and equipment	-542	-665	-1,115	-1,133
Write-down/reversal of write-down	30	52	-125	227
Total depreciation/amortisation and write-downs	-1,737	-1,992	-4,750	-4,714

5. Tax revenue

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Preliminary municipal tax	29,926	30,326	29,926	30,326
Preliminary final settlement, current year	-414	666	-414	666
Final settlement difference, previous year	-139	96	-139	96
Total tax revenue	29,373	31,088	29,373	31,088

6. General government subsidies and equalisation

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Income equalisation	2,544	2,537	2,544	2,537
Cost equalisation	-1,080	-1,178	-1,080	-1,178
Settlement subsidy/charge	593	1,733	593	1,733
Municipal property charge	862	879	862	879
Subsidy/charge for LSS equalisation	188	208	188	208
Other subsidies in equalisation system	309	56	309	56
Other general subsidies from the government	1,207	232	1,207	232
Total general government subsidies and equalisation	4,623	4,467	4,623	4,467

7. Financial income and expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Dividends on shares and participations	4	1	67	-7
Dividends on shares and participations Group companies	20	-	-	-
Interest income	34	34	50	53
Interest income Group companies	390	372	-	-
Guarantee fees	11	10	-	-
Other financial income	4	15	14	18
Total financial income	463	432	131	64
Interest expenses	-405	-346	-528	-449
Interest expenses Group companies	-14	-11	-	-
Financial expense change in pension provision	-76	-48	-108	-70
Other financial expenses	31	-29	30	-19
Total financial expenses	-464	-434	-606	-538

8. Items affecting comparability

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
Gains on sale of fixed asset		172	593	-	-
Gains/loss on sale of development property		369	916	-	-
Gains/loss other development activities	2	95	203	-	-
Change in pension obligation because of changed life expectancy assumptions	3	-	-115	-	-
Dividend from Group companies	8	20	-	-	-
Change in provision for infrastructure		54	-	-	-
Change in pension obligation because of system change at KPA	3	283	-	-	-
Total items affecting comparability		993	1,597	-	-
Itemisation:					
Gains on sale of property, plant and equipment	2	172	583	-	-
Gains on sale of financial asset	7	-	11	-	-
Costs	3	0	-1	-	-
Gains on sale of fixed asset		172	593	-	-
Sales price development property, etc.	2	551	1,041	-	-
Cost of sold development property, etc.	3	-182	-125	-	-
Gains/loss on sale of development property		369	916	-	-
Reversal co-financing E45, fundamental provision	3	11	-	-	-
Reversal co-financing E45, indexing	7	43	-	-	-
Change in provision infrastructure		54	-	-	-

The assessment only covers items affecting comparability for the Municipality.

9. Intangible fixed assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Internally developed intangible fixed assets				
Opening cost	19	19	631	695
Cost	-	-	50	65
Sales/disposals	-	-19	25	-21
Reclassifications/transfers	-	-	-11	-4
Closing cost	19	0	695	735
Opening accumulated depreciation/amortisation	-19	-19	-611	-629
Sales/disposals	-	19	1	20
Reclassifications/transfers	-	-	0	-
Depreciation/amortisation for the year	-	-	-19	-15
Closing accumulated depreciation/amortisation	-19	0	-629	-624

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Opening accumulated write-downs	-	-	29	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-29	-
Closing accumulated write-downs	-	-	0	-
Closing carrying amount	0	0	66	111
Acquired intangible fixed assets				
Opening cost	52	23	482	464
Cost	-	-	0	-
Sales/disposals	-29	-	-29	-
Reclassifications/transfers	-	-	11	7
Closing cost	23	23	464	471
Opening accumulated depreciation/amortisation	-20	-21	-301	-305
Sales/disposals	-	-	0	-
Reclassifications/transfers	-	-	0	-
Depreciation/amortisation for the year	-1	-1	-4	-2
Closing accumulated depreciation/amortisation	-21	-22	-305	-307
Opening accumulated write-downs	-29	-	-83	-54
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	29	-	29	-13
Closing accumulated write-downs	0	-	-54	-67
Closing carrying amount	2	1	105	97
Total intangible fixed assets	2	1	171	208
Intangible fixed assets				
Carrying amount at beginning of year	3	2	147	171
Cost	-	-	50	65
Sales/disposals	-29	0	-3	-1
Write-downs	29	-	0	-13
Depreciation/amortisation	-1	-1	-23	-17
Other changes	-	-	0	3
Carrying amount at year-end	2	1	171	208

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23b.

10. Property, plant and equipment

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Land, plant and buildings				
Opening cost	47,101	51,825	139,459	149,495
Cost	5,744	4,897	11,193	9,849
Sales/disposals	-352	-378	-860	-1,538
Reclassifications/transfers	-668	-824	-297	211
Closing cost	51,825	55,520	149,495	158,017
Opening accumulated depreciation/amortisation	-14,626	-15,583	-52,060	-54,866
Sales/disposals	259	214	681	820
Reclassifications/transfers	8	2	-10	-89
Depreciation/amortisation for the year	-1,224	-1,376	-3,477	-3,744
Closing accumulated depreciation/amortisation	-15,583	-16,743	-54,866	-57,879
Opening accumulated write-downs	-54	-53	-2,487	-2,535
Sales/disposals	-	-	76	5
Reclassifications/transfers	-	-	2	0
Write-downs/reversals for the year	1	49	-126	237
Closing accumulated write-downs	-53	-4	-2,535	-2,293
Closing carrying amount	36,189	38,773	92,094	97,845
Estimated average useful life (years)	26.4	26.9	30.2	30.5
Machinery and equipment				
Opening cost	5,043	6,127	15,003	16,242
Cost	875	774	2,025	2,063
Sales/disposals	-12	-106	-534	-483
Reclassifications/transfers	221	466	-252	-313
Closing cost	6,127	7,261	16,242	17,509
Opening accumulated depreciation/amortisation	-2,368	-2,536	-6,708	-7,251
Sales/disposals	9	98	465	455
Reclassifications/transfers	362	194	97	32
Depreciation/amortisation for the year	-539	-662	-1,105	-1,147
Closing accumulated depreciation/amortisation	-2,536	-2,906	-7,251	-7,911
Opening accumulated write-downs	-	-	-113	-112
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	0
Write-downs/reversals for the year	-	-	1	0
Closing accumulated write-downs	-	-	-112	-112
Closing carrying amount	3,591	4,355	8,879	9,486
Estimated average useful life (years)	9.8	9.8	10.1	9.8
Other property, plant and equipment				
Opening cost	88	101	231	260
Cost	2	2	3	5
Sales/disposals	-6	-1	-6	-10

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Reclassifications/transfers	17	18	32	28
Closing cost	101	120	260	283
Opening accumulated depreciation/amortisation	-36	-32	-79	-85
Sales/disposals	6	1	6	4
Reclassifications/transfers	-	-	-	0
Depreciation/amortisation for the year	-2	-3	-12	-14
Closing accumulated depreciation/amortisation	-32	-34	-85	-95
Opening accumulated write-downs	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Closing accumulated write-downs	-	-	-	-
Closing carrying amount	69	86	175	188
Estimated average useful life (years)	28.9	27.9	16.9	16.5
Total property, plant and equipment	39,849	43,214	101,148	107,519
Property, plant and equipment				
Carrying amount at beginning of year	35,148	39,849	93,246	101,148
Cost	6,621	5,672	13,221	11,917
Sales/disposals	-95	-172	-172	-748
Write-downs	1	49	-125	237
Depreciation/amortisation	-1,765	-2,040	-4,594	-4,904
Other changes	-61	-144	-428	-131
Carrying amount at year-end	39,849	43,214	101,148	107,519
Itemisation: Of which leases				
Machinery and equipment				
Cost	3,113	3,327	-	-
Accumulated depreciation/amortisation	-1,798	-2,089	-	-
Write-downs	-	0	-	-
Closing carrying amount	1,315	1,238	-	-
Estimated average useful life (years)	7.5	6.6	-	-
Itemisation: Of which ongoing				
Opening cost	10,861	12,096	17,482	19,732
Cost	6,621	5,672	13,222	11,917
Transfers	-5,386	-8,545	-10,735	-14,446
Sales/disposals	-	-	-56	-3
Write-downs	-	-	-126	60
Other	-	-	-55	112
Closing carrying amount	12,096	9,223	19,732	17,372

The Municipality's reversed write-downs relates to Backegårdsskolan, SEK 1.2 million, Gårdstensskolan, SEK 23.3 million and Torslandaskolan, SEK 25 million. The reversed amounts were scrapped in their entirety during the year as a result of completed demolition.

11. Financial assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Shares and participations in:*				
Göteborgs Stadshus AB	9,451	9,451	-	-
Kommuninvest Cooperative Society	336	375	336	375
Other companies, tenant-owner dwellings and basic fund capital trusts	18	18	57	83
Non-current lending to Group companies	34,786	34,001	-	-
Other non-current receivables	3,000	3	4,240	529
Total financial assets	47,591	43,848	4,633	987

* A list of the City of Gothenburg's shareholdings can be found in note 29.

12. Infrastructure subsidies

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Swedish Transport Administration subsidies				
Total subsidy	30	31	30	31
Accumulated dissolution	-6	-7	-6	-7
<i>of which dissolution for the year</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>
Total infrastructure subsidies	24	24	24	24

The original total grant was SEK 30 million. Closing value refers to eight projects for a pedestrian and bicycle path, roundabout and commuter parking. The largest project corresponds to an original amount of SEK 15 million. Time for dissolution is 25 years for all projects. Dissolution for the year is SEK -1 million (previous year SEK -1 million) and accumulated dissolution is SEK 7 million.

13. Supplies

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Supplies and inventories	35	36	398	428
Development properties	964	857	1,797	1,644
Total supplies	999	893	2,195	2,072
Itemisation: Development properties				
Value brought forward	789	964	1,155	1,797
Expenses for the year	345	43	1,171	771
Withdrawal of book value	-189	-154	-545	-961
Reclassification/revaluation	19	4	16	37
Total development properties	964	857	1,797	1,644

14. Receivables

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Accounts receivable	448	502	1,415	1,651
Accounts receivable, Group companies	98	113	-	-
VAT receivables	329	352	407	421
Receivables, government subsidies and reimbursements	318	133	539	158
Municipal tax receivables	329	380	329	380
Other current receivables	441	3,506	1,793	4,644
Other current receivables, Group companies	3,225	4,290	-	-
Prepayments and accrued income	1,232	2,101	912	3,330
Total current receivables	6,420	11,377	5,395	10,584

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23b.

15. Equity

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Equity brought forward	26,164	28,571	32,561	35,863
Other adjustments	-1	-	-17	7
Net earnings for the year	2,408	2,593	3,319	5,438
Closing equity	28,571	31,164	35,863	41,308
Itemisation equity				
Net earnings for the year	2,408	2,593	3,319	5,438
Earnings equalisation reserve	4,530	5,258	4,530	5,258
Other equity	21,633	23,313	28,014	30,612
Total equity	28,571	31,164	35,863	41,308
Itemisation earnings equalisation reserve				
Opening earnings equalisation reserve	3,003	4,530	3,003	4,530
Change in earnings equalisation reserve for the year	1,527	728	1,527	728
Total closing earnings equalisation reserve	4,530	5,258	4,530	5,258

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23b.

16. Provisions for pensions and similar obligations

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Defined-benefit pension scheme	2,857	3,251	3,991	4,385
Collective agreement occupational pension, fixed-term pension, etc.	23	12	23	12
Total pensions	2,880	3,263	4,014	4,397
Employer's contribution	698	792	785	881
Total provisions for pensions and similar obligations	3,578	4,055	4,799	5,278
Itemisation: Change in provision over the year				
Provision brought forward	3,529	3,578	4,753	4,799
New commitments during the year	140	489	200	547
<i>of which newly earned pension</i>	59	331	78	375
<i>of which interest and base amount indexation</i>	76	48	124	81
<i>of which change in actuarial bases</i>	-	94	-3	88
<i>of which pension to survivors</i>	20	10	20	10
<i>of which miscellaneous</i>	-15	6	-19	-7
Payouts for the year	-100	-105	-164	-169
Change in special employer's contribution for the year	9	93	10	101
Total provisions for pensions and similar obligations	3,578	4,055	4,799	5,278

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

17. Other provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
A. Provision for restoration of landfill				
Carrying amount at beginning of year	21	21	75	82
Provisions for the period	0	-	10	8
Provisions utilised	-	-1	-3	-9
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-
Closing provisions	21	20	82	81
B. Provision for infrastructure measures				
Carrying amount at beginning of year	709	649	709	649
Provisions for the period	2	60	2	60
Provisions utilised	-8	-21	-8	-21
Unused amounts reversed	-54	-	-54	-
Reclassification	-	-	-	-
Closing provision	649	688	649	688
C. Provision for measures in the construction sector				
Carrying amount at beginning of year	137	112	739	1,507
Provisions for the period	40	29	974	297
Provisions utilised	-43	-60	-161	-175

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Unused amounts reversed	-22	-4	-45	-16
Reclassification	-	-	-	25
Closing provision	112	77	1,507	1,638
D. Provision for environmental measures				
Carrying amount at beginning of year	24	23	76	83
Provisions for the period	10	1	17	4
Provisions utilised	-9	-3	-9	-6
Unused amounts reversed	-2	-8	-1	-28
Reclassification	-	-	-	-
Closing provision	23	13	83	53
E. Other provisions				
Carrying amount at beginning of year	12	31	168	211
Provisions for the period	21	-	45	48
Provisions utilised	-1	-7	-1	-9
Unused amounts reversed	-1	-15	-1	-24
Reclassification	-	-	-	-
Closing provision	31	9	211	226
F. Deferred taxes				
Carrying amount at beginning of year	-	-	3,510	3,488
Provisions for the period	-	-	147	278
Provisions utilised	-	-	-143	-14
Unused amounts reversed	-	-	-6	1
Reclassification	-	-	-20	-45
Closing provision	-	-	3,488	3,708
Total opening balance	903	836	5,277	6,020
Total provisions for the period	73	90	1,195	695
Total utilised	-61	-92	-325	-234
Total unused amounts reversed	-79	-27	-107	-67
Reclassification	-	-	-20	-20
Total closing balance	836	807	6,020	6,394

The Municipality

A. Landfill

This provision refers to the restoration of the City's 17 closed landfill sites. The environmental protection measures relating to this are the responsibility of the Eco-cycle and Water Committee. Brudaremossen is the biggest of the landfill sites and accounts for the largest proportion of the restoration costs. There is still uncertainty surrounding the size of the provision as the restoration requirement changes over time. This could be a result of either changes in the environment or different technical solutions. An analysis of Brudaremossen's leachate in 2015 indicated that permanent measures will be needed to treat the leachate. Ongoing improvement measures are in progress at all landfill sites. The leachate facility at Brudaremossen was commissioned in May 2020.

B. Infrastructure

In 2010, the Municipality signed an agreement on the co-financing of infrastructure measures as part of the West Sweden Package. SEK 400 million concerns land use within the scope of the West Sweden Package. This was entered into the Municipality's income statement and balance sheet in 2011. In 2014, the Municipality entered into a co-financing agreement for the extension of the E20 highway and the work to take a stretch of the E45 highway underground. The agreement for the extension of the E20 is a sub-agreement between the Göteborg Region Association of Local Authorities (GR) and the City of Gothenburg. In the main agreement, the City of Gothenburg is represented by GR. The amounts have been index adjusted by SEK 60 million (previous year 2 million). The index adjustment for 2021 is substantial, 25% with respect to the road index and 3.9% with respect to KPI. The provision for taking a stretch of the E45 highway underground was reversed in its entirety.

C. Measures in the construction sector

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

D. Environmental measures

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

E. Other provisions

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

The Municipal Group

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

A. Landfill

The provision for restoration of landfill, aside from the Municipality's provision of SEK 20 million, primarily refers to the restoration of landfill sites within the Renova Group. OB of SEK 54 million has increased to SEK 61 million, with Tagene accounting for SEK 39 million. Opening funds of SEK 7 million earmarked for Göteborgs Hamn AB for the restoration of Torsviken dredging depot have been used during the year.

B. Infrastructure

See the *Municipality*.

C. Measures in the construction sector

The provision for measures in the construction sector refers, aside from the Municipality's provision, which in total decreased from SEK 112 million to SEK 77 million, largely to future commitments in construction projects within Älvstranden Utveckling AB. These provisions have increased overall from SEK 1,302 million to SEK 1,483 million and mainly comprise:

- Masthuggskajen, OB SEK 1,129 million, which together with change for the period gives a CB of SEK 1,203 million. The provision is expected to have an ongoing outflow through 2030.
- Lindholmshamnen, OB SEK 98 million and CB SEK 136 million, with an expected outflow through 2025,
- Celsiusgatan, OB 24 million and CB 46 million,
- Frihamnen, new provision for the year of SEK 44 million,
- Västra Eriksberg, OB 26 million and CB 31 million, and
- the remaining, largely unchanged, provisions relating to Skeppsbron, OB SEK 13 million and Kvillebäcken, CB SEK 6 million.

Älvstranden also reports an ongoing provision regarding various construction projects with IB SEK 6 million and CB SEK 4 million, as does Higab AB, OB SEK 45 million and CB SEK 36 million and Förvaltnings AB Framtiden with IB SEK 10 million and CB SEK 11 million. The item also contains Framtidens provision for guarantee commitments relating to one-coat rendered façades, which fell from SEK 38 to SEK 30 million during the year because of a reversal.

D. Environmental measures

Funds earmarked for environmental measures refer, aside from the Municipality's provision of SEK 13 million, to the provision within the Göteborg Energi Group linked to ongoing confirmed future environmental measures, such as the restoration of land. CB for the year, SEK 32 million, is essentially unchanged compared with the OB. Liseberg AB reversed its entire provision for contaminated land in a subsidiary company, OB SEK 20 million. The remaining amounts are unchanged and encompass both a provision for decontamination of the Färjenäs training area used by Greater Gothenburg Rescue Services and a provision to Gryaab for land decontamination of Färjestaden of SEK 4 million each.

E. Other provisions

Aside from the Municipality's provision of OB SEK 31 million and CB SEK 9 million, other provisions largely comprise a provision for outstanding claims within Försäkrings AB Göta Lejon. An additional provision was made here during the year for SEK 42 million, which means that the CB is now SEK 208 million, compared with the OB of SEK 166 million. Other provisions include costs for restructuring and severance pay.

18. Non-current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Liabilities to banks and credit institutions	35,359	36,109	39,969	39,973
Non-current lease liability	1,315	1,238	-	-
Liabilities to Group companies	427	424	-	-
Other non-current liabilities	1,280	1,249	1,378	1,339
Connection charges	525	619	724	831
Investment subsidies	3,157	3,566	3,157	3,566
Total non-current liabilities	42,063	43,205	45,228	45,709
Non-current liabilities change over the year				
Opening non-current liability	38,701	42,063	40,346	45,228
Newly raised loans	7,948	8,060	9,758	8,601
Repayment of interest-bearing liability	-6,041	-7,289	-6,288	-8,580
Accrual premiums and discounts	168	-21	168	-21
Change in lease liability	145	-77	-	-
Change in other non-current liabilities	317	-34	362	-35
Change in deferred income	825	503	882	516
Total closing non-current liabilities	42,063	43,205	45,228	45,709
Information on non-current and current borrowing				
Average interest during the year (%)	0.85	0.69	1.10	0.92
Average interest during the year excluding derivatives (%)	0.57	0.41	0.57	0.43
Average fixed interest period (years)	2.1	2.5	3.0	3.1
Average fixed interest period excluding derivatives (years)	1.4	1.9	1.5	1.9
Average capital commitment (years)	3.2	3.4	3.2	3.3
Loans maturing within 0-1 years	23	22	21	22
Loans maturing within 1-2 years	16	13	17	13
Loans maturing within 2-5 years	43	42	46	43
Loans maturing within 5+ years	18	23	16	22
Hedging instruments				
Nominal amount of interest rate swaps	5,100	5,800	22,460	19,260
Market value of interest rate swaps	-250	-158	-717	-291
Hedged debt in foreign currency	3,338	2,816	3,338	2,816
Market value cross currency swaps	-235	20	-235	20

19. Current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Liabilities to banks and credit institutions	10,265	10,405	10,860	11,774
Liabilities to Group companies	2,587	2,743	-	-
Accounts payable	2,061	2,246	3,154	3,595
VAT and excise taxes	0	-	125	74
Employee taxes, charges and deductions	354	336	411	399
Accrued personnel costs	3,055	2,937	3,460	3,426
Municipal tax liabilities	799	319	799	319
Other current liabilities	408	382	1,126	1,308
Other accruals and deferred income	1,249	1,436	3,137	3,415
Total current liabilities	20,778	20,804	23,072	24,310
Market value of swaps				
Hedged debt in foreign currency	2,327	2,012	2,327	2,012
Currency swaps	-155	71	-155	71

Comparative figures for 2020 have been adjusted as a result of corrections/amendments, see note 23b.

20. Pledges and equivalent collateral

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Guarantees for loans and pension obligations				
Göteborgs Hamn AB	393	384	-	-
Göteborg Energi AB	237	237	-	-
Higab AB	784	1,075	-	-
Göteborgs Stadshus AB	3,330	3,330	-	-
Förvaltnings AB Framtiden	412	412	-	-
Other companies	288	269	-	-
Total guarantees City companies	5,444	5,707	-	-
Other guarantees				
Private houses – government home loans	1	1	1	1
Foundations	500	387	500	387
Associations	174	160	174	160
Other	65	67	65	68
Total external guarantees	740	615	740	616
Total guarantees	6,184	6,322	740	616
Pledged assets	-	-	614	923
Total guarantees and pledged assets	6,184	6,322	1,354	1,539
Contingent liabilities	-	-	163	171
Total contingent liabilities	-	-	163	171

In some cases the Municipality issues guarantees for loans to the municipality-owned companies, and for other external operations such as associations and foundations. Contingent liabilities in the Group mainly consist of bank guarantees at Göteborg Energi AB, deferment of stamp duty at Förvaltnings AB Framtiden and Higab AB, as well as commitments related to the landfill at Renova AB.

In November 2012, the City of Gothenburg stood surety jointly and severally, as for a debt of its own, for all of Kommuninvest i Sverige AB's present and future obligations. All 294 municipalities and regions that were members of Kommuninvest Cooperative Society on 31 December 2021 have entered into identical guarantee commitments. Kommuninvest's total obligation amounted to SEK 511.0 billion and its total assets to SEK 518.7 billion on 31 December 2021. The City of Gothenburg's share of the guarantee liability is 2.09%, SEK 10.7 billion.

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

The Municipality's guarantee for pension obligations in certain municipal companies, joint statutory authorities and foundations amounted to SEK 737 million at the end of the year. There was no need for the City of Gothenburg to redeem guarantee commitments during the year.

21. Pension obligations not recognised as liabilities or provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
PA-KL pension obligations, active	2,858	2,669	2,865	2,676
PA-KL pension obligations, retired	5,195	5,263	5,285	5,350
Pension obligations, annuity	302	293	301	293
Total PA-KL pension obligations	8,355	8,225	8,451	8,319
Pension obligations, managers' agreements	-	-	-	-
Other pension obligations	11	7	11	7
Guarantee commitments, FPG/PRI	-	-	6	6
Total pension obligations	8,366	8,232	8,468	8,332
Special employer's contribution	2,029	1,997	2,051	2,018
Total pension obligations and special employer's contribution	10,395	10,229	10,519	10,350
Itemisation: Change in contingent liabilities over the year				
Opening contingent liability for pension obligation	10,341	10,395	10,455	10,519
New commitments during the year	520	341	540	348
<i>of which interest and base amount indexation</i>	252	148	254	150
<i>of which change in actuarial bases</i>	-	226	-	231
<i>of which pension to survivors</i>	-	-	-	-
<i>of which miscellaneous</i>	268	-33	286	-33
Payouts for the year	-477	-475	-488	-484
Change in special employer's contribution for the year	11	-32	12	-33
Total contingent liability for pension obligation	10,395	10,229	10,519	10,350

The Municipality: Pension obligations in contingent liabilities amounting to SEK 420 million were redeemed in 2001, SEK 260 million in 2002 and SEK 20 million in 2016, a total of SEK 700 million. The City of Gothenburg's surplus funds in insurance amounted to SEK 128 million (equivalent the previous year was SEK 86 million) on 31 December 2021.

22. Leases

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Financial leases				
Lessee				
Carrying amount on the balance sheet date for machinery and equipment	1,221	1,238	-	-
Present value minimum lease fees	1,298	1,290	-	-
<i>of which maturing within 1 year</i>	392	403	-	-
<i>of which maturing within 1-5 years</i>	728	718	-	-
<i>of which maturing in more than 5 years</i>	178	169	-	-
Variable charges included in net earnings for the period	-	-	-	-
Lessor				
External receivables	-	-	615	593
Future minimum lease fees relating to non-cancellable lease agreements	-	-	615	573
<i>of which maturing within 1 year</i>	-	-	58	54
<i>of which maturing within 1-5 years</i>	-	-	205	208
<i>of which maturing in more than 5 years</i>	-	-	352	311
Operating leases				
Lessee				
Lease fees paid for the financial year	2,107	2,095	1,016	986
Future minimum lease fees relating to non-cancellable lease agreements*	1,877	1,760	1,516	1,530
<i>of which maturing within 1 year</i>	593	403	326	272
<i>of which maturing within 1-5 years</i>	848	873	613	733
<i>of which maturing in more than 5 years</i>	436	484	577	525
Lessor				
Contracted future lease fees	895	930	9,785	9,110
<i>of which maturing within 1 year</i>	331	332	1,842	1,717
<i>of which maturing within 1-5 years</i>	329	358	3,996	3,681
<i>of which maturing in more than 5 years</i>	235	240	3,947	3,712

* Recognised as other contingent liability as a memorandum item. The comparative figures for 2020 have been adjusted: for the Municipality from 278 to 1,877; for the Group from 182 to 1,516.

23 a. Effects in the income statement for the comparative year 2020 as a result of corrections/amendments

Amounts in MSEK	Note	The Municipality		The Municipal Group		
		2020	+/-	2020	2020	+/-
Extract:						
Operating income	2	9,992	9,992	24,821	-34	24,787
Operating expenses	3	-39,842	-39,842	-50,268	33	-50,235
Net operating expenses		-31,587	-31,587	-30,197	-1	-30,198
Operating earnings		2,409	2,409	3,799	-1	3,798
Earnings after financial items		2,408	2,408	3,324	-1	3,323
Net earnings for the year		2,408	2,408	3,324	-1	3,323

Tolkförmedling Väst is not included in the combined accounts from 2021.

23 b. Effects in the balance sheet for the comparative year 2020 as a result of corrections/amendments

Amounts in MSEK	Note	The Municipality			The Municipal Group		
		2020	+/-	2020	2020	+/-	2020
Extract:							
NON-CURRENT ASSETS							
Intangible fixed assets	9	2		2	173	-2	171
Total non-current assets		87,442	0	87,442	105,954	-2	105,952
CURRENT ASSETS							
Receivables	14	6,420		6,420	5,402	-7	5,395
Cash and bank		941		941	1,418	-2	1,416
Total current assets		8,360	0	8,360	9,015	-9	9,006
Total assets		95,826	0	95,826	114,993	-11	114,982
EQUITY							
Net earnings for the year		2,408		2,408	3,324	-1	3,323
Other equity		21,633		21,633	28,015	-5	28,010
Total equity	15	28,571	0	28,571	35,869	-6	35,863
LIABILITIES							
Current liabilities	19	20,778		20,778	23,077	-5	23,072
Total liabilities		62,841	0	62,841	68,305	-5	68,300
Total equity, provisions and liabilities		95,826	0	95,826	114,993	-11	114,982

Tolkförmedling Väst is not included in the combined accounts from 2021.

24. Cash flow, items not affecting liquidity

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Gains/loss, reversal	-85	-453	-970	-656
Result development, reversal	-327	-865	-346	-976
Depreciation/amortisation and write-downs, reversal	1,334	1,507	4,654	4,754
Premiums and discounts, loans, accrual for the year	167	-102	-	-102
Investment subsidies, revenue recognition on scrapping	0	-5	-	-
Provisions, made	214	579	1,237	1,342
Provisions, reversed	-69	1	-101	-87
Dividend, non-cash	0	0	-	-
Adjustment according to note 18, items not affecting liquidity	-	-	992	-35
Adjustment according to note 23, equity and other adjustment	-	-	394	5
Total items not affecting liquidity	1,234	662	5,689	4,245

25. Cash flow, items affecting liquidity

Amounts in MSEK	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Development, sales proceeds	516	1,017	516	1,017
Development, proceeds acquisition	-345	-41	-345	-41
Premiums and discounts, loans	0	81	-	81
Provision, payout	-162	-133	-346	-403
Dividend/shareholders' contribution, cash	540	-	-	-
Total items affecting liquidity	549	924	-175	654

26. Disclosure of prepared separate reporting

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

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

Under the Act on Insight into Certain Financial Links and Related Matters (2005:590), special reports are prepared by Göteborgs Hamn AB and Göteborgs Spårvägar AB.

27. Disclosure about costs for auditing of accounts

Amounts in SEK thousand	The Municipality		The Municipal Group	
	2020	2021	2020	2021
Expert assistant	4,018	4,679	12,586	13,036
Elected auditors	32	33	4,097	4,362
Total cost for auditing of accounts	4,050	4,712	16,683	17,398

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

28. Disclosure on intra-group conditions

Internal transactions

Amounts in MSEK	Sales		Loans		Interest and guarantee fee		Surety	
	Income	Cost	Lender	Recipient	Income	Cost	Lender	Recipient
Companies	2,545	988	2,573	38,279	8	374	-	5,597
Municipality	1,001	2,848	38,279	2,982	374	10	5,707	-
Joint Statutory Authorities	315	25	409	-	2	-	-	110
Total	3,861	3,861	41,261	41,261	384	384	5,707	5,707

Group and shareholders' contributions

Amounts in MSEK	Shareholder contribution		Group contribution		Dividend	
	Given	Received	Given	Received	Given	Received
Göteborgs Stadshus AB	540	5	20	1,058	-	-
Göteborg Energi AB	-	5	146	-	-	-
Göteborgs Hamn AB	-	78	211	-	-	-
Higab AB	-	57	199	-	-	-
Förvaltnings AB Framtiden	-	331	417	-	-	-
Göteborg & Co AB	-	24	-	20	-	-
Göteborgs Stads Kollektivtrafik AB	-	34	43	-	-	-
Business Region Göteborg AB	-	5	-	-	-	-
Göteborgs Stads Leasing AB	-	-	35	-	-	-
Boplats Göteborg AB	-	6	7	-	-	-
Municipality	5	-	-	-	-	-
Total	545	545	1,078	1,078	-	-

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

Company / Organisation	Company reg. no.	Ownership stake
GÖTEBORGS STADSHUS AB	556537-0888	100.0 %
INTERNAL COMPANIES (internal operations)		
Göteborgs Stads Upphandlings AB	556070-5054	100.0 %
Försäkrings AB Göta Lejon	516401-8185	100.0 %
Göteborgs Stads Leasing AB	556442-1716	100.0 %
Boplats Göteborg AB	556467-7390	100.0 %
REGIONAL COMPANIES		
Gryaab AB	556137-2177	70.6 %
Göteborgsregionens Fritidshamnar AB (Grefab)	556185-4109	80.0 %
Renova AB	556108-3337	85.0 %
Renova Miljö AB	556946-0321	100.0 %
Fastighets AB Rödingen	556051-2096	100.0 %
GÖTEBORG ENERGI AB	556362-6794	100.0 %
Göteborg Energi Nät AB	556379-2729	100.0 %
Göteborg Energi GothNet AB	556406-4748	100.0 %
Netwest Sweden AB	559028-5656	2.4 %
Ale Fjärrvärme AB	556041-0978	91.0 %
Göteborg Energi Gasnät AB	556029-2202	100.0 %
Göteborg Energi Din El AB	556572-4696	100.0 %
Göteborg Energi Backa AB	556550-2043	100.0 %
Västanvind Vindkraftskooperativ cooperative society*	769621-9141	10.0 %
FÖRVALTNINGS AB FRAMTIDEN	556012-6012	100.0 %
Bostads AB Poseidon	556120-3398	100.0 %
Ellesbokkomplementären AB	556432-9810	33.0 %
KB Ellesbo 2	916844-6442	33.0 %
Familjebostäder i Göteborg AB	556114-3941	100.0 %
Gärdsås Utvecklings AB	556599-9694	49.0 %
Gärdsås Torgbolag KB	969673-5233	56.0 %
Gårdstensbostäder AB	556536-0277	100.0 %
Göteborgs Stads Bostads AB	556046-8562	100.0 %
Fastighetsbolaget Bredfjäll AB	556662-9035	100.0 %
Fastighetsbolaget Bredfjäll KB	969676-6923	100.0 %
Fastighetsbolaget Gropens Gård KB	969676-6881	100.0 %
Fastighetsbolaget Friskvåderstorget KB	969667-0562	100.0 %
Göteborgs Egnahems AB	556095-3829	100.0 %
Bygga Hem i Göteborg AB	556643-7934	100.0 %
Framtiden Byggutveckling AB	556731-5170	100.0 %
Störningsjouren i Göteborg AB	556657-1443	100.0 %
Förvaltnings AB GöteborgsLokaler	556082-4897	100.0 %

Company / Organisation	Company reg. no.	Ownership stake
HANTVERKS- & INDUSTRIHUS i GBG AB (HIGAB)	556104-8587	100.0 %
Hotell Liseberg Heden AB	556050-2501	100.0 %
Myntholmen AB	559011-5563	100.0 %
Fastighets 718:1 AB	559173-4438	100.0 %
Älvstranden Utveckling AB	556659-7117	100.0 %
Södra Älvstranden Utveckling AB	556658-6805	100.0 %
Älvstranden Gullbergsvass AB	556023-2646	100.0 %
Norra Älvstranden Utveckling AB	556001-3574	100.0 %
Fastighets AB Fribordet	556248-5747	100.0 %
Norra Älvstranden Bostäder AB	556260-3281	100.0 %
GVA Fastigheter KB	916836-2888	100.0 %
GVA Fastigheter AB	556291-8390	100.0 %
Ferux Fastighet i Göteborg AB	556615-0123	100.0 %
Norra Älvstranden Bostäder AB	556558-0619	100.0 %
Menlin Fastighets AB	556602-4922	100.0 %
Fastighets AB Radny	556992-7790	100.0 %
Fastighets AB Vinstra	556992-7808	100.0 %
Fastighets AB Esterel	556992-7832	100.0 %
Fastighets AB Raila	559057-5923	100.0 %
Fastighets AB Navet	556609-4354	100.0 %
Eriksbergs Förvaltnings AB	556079-4306	100.0 %
Lindholmospiren Beta AB	556625-8074	100.0 %
Torphuset Fastighets AB	556690-7571	100.0 %
Fripoint AB	556024-1456	100.0 %
Göteborgs Frihamns AB	556246-9519	100.0 %
S Tingsvassen 739:137 Fastighets AB	556606-2641	100.0 %
Göteborgs Stads Parkerings AB	556119-4878	100.0 %
BUSINESS REGION GÖTEBORG AB	556439-5878	100.0 %
Almi Företagspartner Väst AB*	556488-1307	12.3 %
Lindholmen Science Park AB	556568-6366	24.0 %
Johanneberg Science Park AB	556790-3108	37.5 %
Sahlgrenska Science Park AB	556547-7832	22.9 %
Göteborgs Tekniska College AB	556570-6768	49.0 %
GÖTEBORG & CO AB	556428-0369	100.0 %
Svensk Turism AB*	556452-7157	2.0 %
Got Event AB	556015-9823	100.0 %
Liseberg AB	556023-6811	99.9 %
Lisebergs Gäst AB	556422-0845	100.0 %
AB Liseberg Skår 40:17	556909-9731	100.0 %
Göteborgs Stadsteater AB	556016-7875	99.9 %

Company / Organisation	Company reg. no.	Ownership stake
GÖTEBORGS HAMN AB	556008-2553	100.0 %
Göteborgs Stuveri AB	556284-3614	100.0 %
Scandinavian Distripoint AB	556206-1654	100.0 %
Arendal Holding AB	556711-0365	100.0 %
Göteborgs Hamn Holding AB	559338-6799	100.0 %
Halvorsäng Holding AB	559338-6807	100.0 %
Halvorsäng Fastighets AB	559338-6781	100.0 %
Halvorsäng Fastighetsbolag Syd AB	559338-6823	100.0 %
Halvorsäng Fastighetsbolag Nord AB	559338-6815	100.0 %
Halvorsäng Fastighetsbolag Öst AB	559338-6831	100.0 %
GÖTEBORGS STADS KOLLEKTIVTRAFIK AB	559161-0190	100.0 %
Göteborgs Spårvägar AB	556353-3412	85.0 %
GS Buss AB	556771-4380	100.0 %
GS Trafikantservice AB	556771-2251	100.0 %
OTHER		
Kommuninvest Cooperative Society*	716453-2074	2.1 %
Greater Gothenburg Rescue Services	222000-0752	69.7 %
Gothenburg Coordination Association	222000-3285	25.0 %
Göteborg Region Association of Local Authorities**	222000-0265	55.6 %
Göteborgsregionens Internationella Skola AB (ISGR)**	556527-5657	100.0 %
Gryning Vård AB**	556605-8201	54.0 %
Tolkförmedling Väst**	222000-2972	17.2 %

* Is not a municipal group company (<20%), not included in combined accounts

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

Definitions

Degree of updating The percentage of personal files for employees that are updated with regard to former pensionable employment.

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

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

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

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

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

Proportion of running costs Ongoing costs as a percentage of tax revenue and municipal financial equalisation.

Equity The difference between assets and liabilities; shows what proportion of the assets has not been financed through loans.

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

Issue When new bonds/certificates are issued for sale.

Net financial assets (Financial assets excluding shares and participations + current assets) - (current + non-current liabilities).

Level of financing for investments (Cash flow from activities before change in working capital + sale of property, plant and equipment)/net investments

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

Average useful life Cost of assets subject to depreciation/depreciation costs for the year.

Investments/gross costs Gross investment/operating expenses, or net investment/operating expenses.

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

Acid-test ratio (Current receivables + current investments + cash and bank) / current liabilities.

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

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

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

Net investment Investment expenditure less investment income.

Net cost trend excluding items affecting comparability Development of income compared with costs excluding tax revenue and municipal financial equalisation, items affecting comparability and extraordinary items.

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

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

Equity (1) vs total assets (2) as a share of earnings 1) Net earnings for the year as a percentage of equity. 2) The operation's net cost plus financial income as a percentage of total assets

Income statement A summary of the income and expenditure accounts in bookkeeping, i.e. the operation's income and expenses, the balance of which is the net earnings for the period (surplus/deficit).

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

Combined accounts Compilation of the income statements, balance sheets, cash flow statements and notes of the Municipality and the municipal group companies.

Tax revenue trend Development of tax revenue and municipal financial equalisation.

Equity/assets ratio as per the balance sheet Equity/total assets.

Structural net cost/earnings Structural net cost comprises net operating expenses excluding items affecting comparability and extraordinary items, as well as capital gains and dividends. This figure set against tax revenue and municipal financial equalisation produces the structural earnings.

Total debt/equity ratio and degree of provision Provisions / total assets, or current liabilities / total assets, or non-current liabilities / total assets.

3

Economic and Financial Report

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

Economic and Financial Report

100 Operational accounts

The operational accounts are set out to allow comparison of outcomes with the City Council's budget for the committees.

108 Investment accounts

The investment accounts must meet the City Council's requirements to monitor progress and demonstrate the accountability of the boards and committees. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services.

116 Foundations

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

Operational accounts

Municipality's operational accounts

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

Most of the committees budget to achieve a break-even result. Under the City's regulations, however, the committees have the right, based on certain circumstances and limits, to accumulate and use equity. The committees therefore have the opportunity to budget for both a surplus and a deficit. The 'budget' column also shows the result that the Council budgeted for the central municipal items and for the City as a whole. The internal management accounting and financial control policies that are most significant for the operational accounts can be found in the section Notes including accounting policies.

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
COMMITTEES WITH A SPECIAL FOCUS AREA							
Planning and Building Committee	191	-340	150	1	0	183	-329
Property Management Committee	714	-723	39	30	0	779	-804
Pre-school Committee	511	-4,879	4,461	94	-80	536	-4,801
Compulsory School Committee	1,095	-9,745	8,834	183	0	980	-8,928
Sports and Associations Committee	114	-648	535	0	0	129	-651
Municipality Management	144	-479	367	32	0	176	-530
Cultural Affairs Committee	133	-761	624	-4	0	129	-714
Commercial Premises Committee	3,331	-3,282	-49	0	0	3,276	-3,089
Environmental and Climate Committee	99	-187	101	14	0	80	-152
Labour Market and Adult Education Committee	308	-946	739	102	0	291	-907
Committee for Democracy and Citizen Services	73	-144	87	15	0	75	-130
Committee for Disability Support	594	-5,183	4,653	64	0	-	-
Purchasing and Procurement Committee	72	-77	9	4	0	71	-72
Committee for Intraservice	1,159	-1,179	20	0	0	1,120	-1,140
Parks and Landscape Committee	505	-817	311	-1	0	472	-762
Social care committee Centrum	164	-1,301	1,195	57	0	-	-
Social care committee Hisingen	126	-1,202	1,133	57	0	-	-
Social care committee Nordost	146	-1,725	1,618	39	0	-	-

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
Social care committee Sydväst	467	-1,152	746	61	0	-	-
Committee for Allocation of Social Welfare	-	-	-	-	-	613	-1,286
Road Traffic Committee	1,221	-2,286	1,062	-3	0	1,194	-2,068
Education Committee	1,048	-3,212	2,201	36	0	1,005	-3,115
Electoral Committee	0	-6	12	6	0	0	-2
Committee for the elderly, nursing and care	1,372	-6,820	5,707	258	0	-	-
DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS							
Eco-cycle and Water Committee	1,689	-1,689	0	0	0	1,570	-1,570
DISTRICT COMMITTEES							
District Committees	-	-	-	-	-	4,798	-17,975
Allocations to Committee for Allocation of Social Welfare	-	-	-	-	-	15	-137
Financial framework for special budget items							
Archives Committee	40	-61	22	1	0	39	-56
Property Management Committee: Transfers	0	-58	68	10	0	-	-60
Social care committee Centrum: Adult education associations	0	-30	31	1	0	-	-31
Auditors' Office	5	-41	36	1	0	5	-36
Chief Guardians' Committee: Fees	1	-23	25	3	0	1	-24
Total for committees	15,322	-48,997	34,737	1,061	-80	17,538	-49,368
Central municipal items	36,874	-2,202	-34,737	-65	-960	35,831	-2,586
Earnings before items affecting comparability	52,196	-51,199	0	997	-1,040	53,369	-51,954
Dividend	-	-	-	-	540	20	-
Capital gains	1,509	-	-	1,509	500	540	-
Other items affecting comparability	215	-127	-	88	0	106	327
Earnings Municipality	53,919	-51,326	0	2,593	0	54,035	-51,627
<i>Adjustment for items that are not attributable to operating expenses and income according to the income statement</i>	<i>-35,987</i>	<i>434</i>	<i>-</i>	<i>-35,553</i>	<i>-34,944</i>	<i>-34,459</i>	<i>464</i>
<i>Adjustment for internal items</i>	<i>-7,068</i>	<i>7,068</i>	<i>-</i>	<i>0</i>	<i>-</i>	<i>-9,584</i>	<i>9,584</i>
<i>Operating income and expenses according to the income statement</i>	<i>10,864</i>	<i>-43,824</i>	<i>-</i>	<i>-32,960</i>	<i>-34,944</i>	<i>9,992</i>	<i>-41,579</i>
<i>Tax revenue</i>	<i>31,088</i>	<i>-</i>	<i>-</i>	<i>31,088</i>	<i>30,102</i>	<i>29,373</i>	<i>-</i>
<i>General government subsidies and equalisation</i>	<i>4,467</i>	<i>-</i>	<i>-</i>	<i>4,467</i>	<i>4,310</i>	<i>4,623</i>	<i>-</i>
<i>Financial items</i>	<i>432</i>	<i>-434</i>	<i>-</i>	<i>-2</i>	<i>532</i>	<i>463</i>	<i>-464</i>
Net earnings for the year	46,851	44,258	-	2,593	0	44,451	-42,043

The committees

The committees report earnings for the year of just over SEK 1 billion, which is SEK 1.1 billion higher than budgeted earnings and about SEK 700 million higher than the forecast that the committees submitted in the interim report as of August.

The main explanations for this year's net earnings are the same as those for the previous year:

- » City Council decision to expand municipal subsidies to the committees
- » Pandemic-related government subsidies
- » Services could not be provided or were provided at lower capacity because of the pandemic

Below is a presentation by committee of those committees with a negative deviation from the budgeted result, as well as committees with major positive deviations that cannot be attributed to the general reasons provided above, or where clarification of these reasons is needed.

The social care committees report an aggregate result of more than SEK 215 million. The committees received an expanded municipal subsidy of SEK 155 million according to City Council decision §24 on 22 April 2021, as a targeted support measure because of a new tax forecast. This support was allocated as follows: social care committee Nordost received SEK 60 million, social care committee Sydväst received SEK 70 million and social care committee Hisingen received SEK 25 million. Other reasons for the positive performance include the expanded government subsidies in safety and security, as well as retroactive one-off revenue attributable to 2020.

As a result of the same decision, the Committee for Disability Support also received an expanded municipal subsidy of SEK 150 million, which is the most important explanation for the committee's positive performance.

For the Pre-school Committee and the Compulsory School Committee, an important explanation for the high earnings of the committees, in addition to the general reasons stated above, is that the municipal subsidy was based on substantially more citizens and, by extension, more children in activities and more pupils, than what was actually the case.

The Labour Market and Adult Education Committee reports extremely high earnings in relation to the committee's balance sheet total. This deviation has arisen within both adult education services and labour market initiatives. Besides higher government subsidies, the devi-

ation is attributable to reduced volumes in adult education within SFI, while the percentage of distance studies with a lower cost scenario sharply increased. There are several reasons for the deviation within labour market initiatives, including lower volumes that, besides the pandemic, were due to the restructuring of the Swedish Public Employment Service.

The main reason for the high earnings within the Committee for the elderly, nursing and care is expanded government subsidies. Moreover, health-promoting, preventive health and service activities could not be provided on a full scale because of the pandemic, as well as the reduced employer's contribution for young people aged 19–23 years.

The Property Management Committee also reported a large positive surplus of SEK 30 million that could not be explained by the above factors. Explanations include lower staff costs due to vacant positions and lower operating costs for assisted living flats and property taxes. Moreover, the outcome of the cost of capital in relation to the budget was positive.

The municipal management, which includes the City of Gothenburg Executive Office as well as the political activities within the City Executive Board and the City Council, also reports a major surplus for the year, amounting to SEK 31.8 million, where political activities account for SEK 7.4 million. The main reasons are lower personnel costs because of vacancies among both administrators and politicians, as well as lower entertainment costs for the City Council because of lower activity during the pandemic.

The Cultural Affairs Committee, Parks and Landscape Committee and Road Traffic Committee are the committees that report negative full-year results, albeit at low levels.

Like last year, the Cultural Affairs Committee reports a negative outcome, related to lower income in the wake of the pandemic. Income from sales, conferences and admission fees was lower because activities could not be open as usual for visitors. The budget deviation was mitigated by external subsidies that the committee received for collaborations and projects, as well as government support for increased sick pay costs.

The Parks and Landscape Committee had a deficit of SEK 1 million that was mainly attributable to increased personnel costs to deal with upcoming orders and to prevent congestion, as well as increased costs that match the increased orders for winter road maintenance.

The Road Traffic Committee also attributes its net earnings of SEK -3 million to increased costs for winter road maintenance, as well as costs for demolition of the Göta Älv bridge, which had a negative impact on costs for the year. Other than pandemic-related effects, the deficit could be kept at a low level because of the lower cost of capital and substantially lower personnel costs than were planned. Compared with earnings for 2020, which were negatively impacted by high capital costs, this year's outcome of SEK 13 million is higher on a full-year basis.

The outcome for the Eco-cycle and Water Committee for the year is SEK -81 million, which means that tariff income did not cover the costs for the year of tariff-funded waste management and water and sewage services. These costs were budgeted for the year at SEK -17 million with the aim of reducing the accumulated surplus from the previous year. The outcome compared with the budget is therefore negative at SEK 65 million. The outcome for waste management services deviates positively at SEK 9 million compared with the budgeted SEK -30 million. Essentially the entire deviation can be attributed to higher sales income because of increased scrapping prices and a repayment from Renova AB. The deficit for water and sewage services, where the deviation is SEK -73 million compared with the budgeted amount of SEK -16 million, can be attributed to lower tariff income and sales income that was not received for a property on Ringön. This income will instead be recognised in 2022. Other major deviations refer to costs for recognition of investment projects, as well as increased costs for deployment of a new business system, urgent measures in the pipe networks, depreciation and a sharply increased pension liability.

The reporting of surpluses and deficits at the end of the financial year was amended in 2020 to comply with good accounting practice in tariff-financed operations. Surpluses generated in a tariff collective are now recognised in the balance sheet as a liability to the subscribers instead of as a surplus. When income exceeds costs, the surplus must be adjusted in relation to subscribers within a reasonable time by temporarily budgeting for tax revenues that are lower than the costs for each tariff collective. This year's negative outcome for the Eco-cycle and Water Committee means that an insufficient withdrawal of charges occurred. Consequently, a receivable to the subscribers has arisen, which at the end of the year amounts to SEK 3.5 million.

Central municipal level

The central municipal items mainly consist of revenue from taxes, general government subsidies and equalisation, as well as costs for the municipal subsidy that is distributed to the City's committees. The central municipal items report a deficit of SEK 65 million. This result deviates positively from the budget by about SEK 900 million. The result can mainly be attributed to three major deviations.

Tax revenue was about SEK 1,000 million higher than the budget. The number of hours worked during the year rose faster than what most analysts had expected, which caused the development of the City's tax revenue to be significantly better than expected as well.

During the year the City Council decided to allocate part of the surplus from the higher tax revenue to the committees through an expanded municipal subsidy. The dates and amounts of adjustments to the committees' limits are presented further down in this section. The expanded municipal subsidies reduce the central municipal surplus by about SEK 350 million.

Budgeted contingency items for the committees' use of equity, as well as for increased income support costs, have not been utilised. The total positive deviation because of unutilised central municipal contingency items amounts to SEK 300 million.

Items affecting comparability

In addition to the result for committees and for the central municipal items, the result is also affected by a number of items affecting comparability that are presented outside the 'structural earnings'. Capital gains from property sales totalled SEK 1,509 million, which is just over SEK 1,000 million higher than the budget and substantially higher than previous years.

The changed revenue regulations in RKR R2 helped to increase income by just over SEK 200 million that are recognised on the line other items affecting comparability. This line also presents a negative one-off effect of SEK 115 million that arose in 2021 because of an upward adjustment of the City's pension liability as a result of new life expectancy assumptions.

The budgeted dividend requirement of SEK 540 million from Göteborgs Stadshus AB was removed in accordance with a City Council decision in November.

Municipal subsidies and supplementary budget committees

Amounts in MSEK	City Council budget 2021	City Council 22 April	City Executive Board 10 June	City Executive Board 16 June	City Council 28 October	Total municipal subsidy 2021
Archives Committee	21.7	-	-	-	-	21.7
Planning and Building Committee	149.5	-	-	-	-	149.5
Property Management Committee	39.3	-	-	-	-	39.3
Property Management Committee, transfers	68.0	-	-	-	-	68.0
Pre-school Committee	4,461.4	-	-	-	-	4,461.4
Compulsory School Committee	8,833.7	-	-	-	-	8,833.7
Sports and Associations Committee	519.6	-	15.0	-	-	534.6
Municipality Management	366.6	-	-	-	-	366.6
Cultural Affairs Committee	624.2	-	-	-	-	624.2
Commercial Premises Committee	-48.6	-	-	-	-	-48.6
Environmental and Climate Committee	101.4	-	-	-	-	101.4
Labour Market and Adult Education Committee	719.4	20.0	-	-	-	739.4
Committee for Democracy and Citizen Services	82.6	-	3.0	-	1.5	87.1
Committee for Disability Support	4503.2	150.0	-	-	-	4653.2
Purchasing and Procurement Committee	9.0	-	-	-	-	9.0
Committee for Intraservice	20.2	-	-	-	-	20.2
Parks and Landscape Committee	310.6	-	-	-	-	310.6
Auditors' Office	36.3	-	-	-	-	36.3
Social care committee Centrum	1,196.8	-	-	-	-1.5	1,195.3
Social care committee Hisingen	1,108.2	25.0	-	-	-	1,133.2
Social care committee Nordost	1,557.7	60.0	-	-	-	1,617.7
Social care committee Sydväst	676.0	70.0	-	-	-	746.0
Social care committee Centrum: Adult education associations	31.2	-	-	-	-	31.2
Road Traffic Committee	1,059.8	-	-	2.0	-	1,061.8
Education Committee	2,200.6	-	-	-	-	2,200.6
Electoral Committee	11.6	-	-	-	-	11.6
Committee for the elderly, nursing and care	5,706.5	-	-	-	-	5,706.5
Chief Guardians' Committee Fees	25.3	-	-	-	-	25.3
Total	34,391.8	325.0	18.0	2.0	0.0	34,736.8

Joint statutory authorities' operational accounts

Amounts in MSEK	Revenue	Costs	Net costs	Municipal subsidy	Net earnings for the year	Closing equity
Greater Gothenburg Rescue Services	505	-497	8	-	8	75
Acquisition company for Gothenburg joint statutory authorities	20	-20	0	-	0	5
Total for joint statutory authorities	525	-517	8	-	8	80

The values correspond with the City's ownership stakes. Tolkförmedling Väst is not included from 2021.

The City of Gothenburg is the largest owner of Greater Gothenburg Rescue Services (RSG), with a 70% ownership stake. RSG's result for 2021 is SEK 11.6 million, which is a positive deviation of SEK 11.6 million compared with the budgeted amount, which aimed to break even.

The relatively large surplus is mainly attributable to a non-recurring income item of SEK 13.5 million, relating to a prematurely terminated lease with SOS Alarm.

Companies – financial performance

Just as for the Municipality, a financial performance review is conducted here for the cluster of companies and those companies that are not included in the cluster. Unlike the committees, the City Council does not decide on the budgets for the companies,

for which reason the review here focuses on the companies' own approved budgets. In addition, information on total assets, equity/assets ratio and equity is also provided to give an idea of the financial position of the companies.

Amounts in MSEK	Operating income	Earnings after fin. items	Budget	Earnings 2020	Total assets	Equity/assets ratio (%)
Energy	7,614	280	650	575	14,401	47.8
Housing	7,691	953	414	714	39,218	31.3
Commercial Premises	3,379	1,615	178	196	11,891	31.7
Business	180	-48	-47	-45	162	41.3
Public Transport	1,313	24	21	31	785	67.0
Port	827	266	230	243	3,706	55.7
Tourism, Culture and Events	1,456	191	-315	-661	3,666	39.3
Försäkrings AB Göta Lejon	177	12	9	5	425	41.7
Göteborgs Stads Leasing AB	818	46	17	32	2,595	37.7
Göteborgs Stads Upphandling AB	0	0	0	0	16	99.9
Gryaab AB	260	31	9	12	959	9.0
Renova AB	1,306	77	49	19	1,875	31.7
Grefab AB	55	3	0	1	95	16.8
Göteborgs Stadshus AB (parent company)	30	-387	-401	-355	20,566	72.1
Boplats Göteborg AB	40	7	5	8	55	42.0
Eliminations	-1,383	81	351	150	-21,713	91.4
Total	23,762	3,149	1,170	924	78,703	30.4

The table shows amounts corresponding to the stake the City owns in each company (unlike the accounts of the Stadshus Group, which are calculated based on K3 regulations).

The Stadshus Group posted net earnings after financial items of SEK 3.1 billion, which is SEK 2.0 billion over budget and can be compared with net earnings of SEK 0.9 billion in 2020. The Group's earnings include capital gains of SEK 1.8 billion, a reversal of previous write-downs and write-downs totalling SEK 0.2 billion as well as capital losses of SEK 0.3 billion. The high net earnings are mainly attributable to capital gains within the Commercial Premises cluster for Higab's sale of three properties on Medicinareberget. Älvstranden Utveckling, within the same cluster, also posted capital gains for the year.

Within the Energy cluster, Göteborg Energi demonstrates a large deviation from both the budget and the outcome for the previous year. District heating production was negatively

impacted by increased raw material costs. This also applies for electricity, natural gas and emission rights. Electricity trading posted a large loss for the year because of negative differences between fixed-price customer agreements and the price of raw materials combined with higher than expected volumes.

The Housing cluster, the Framtiden Group, posted a surplus for the year, mainly attributable to delayed maintenance projects and reversals or previous write-downs. Within the Tourism, Culture and Events cluster, Liseberg also posted high earnings, which were positively impacted by capital gains on the sale of properties to Higab and Volvo, as well as government reorientation and short-term layoff support. Got Event, within the same cluster, also received government reorientation and

short-term layoff support that had a positive impact on earnings. In general, essentially all clusters and companies show positive deviations from the budget.

The Stadshus Group's total assets increased from SEK 74.3 billion in 2020 to SEK 78.7 billion. The equity/assets ratio increased by just over two percentage points to 30.4%. The reason is that equity increased after the high net earnings in conjunction with the lower loan volume following repayment of loans using the cash flow from the property sales. No dividend was paid. At the end of 2021, the Group's total loan volume was SEK 43.2 billion, down from the previous year's loan

volume of SEK 44.4 billion. Equity as a share of earnings amounts to 4.9%, compared with 3.5% the previous year because of the higher earnings in 2021 compared with 2020.

The Stadshus Group's tax burden shall primarily fall to the parent company Stadshus AB. Final taxable earnings before a provision to the tax allocation reserve for Göteborgs Stadshus AB is SEK 495 million, which means a tax expense of SEK 102 million. The previous year, taxable earnings after a provision to the tax allocation reserve was SEK 781 million and tax expense was SEK 167 million. The tax expense is outside earnings after financial items.

Investment accounts

The investment accounts must meet the City Council's requirements to monitor progress and demonstrate the accountability of the boards and committees. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services. The management accounting and financial control policies that are most significant for the investment accounts can be found in the section Notes including accounting policies.

The Municipality's investment accounts

As part of the 2021 budget, the City Council established investment frameworks for each committee and year. For the Eco-cycle and Water Committee, however, the City Council established one framework for water and sewage operations and one for waste

management operations. The City Council's budget decisions refer to net amounts per committee for the period 2021–2025, broken down by income and expenses. The budget presented for 2021 refers to the budgets approved by the committees themselves.

Amounts in MSEK	Outcome 2021	Budget 2021	Deviation	Budget 2021–2025
Property Management Committee				
Income	1	1	0	1
Expenses	-227	-434	207	-2,111
<i>of which new investment</i>	-186	-367	181	-1,825
<i>of which reinvestment</i>	-41	-67	26	-286
Net investments	-226	-433	207	-2,110
Sports and Associations Committee				
Income	0	0	0	0
Expenses	-291	-567	276	-4,105
<i>of which new investment</i>	-160	-383	223	-3,345
<i>of which reinvestment</i>	-131	-184	53	-760
Net investments	-291	-567	276	-4,105
Eco-cycle and Water Committee				
Water and sewage				
Income	109*	0*	109*	0
Expenses	-621	-927	306	-4,742
<i>of which new investment</i>	-460	-747	287	-3,763
<i>of which reinvestment</i>	-161	-180	19	-979
Net investments	-512	-927	415	-4,742
Waste				
Income	0	0	0	0
Expenses	-3	-42	39	-328
<i>of which new investment</i>	-3	-41	38	-323
<i>of which reinvestment</i>	0	-1	1	-5

Amounts in MSEK	Outcome 2021	Budget 2021	Deviation	Budget 2021–2025
Net investments	-3	-42	39	-328
Net investment Eco-cycle and Water Committee	-515	-969	454	-5,070
Commercial Premises Committee				
Income	9	0	9	0
Expenses	-1,926	-2,585	659	-22,050
<i>of which new investment</i>	-1,443	-1,700	257	-13,645
<i>of which reinvestment</i>	-483	-885	402	-8,405
Net investments	-1,917	-2,585	668	-22,050
Parks and Landscape Committee				
Income	0	0	0	0
Expenses	-89**	-111	22	-619
<i>of which new investment</i>	-24	-28	4	-543
<i>of which reinvestment</i>	-65	-83	18	-76
Net investments	-89	-111	22	-619
Road Traffic Committee				
Income	470	566	-96	3,800
Expenses	-1,303	-1,995	692	-14,027
<i>of which new investment</i>	-945	-1,468	523	-10,254
<i>of which reinvestment</i>	-358	-527	169	-3,773
Net investments	-833	-1,429	596	-10,227
Total investments committees				
Income	590	567	23	3,801
Expenses	-4,461	-6,661	2,200	-47,982
<i>of which new investment</i>	-3,221	-4,734	1,513	-33,698
<i>of which reinvestment</i>	-1,240	-1,927	687	-14,284
Net investments	-3,871	-6,094	2,223	-44,180
Central municipal level				
Leases	-495	-	-495	-
Total net investments Municipality	-4,366**	-6,094	1,728	-44,180
Development				
Development income	1,233	1,872	-639	9,590
Development expenses	-673	-2,013	1,340	-7,918
<i>of which land development</i>	-226	-819	593	-3,298
<i>of which development-financed public place</i>	-388	-950	562	-3,664
<i>of which tax-financed public place</i>	-59	-244	185	-956
Net development	560	-141	701	1,672
Water and sewage connection charges	1*	-*	1*	531
Expansion water and sewage	-68	-185	117	-905
Net expansion water and sewerage	-67	-185	118	-374
Total Municipality including Development	-3,873	-6,420	2,547	-42,882
Income	1,824	2,439	-615	13,391
Expenses	-5,697	-8,859	3,162	-56,805
Net investments	-3,873	-6,420	2,547	-42,882

* The actual outcome relating to connection charges linked to land development activities is SEK 52 million, but this was recognised as investment income in 2021, for which reason it is presented in this table as part of investment income under the Eco-cycle and Water Committee.

** Parks and Landscape Committee expenses include an item of SEK 6 million recognised as a positive development expense. This is included in the investment expense of SEK 89 million. The actual outcome is SEK 95 million. Total net investment volume of the Municipality is therefore SEK 6 million lower.

The committees' investment expenditure totalled SEK 4.5 billion in 2021. Investment expenditure for 2020 was SEK 5.1 billion. The committees' investment volume decreased by SEK 0.6 billion compared with the previous year. Government investment subsidies and other investment income totalled just under SEK 0.6 billion during the year, for a net investment of approximately SEK 4.4 billion, including leases. Since the committees will be able to allocate and reallocate investment funds between the years during the 2021–2025 planning period, unused investment funds may instead be used in the coming years. However, the forecast in August for the entire period showed that investment volumes are not expected to be used on a level with the plan that the City Council approved.

The committees with the highest budgeted net investment volume, the Commercial Premises Committee and the Road Traffic Committee, have used 74% and 58% of the investment budget for the year, respectively, which can be compared with last year's net expenses used of 59% and 93% of the budget, respectively.

The Commercial Premises Committee, which owns and manages the City's commercial premises, reports a net investment volume that is about SEK 300 million lower than the previous year, and almost SEK 700 million lower than what was budgeted for the year. According to the committee, primarily measures within reinvestments were not carried out as planned, because of changes in planning of long-term maintenance measures. Planned new investment projects, mainly pre-schools and schools, did not get started either to the extent that was expected. Schedules were delayed because of delayed building permits, changes in local plans, appeals, delayed documentation and late opinions submitted by affected administrations.

The Road Traffic Committee reports a lower level of investment than in recent years, including in relation to the budget. Hisingsbron bridge, which accounted for half of investment expenditure and was completed during the first half of the year, accounted for half of the outcome for 2020. The committee reports that the deviations for the year between outcome and budget are mainly due to schedule delays and that the budget volume for 2022 will therefore be adjusted to adapt to budget decisions for the 2021–2025 planning period.

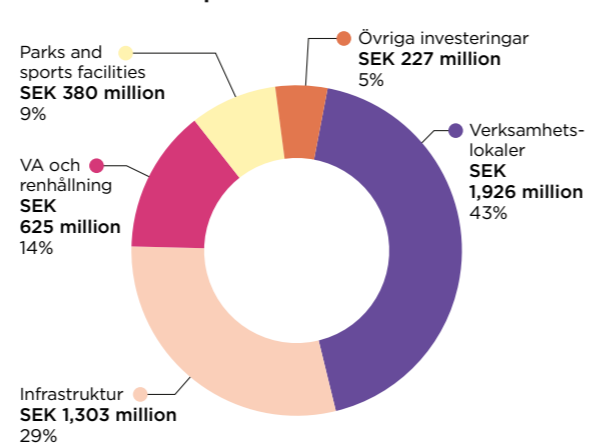
The complexity of urban development projects often requires a high degree of coordination between different projects and with other

administrations. Examples of factors that affected the progress of investment activities include land access and building permit problems, as well as the need to reach agreement with several stakeholders and measures relating to nearby spaces. In addition, measures have been paused because of the lack of framework agreements, which has affected the rate of investment.

The Eco-cycle and Water Committee also reports a large deviation in relation to net investment volume. Water, sewage and waste management activities have used a total of 53% of budgeted volume, which means a deviation of SEK 450 million. Within waste management, the deviation is due to the postponement of an investment in a new recycling centre at the south end of Gothenburg until 2022 at the earliest. The deviation in water and sewage services can be linked to the postponement of projects such as the Björlanda pump chain, lower project costs in certain projects, the impact of the pandemic and the availability of resources with specialist expertise. Consequences of missing measures include an increased number of pipe breaks due to aging pipe networks, as well as the risk of supply interruptions for raw water and drinking water.

The Property Management Committee and the Sports and Associations Committee report outcomes that are about 50% of the committees' respective budgets, which can be attributed to property and land acquisitions that were not completed according to plan, as well as delays due to geotechnical and archaeological circumstances, along with the continued need for investigations. In contrast, the outcome for the Parks and Landscape Committee is in line with what the committee budgeted for the year.

Investment expenditure



The diagram presents the distribution of investment expenditure among the larger investment areas.



The diagram shows how the investment outcome is allocated among the different investment areas. Although the Commercial Premises Committee did not reach the budgeted investment volume, almost half of the year's investments in commercial premises were carried out. The largest investments were made in compulsory schooling. Investments in infrastructure represent another large investment area.

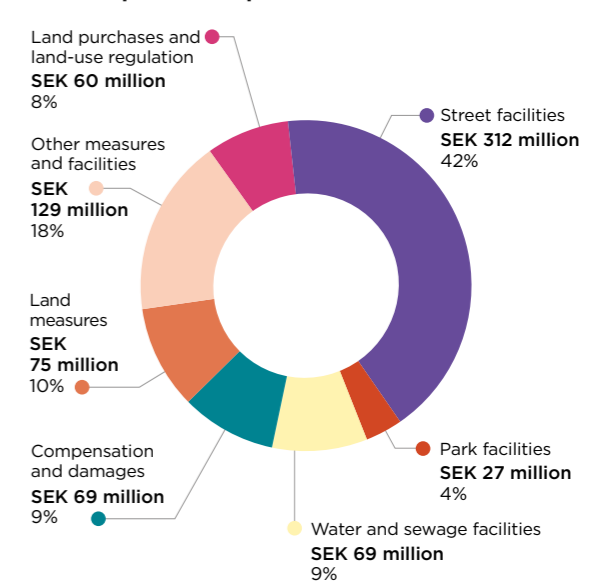
The Municipality's development activities, excluding the expansion of water and sewage facilities, report net development for the year of about SEK 0.6 billion, which strengthens the city's long-term financial focus of a development economy in balance over a rolling ten-year period. At the same time, it is a positive deviation of about SEK 0.7 billion in relation to the budgeted deficit of just over 0.1 billion. The deviation relates to both lower income and expenses, but where utilised expenses deviate significantly more in relation to planned volumes and only reach just over 30% in utilised expenses. The deviations can mainly be attributed to delays in planning and implementation of development projects and local plan projects. Delays in larger projects, such as Masthuggskajen, Frihamnen, Per Dubbsgatan and early measures in the Backaplan area, cause the postponement of large planned investment volumes. This results in substantial deviations in relation to the planned financial flows.

Forecasts for the year suggested that the utilisation rate would be significantly higher than the final outcome. It reached about 50% of the volumes for 2021 that were forecast in the operations' investment nominations for 2022 and in the interim accounts in August.

The water and sewer expansion in development activities reports an outcome that is

around 40% of budgeted volumes, and like other development activities, the explanation is delayed projects and detailed plans in relation to previous planning. Reported connection charges are substantially lower than the forecast levels in the 2021 City Council budget, but are on a par with the revised levels that served as the basis of the plan period budget for 2022.

Development expenses



The diagram presents the breakdown of development expenses among the major expense areas.

As in previous years, a large part of the development expenses are land-related measures for acquiring, regulating and preparing saleable land, as well as expanding various street facilities. The majority of other measures and facilities are expenses related to covering the Götaleden city tunnel link in preparation for upcoming development and therefore also largely entail measures to prepare the land.

The companies' investment accounts

Amounts in MSEK	Actual investments	Budgeted investments
Energy	1,166	1,300
Housing	2,874	3,946
Commercial Premises	932	1,119
Business	2	1
Public Transport	21	60
Port	336	627
Tourism, Culture and Events	707	835
Försäkrings AB Göta Lejon	0	0
Göteborgs Stads Leasing AB	598	539
Göteborgs Stads Upphandling AB	0	0
Gryaab AB	30	50
Renova AB	293	188
Grefab AB	4	8
Göteborgs Stadshus AB (parent company)	0	0
Boplats Göteborg AB	0	0
Eliminations	-70	0
Total	6,893	8,673

The table shows amounts corresponding to the stake the City owns in each company (unlike the accounts of the Stadshus Group, which are calculated based on K3 regulations).

Stadshus Group investments in 2021 amounted to SEK 6.9 billion, down SEK 1.8 billion in relation to the budget. Most of the deviation can be found in the Housing cluster.

In the Energy cluster, Göteborg Energi mainly invested in district heating, the power grid and district cooling. During the year the solar cell park in Utby and the district cooling line between Lilla Bommen and Lindholmen were commissioned. The Housing cluster, the Framtiden Group, reports lower investments in both new construction and the current stock because of scheduling delays. During the year the Group completed 1,576 housing units for occupancy, compared with 866 the previous year.

Within the Commercial Premises Cluster, Higab completed co-location for recycling and water in Alelyckan, a third stage for the Gothenburg City Theatre, and commissioned a new organ in the Gothenburg Concert Hall during the year. Investments in the Bergsjön Cultural Centre, the Maritime Museum and a new warehouse for several of the City's museums were made during the year. Älvstranden Utveckling continued to invest in several urban development projects in progress. During the year, the company decided to serve as contractor for construction of a substructure for a public place on the peninsula at Masthuggskajen.

Göteborgs Stads Parkering was able to start several projects following political decisions, scheduling delays and appeals, causing the company's investment volume to increase. The company has continued to work together with Higab on developing the Masthuggskajen Väst parking facility. A car park with about 1,500 parking spaces is under construction to meet the needs of activities at Liseberg and Volvo's experience centre.

Within the Port cluster, the Port of Gothenburg reports that its investment volume was lower than the amount budgeted. The company's deviation from the budget largely involves a property acquisition that will be completed during the first quarter of 2022 instead. Investments from the Tourism, Culture and Events cluster mainly involve Liseberg's Anniversary Project with hotel and water park.

Göteborgs Stads Leasing continued to invest in financial and operating lease assets. The operating leases mainly involve vehicles and machinery for operations. The financial leases largely relate to IT and other equipment, as well as the M32 trams and corrosion audits on them. The Renova Group continued construction of its new workshop during the year, which is expected to be completed in 2024, and built a new facility to be able to recover zinc from the ash formed during waste incineration.

Selected investment and development projects

A number of selected investment and development projects from the project portfolios of the committees and companies are presented below. The selection mostly includes projects and initiatives that have been approved by the City Council and have entered the implementation phase. In addition, a number of additional projects are presented which are reported by the committees, where project decisions are handled at committee level but which exceed about SEK 250 million in the balance sheet total.

For investments within the Stadshus Group, only projects with implementation decisions at the City Council level are presented. The project list is expanded as individual decisions are managed at the City Council level, or the committees themselves manage projects over SEK 250 million. The figures in brackets are the project costs on which the investment decision is based. For projects with a fixed price level, both the outcome and the forecast are presented at the same level as the approved project budget.

Selected investment and development projects

Amounts in MSEK	Council approval	Acc. outcome		Total project forecast		Project budget		End-ing year
		I	E	I	E	I	E	
Investment committees								
Gärdsåsskolan new build, renovation and extension (ongoing)			-212		-290		-270	2023
Glöstorpskolan 4-9 (ongoing)			-304		-312		-337	2021
Noleredsskolan P-6 (ongoing)			-1		-330		-330	2026
Nya Påvelundsskolan extension (ongoing)			-14		-294		-310	2025
New school Roberthöjsgatan F-9 (ongoing)			-228		-304		-306	2022
New school Skytteskolan (löpande)			-249		-270		-341	2021
Torslandaskolan (ongoing)			-23		-285		-285	2024
New school Lundbyskolan 7-9 including culture school and sports halls (ongoing)			-101		-522		-522	2023
New nursing and care home Utby (ongoing)			-1		-345		-345	Paused
Hisingsbron bridge (2009)	X	1,578	-2,864	1,585	-3,400	1,566	-3,500	2021
Skeppsbron Stage 2 (2017)	X	18	-35	125	-1,405	0	-1,405	2027
Kvilleleden and streets around Backaplan (2016)	X	94	-111	318	-768	318	-768	2027
E45, underground section of Götaleden (2013)	X	437	-799	449	-809	490	-849	2021
Korsvägen junction (2017)	X	34	-34	746	-860	746	-860	2027
Haga station urban development (2017)	X	2	-39	45	-660	0	-660	2026
Engelbrektslänken Link (2019)	X	6	-18	138	-260	138	-260	2024
City bus Backastråket line (2016)	X	15	-30	300	-400	300	-400	2029
Tram and city bus Frihamnen-Lindholmen (2020)	X	21	-31	525	-700	525	-700	2025
Tram and city bus Brunnsbo-Hjälmar Brantingsplatsen (2019)	X	4	-2	332	-442	332	-442	2029

Amounts in MSEK	Council approval	Acc. outcome		Total project forecast		Project budget		Ending year
		I	E	I	E	I	E	
I=Income E=Expenses								
New barrier (Ultrafilter) Alelyckan water treatment plant (2018)	X		-109		-825		-900	2026
Björlanda Pump Chain (2020)	X		-59		-194		-350	2023
Modernisation of Kodammarna wastewater pumping station (ongoing)			-399		-490		-540	2023
Investments, companies								
Bergsjön Cultural Centre (ongoing)	X		-121		-145		-145	2022
Maritime Museum, renovation and extension (ongoing)	X		-120		-136		-136	2022
City Theatre, 3rd stage (ongoing)	X		-76		-90		-90	2021
Warehouse for Cultural Affairs Committee (ongoing)	X		-9		-540		-540	2023
Art museum renovation and extension (ongoing)	X		0		-800		-800	2028
Quay garage Skeppsbron (ongoing)	X		-1		-828		-828	2026
Parking facility Liseberg (ongoing)	X		-194		-500		-429	2023
Liseberg: Anniversary Project Hotel	X		-712		-1,179		-1,179	2023
Liseberg: Anniversary Project Water park	X		-246		-1,070		-1,070	2024
Developments								
Gamlestaden Stage 1 (ongoing)		195	-611	232	-659	232	-659	2024
Selma Stad (ongoing)		209	-219	209	-253	209	-250	2024
Ringön Tram station, land (ongoing)		17	-235	187	-378	187	-378	2024
New River link construction project (ongoing)		58	-251	569	-413	569	-412	2028
Järnvägsgatan/Masthuggskajen (2017)	X	1,275	-245	1,860	-2,130	1,860	-2,130	2031
Centenary Park phase 1, part of development of Frihamnen harbour (2018)	X	109	-117	0	-206	141	-347	2023

Below is a discussion of changes from previous reporting or projects that were added in 2021 in the central municipal project follow-up.

For 2021, the Commercial Premises Committee began to report those projects that exceed SEK 250 million and that are in the implementation phase, even if they do not have any individual project decisions at the City Council level, but are handled by the committee within the committee's mandate and investment frameworks.

The new Hisingsbron bridge opened on schedule for traffic in 2021 and the total project forecast now suggests that the project will be able to be completed for a somewhat lower price than the approved budget limits.

The continued implementation of urban development in Skeppsbron was approved in 2020 and entails a joint sub-project within the Road Traffic Committee, Älvstranden Utveckling and Parkeringsbolaget. The larger sub-projects, which relate to the expansion of public space and the quay garage, are included in the project follow-up section above. Thorough planning is in progress.

The underground section of the E45/Götaleden highway is about to be finished and the Gullberg tunnel has opened for traffic. At this point it is believed on completion, the cost of the project to take the section of the highway underground will be somewhat lower than the most recently revised project budget.



In 2021, the City Council approved implementation decisions for three projects for measures agreed under the framework of the National Negotiation on Housing and Infrastructure (Sw. Sverigeförhandlingen). The decisions involve two phases of the expansion of the Brunnsbo–Linnéplatsen tram and city bus line (phases Frihamnen–Lindholmen and Brunnsbo–Hjalmar Brantingsplatsen) and the city bus expansion in the Backastråket line. Implementation planning and the design process are in progress.

During the year, the project forecast for the expansion of the Björlanda Pump Chain was revised downward in relation to the previous forecast and aggregate project budget, and the project was pushed a year or so forward in time in relation to the previous year's report.

A decision was also taken during the year to invest in the renovation and extension of the Gothenburg Art Museum, in accordance with earlier strategic decisions and a revised preliminary study.

A revised project budget for the development of Järnvägsgatan/Masthuggskajen with an additional SEK 110 million was approved in 2021, to allow for an additional risk provision for the expansion of the public place. However, the risk of increased costs for the expansion remains and a review of the scope and content of the project is currently underway. Parts of the implementation have been postponed and the implementation as a whole has been postponed by a couple of years in relation to the previous year's reporting.

Expansion of the Centenary Park in the table above is reported as part of the development projects, but it is currently being managed as an investment project while waiting for the development of the Frihamn area to restart. The project forecast currently reflects the lack of external funding for the project via developer contributions and the scope of the implementation planning is based on the available budgeted municipal funds.

Foundations

The City of Gothenburg manages linked grant-making foundations and gifts for various purposes. The responsibility for management includes capital management of the foundations' assets, as well as day-to-day management of the foundations and the distribution of funds based on the purposes stipulated by the donors. Capital management is based on the Council's investment guidelines, and the ongoing management of the linked foundations follows guidelines approved by the City Executive Board.

The foundations' capital is kept in a jointly managed fund, in which each foundation has a share. The capital is completely separate from the City of Gothenburg's finances. The total yield, after deductions for a certain degree of capitalisation

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

Amounts in MSEK	2019	2020	2021
Number of foundations	74	74	74
Number of gifts	3	2	2
Net earnings for the year	67.6	169.9	89.9
Approved grants	21.7	19.3	18.0
Management costs	3.1	2.9	2.6
Equity and liabilities	969	1,112	1,180
Market value, wealth	1,082	1,189	1,409

The education foundations have contributed grants and travel subsidies to students and teachers, primarily in the municipal compulsory schooling and upper secondary schools. Students also received bonuses for school achievements and other progress and schools have been awarded financial support for various class activities. In all, these foundations awarded a total of SEK 3.6 million.

Foundations with a social focus have granted funds to people who are in financial need according to three categories: families with children, the elderly and adults, as well as children with special needs and their families. In all, these foundations awarded a total of SEK 4.6 million.

Foundations with a cultural focus awarded grants to the Museum of Art, the Röhsska

Museum of Fashion, Design and Decorative Arts, the Museum of Gothenburg and the Maritime Museum. The museums used the grants to buy works of art in the form of paintings, sculptures and other objects. The grants were also used for conservation work, exhibitions, research and other purposes. In all, these foundations awarded a total of SEK 6.6 million.

During the year foundations awarded money to associations and other voluntary organisations for various projects and activities. Activities were organised for children in Gothenburg and for public interest, cultural and charitable causes that benefit the Gothenburg community. In all, these foundations awarded a total of SEK 3.2 million.

4

Overall operational goals and developments in operations

This section gives an in-depth report on the assessment of progress towards the City Council's three overall goals and overall operational goals. It also describes developments in those operations that are predominantly affected by the respective goals.

The City Council has established indicators and target values for each of these overall operational goals. Assessments of whether or not the overall goals have been fulfilled is based on an assessment of the degree to which the operational goals have been met. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target values for each indicator have been met. Consideration is also given to the long-term trend in the indicators. In some cases, it is difficult to assess whether goals have been fulfilled, since the outcomes for 2021 are not currently available. Assessment is also complicated by changes in the citizen satisfaction survey conducted by Statistics Sweden (SCB) that came into effect in 2021, which means it is no longer possible to get results for several indicators.

Overall operational goals and developments in operations

121 City Council's goals and Agenda 2030

The section begins with an account of how the City Council's goals relate to the global sustainability goals of Agenda 2030.

123 Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded

139 Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future

151 Gothenburg is a metropolitan city with a stable economy and strong growth

159 Auditor's Report



City Council's goals and Agenda 2030

The City of Gothenburg has been committed to sustainable development for a long time, and for the past 15 years the City's budget has focused on three dimensions of sustainability: economic, ecological and social. Since its adoption in 2015, the UN's Agenda 2030 resolution has become the benchmark for sustainable development: what it means, what needs to be achieved and how it will be achieved.

Agenda 2030 for sustainable development was adopted in 2015 as a wider-reaching replacement for the *Millennium Goals*. The goal is to bring about social transformation that leads to economically, socially and environmentally sustainable development that protects the planet, eradicates poverty and generates good welfare for everyone by 2030. The agenda is made up of 17 global goals for sustainable development that are sub-divided into 169 targets. Key principles are that the goals should be integrated and indivisible, that success is required in all areas in order for an overall goal to be achieved, and that the goals should be achieved for everyone without excluding anyone. It is up to each state to adapt the agenda to national circumstances.

On behalf of the government, the Council for the Promotion of Municipal Analysis (RKA) has produced a set of key indicators to support implementation of *Agenda 2030* by municipalities and regions. These key indicators are published in the

Kolada statistical database and allow comparison with other municipalities and over time. In summary, it can be reported that Gothenburg is in a relatively good position in comparison with other municipalities: among the top 25 per cent for 23 of the key indicators; among the lowest 25 per cent for six of the key indicators and in the mid-range for 25 of the key indicators. The areas where the city is performing less well all relate to income equality and exclusion, and specifically income support, employment, security, crime and mental health. Gothenburg is among the top performers in relation to the environment and the City's environmental efforts, infrastructure (electricity grid, broadband, public transport), gender equality and business (BRP, education level). The long-term trends look even better – the trend is positive for 60 per cent of the key indicators, and the only areas where there is a clearly negative trend are unemployment and employment, probably due to the effects of the pandemic.

Links between the City of Gothenburg's budget goals for 2021 and the global sustainability goals

The City of Gothenburg conducts an annual survey of how municipal governance, in the form of budget goals, programmes and plans, relates to the global goals. The table shows the links between the City of Gothenburg's budget goals and the global goals. In this context it may be useful as a guide to reading. To get a picture of how the City's work is linked to a particular global goal, look horizontally across the table and read about the related budget goals.

Global goal for sustainable development

Overall goals	Overall operational goals	Global goal for sustainable development																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded	Gothenburg has pre-schools and schools that foster equality	■		■	■	■													
	Gothenburg takes early social initiatives to create equal living opportunities for everyone	■		■		■												■	
	Gothenburg provides dignified and reassuring care for the elderly, with freedom of choice		■	■		■												■	
	Gothenburg is distinguished by close collaboration between the City, academia, civil society and the business community																		■
	Gothenburg is a vibrant city of culture, sports and events for residents and visitors alike			■					■										
	Gothenburg is an equal city that fosters a sense of community and trust	■	■	■	■	■			■		■	■							■
Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future	Gothenburg takes responsibility for the quality of life of future generations		■	■			■	■	■	■	■	■	■	■	■				
	Gothenburg is a city with sustainable mobility and good accessibility			■							■	■	■						
	Gothenburg is a safe and well-managed city			■		■				■	■	■						■	
	Gothenburg has attractive urban spaces that are dense and varied									■		■							
Gothenburg is a metropolitan city with a stable economy and strong growth	Gothenburg has a balanced budget and long-term sustainable finances																		
	Residents of Gothenburg get value for their taxes and high-quality welfare																		
	The City of Gothenburg is an attractive employer that provides good working conditions			■		■			■		■								
	Gothenburg has an attractive and innovative business community of a high international standard								■	■								■	
	Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good	■			■				■		■								

Overall goals

Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded

City Council's goals and overall operational goals	Assessment of goal fulfilment for 2021
Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded	Partly fulfilled
Gothenburg has pre-schools and schools that foster equality	Not fulfilled
Gothenburg takes early social initiatives to create equal living opportunities for everyone	Partly fulfilled
Gothenburg provides dignified and reassuring care for the elderly, with freedom of choice	Difficult to assess
Gothenburg is distinguished by close collaboration between the City, academia, civil society and the business community	Partly fulfilled
Gothenburg is a vibrant city of culture, sports and events for residents and visitors alike	Difficult to assess
Gothenburg is an equal city that fosters a sense of community and trust	Not fulfilled

The goal is considered to be partly fulfilled, as two of the six overall operational goals are partly fulfilled, two are not fulfilled and two are difficult to assess.

The pandemic has had a large impact on the overall operational goals and the City Council's overall goals. The pandemic has had particular impact on the City's care of the elderly and care

for people with disabilities. The results for schools have also been negatively affected, as have the City's opportunities to provide early social initiatives during the year. The visitor industry and city of culture, sports and events have also experienced widespread negative impact. Because several of the overall goals could not be fulfilled, the overall goal will only be partly achieved in 2021.

Gothenburg has pre-schools and schools that foster equality

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Citizen satisfaction index - Pre-schools	54	54	-	61
Children registered in pre-school per full-time equivalent job	5.1	5.0	4.9*	5
Pupils in year 3 who have taken all subject tests in Swedish (SV, SV2) and maths (MA)	70	-	-	72
Pupils in year 6 who have met educational requirements in all subjects (that the pupils are studying)	70.0	69.0	70.0	73
Pupils in year 9 who have met educational requirements in all subjects	72.5	74.9	73.2	75
Pupils in year 9 who qualify for upper secondary school	80.5	83.3	82.9	83
Pupils in year 9: I feel safe in school	-	81.4	-	85
Pupils in year 9: I am satisfied with my school in general	-	70.1	-	68
Upper secondary students who gained diploma within 4 years	68.1	67.2	68.7	71
Percentage who find employment	-	-	-	55
Children aged 1-5 registered in pre-schools and educational care	84.3	84.2	84.8**	86
Students of Swedish For Immigrants (SFI) who have passed at least two courses	34.0	31	-	40

Figures refer to the municipality of residence except for those marked * Committee's preliminary information on municipal operations. ** Committee's preliminary information

Assessment of goal

The goal is not considered to be fulfilled. This assessment is based on failure to meet the indicator targets and a downward trend for several indicators. Results are not available for several of the indicators, as they were not measured in 2021 or because results have not yet been published.

It is considered that many of the target values will also be difficult to reach in the coming years. This is because the long-term trends or results for 2021 point in the opposite direction.

Developments in services

Pre-schools

The percentage of children attending pre-school activities increased marginally in 2021, but did not reach the target value. This is because the number of children in the age group 1-5 has fallen faster than the number of children registered for pre-schools. The percentage of children in pre-schools continues to rise, while the percentage of children in educational care is falling. The number of children receiving independent pre-school services has on the other hand increased. The pandemic had a negative effect on outreach activities during the year. Outreach work is still a priority in order to increase the proportion of children in pre-

schools. No children have had to wait more than four months for a pre-school place.

The pandemic has had an impact on conditions for teaching and taking part in education. For example, continuity has deteriorated among children and staff and open pre-schools have been closed at times, factors which have both affected the ability to meet goals.

It is vital that services have trained staff in order to achieve equality in pre-schools. The Pre-school Committee's goal for qualification levels and certification for principals and pre-school teachers has not been fulfilled. The proportion of principals in municipal pre-schools who have completed training for principals has decreased compared with the previous year. The proportion of certified pre-school teachers has also decreased in municipal pre-schools. The proportion varies between 36 and 46 per cent depending on the geographical education area. As before, independent pre-schools have a lower proportion of certified pre-school teachers – about 15 percentage points lower than the average for municipal pre-schools. Efforts were made during the year to achieve an equal distribution of competence in the education sector, but this is a continuing challenge for the committee. Monitoring the outcome of initiatives taken to achieve an equal distribution of competence is a priority task.



Compulsory schooling

None of the indicators for compulsory schools reached the target values. Results for children in primary school and in year 9 have fallen compared with the previous year. Results for students in year 6 have increased. Among students from pre-school class to year 9, 79.3 per cent attended a municipal school in Gothenburg in 2020, which is in line with the steady rise since 2015. The committee's preliminary figures for 2021 show a similar percentage.

Following last year's relatively large increase in results for year 9, the percentage of students who qualify for upper secondary school and meet educational requirements in all subjects fell slightly in 2021. Girls have achieved better results than boys in every year since monitoring began. The results do not meet the national average. Grade levels are on a par with the previous year. The downward trend in the proportion of recently immigrated students continues in municipal schools: from 16.5 per cent in 2017 to 6.8 per cent in 2021. In independent schools, the proportion of recently immigrated students has remained relatively stable at around 5 per cent.

The results for year 6 have shown a downward trend since 2015. However, in 2021 the curve turned upwards. The results do not meet the

national average. Girls achieve better grades than boys, but the gender difference for results in English and mathematics is small.

No national statistics are available on trends in primary education in recent years. In municipal schools, the proportion of students who achieve educational requirements in years 1 and 3 has fallen.

In compulsory special schools, there is an upward trend in both the number and the proportion of students. This reflects a national trend, but both the proportion of pupils and the rate of increase in compulsory special schools are higher in the city than in the country as a whole. Students at compulsory special schools who attend subject classes in grades 6 to 9 can receive their grades on the request of guardians or the students themselves. The spring review shows that the proportion of grades that were issued has increased from the previous year. However, the number of students who attend subject classes is so small that it is difficult to draw general conclusions. In recent years, the proportion of certified and qualified teachers has increased. Skills provision is a challenge in several operations, but it is especially difficult to find teachers with the right qualifications and skills for special primary schools.

Upper secondary schools

Gothenburg students in upper secondary schools did not reach the target value in 2021. Gothenburg is below the national average, but the differences have decreased somewhat. Women have achieved better results than men in every year since measurements began. The results for both men and women have improved since last year.

There is a long-term downward trend in the proportion of students attending municipal upper secondary schools in Gothenburg. The largest decrease during the year was in vocational programmes, but there has also been a decrease in higher education preparatory programmes. The municipal provider only has limited ability to influence this trend, and achievement of the target value is mainly influenced by other providers in and beyond Gothenburg. It is not possible to compare the target achievement of municipal schools with other providers. This is due to a lack of data on results for Gothenburg students from other providers, and because municipal schools have a significantly larger proportion of students in introductory programmes and vocational programmes. The proportion of upper secondary school students who meet basic eligibility requirements for university and college within three years continues to increase, and Gothenburg has a significantly higher proportion of eligible students compared to the national average.

The proportion of certified teachers in municipal upper secondary schools remained stable between 80 and 81 per cent over the period 2015–2018, then rose to just over 83 per cent in 2019 and 2020 – the latest years for which results are available. According to the Education Committee, goal fulfilment in municipal upper secondary schools has improved in terms of exam grades and attendance compared to previous years. The percentage of students who gain

a diploma within three years in municipal upper secondary school has risen in higher education preparatory programmes, for both women and men. In vocational programmes, the percentage of students who gain a diploma has fallen. However, the proportion of students who gain a diploma has continued to rise for women, but has decreased for men in comparison with the previous academic year. Student attendance in higher education preparatory programmes at municipal upper secondary schools has shown a long-term positive trend. Attendance in vocational programmes and introductory programmes fell slightly during the academic year 2020/2021, which may have contributed to the fall in the percentage of students who gain a diploma in vocational programmes.

Students following vocational programmes have generally also faced greater challenges in achieving goals during periods of remote learning. Schools have had to introduce many new initiatives to enable students to pass exams. During the 2020/2021 academic year, students on some introductory programmes were exempted from the requirement for remote learning.

In municipal upper secondary education, special emphasis was placed on compensatory measures during the year, including ongoing adaptation of courses for individuals and groups in the introductory programmes, ongoing development of language and knowledge improvement methods and increased development of skills.

The proportion of students who complete four years in upper secondary special schools has increased slightly. The proportion of students who find employment or go on to further studies has increased compared with the previous academic year. The percentage of students who find employment after completing upper secondary school education is still too low.



Parameters and key figures	2019	2020	2021
Children enrolled in educational care (number)*	492	496	436
Certified pre-school teachers in municipal pre-schools (%)*	41.1	40.7	39.6
Certified, full-time teachers in compulsory schools trained in at least one subject, in municipal schools (%)	71.6	73.8	-
Pupils who have achieved year 1 educational requirement in reading, in municipal schools (%)*	86.9	87.2	85
Pupils who have achieved year 3 educational requirement in Swedish 2, social studies, science and maths, in municipal schools (%)*	81.3	80.5	78.8
Pupils in year 6 with minimum grade E in Swedish, including Swedish as second language, registered locally (%)	87.1	86.7	87.9
Upper secondary students who gained diploma within 3 years, registered locally (%)	60.8	63.2	66.6

* Information from committee

Adult education

Students in adult education have been affected by the changes in the labour market and measures to curb the spread of infection, such as remote learning and new ways of meeting. The number of new students registered for Swedish For Immigrants courses is on a par with the previous year and the percentage of satisfactory grades has fallen slightly. The difference in results between men and women is small. The proportion of drop-outs has increased since the previous year. The target group found it difficult to assimilate the teaching, some of which took place remotely.

The percentage of satisfactory grades obtained in other forms of education is on a par or slightly higher than the previous year. Women generally achieve a higher percentage of approved grades

than men. The proportion of drop-outs has fallen in vocational education and on introductory courses, but not at upper secondary level. Although the proportion of drop-outs in vocational education has decreased, the target value has not been reached.

The number of training places has been increased in response to demand from industry and from applicants. In a move to increase employment among residents with disabilities, an action plan was developed in collaboration with the Committee for Disability Support. Efforts to improve the awareness of committee employees regarding the needs of people with disabilities when studying and working are one example of action plan initiatives.

Gothenburg takes early social initiatives to create equal living opportunities for everyone

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Number of households in long-term receipt of income support	6,974	7,224	7,219	7,400
Percentage of non-repeated claims 0-12 years (%)	65	60	-	61
Evictions that affected children (number of children per 100,000 residents)	3.1	1.7	3.7	1.6
Citizen satisfaction index: support for vulnerable people	47	44	-	49
User assessment of daily activities for people with disabilities: user is always satisfied with daily activities (%)	87	86	86	90

Assessment of goal

The goal is considered to be partly fulfilled. Among other things the assessment is based on the fact that the indicator for income support for 2021 has reached the target value and stabilised, and that other indicators have not reached the target value for 2021. The year was largely shaped by changes that were necessitated by the pandemic.

Developments in services

In response to the enactment of the Convention on the Rights of the Child in 2020, training initiatives were carried out in the City to clarify the intentions of the convention and how they affect the City's mission and activities. During the year, several of the City's services identified a need for ongoing, long-term improvement measures to support the practical application of the Convention on the Rights of the Child. In general, the City needs to improve the way it systematically gathers the opinions of children before decisions are made.

The number of children in foster homes increased marginally during the year compared with 2020. During the pandemic, services that are involved in recruiting foster parents have found it difficult to maintain visibility in various contexts, and this had a negative effect on the recruitment of short-term and long-term foster homes.

The pandemic also made it difficult to reach children and young people, since they had limited opportunities to participate in leisure activities. It was not possible to hold the full range of planned events and activities at the City's meeting places and recreation centres. Many young people were not permitted by guardians to participate in

activities or visit meeting places due to restrictions placed on society. The City's services have shifted towards more outreach activities and group activities. Open activities were conducted in small groups, which improved contact with those who took part. This outreach work meant that more new individuals and target groups could be reached. The City's services are continuing to report that they see more young children involved in crime and that criminal gangs are recruiting young people with disabilities. The services are therefore taking steps to improve their ability to identify young people who are at risk or already involved in crime.

Family centres continued to develop during the year and social workers who focus on family-centred approaches took initiatives to improve reading skills in collaboration with pre-schools. Due to the pandemic, it was not possible to extend home visits to new parents as widely as intended, and meetings instead took place on City premises. The situation improved in autumn and home visits could be resumed. Services have continued to develop forms of parental support in collaboration with schools, housing companies and associations in the local areas.

Evictions

The number of people who are evicted from their homes must be reduced, and the goal is that no families with children should be evicted. According to information from the Swedish Enforcement Authority on evictions in Gothenburg, the number of households evicted from their homes increased during the year, from 158 households in 2020 to 170 households in 2021.

The number of evicted families with children also increased during the year, from 7 families with children in 2020 to 12 families with children in 2021. The number of children affected by eviction has increased, from 10 children in 2020 to 22 children in 2021. Compared with 2019, there have been increases in the total number of evictions, the number of evicted families with children, and the number of children affected by evictions. According to the Swedish Enforcement Agency's national statistics, the number of evicted families with children is increasing in the wake of the pandemic and three out of four evictions among families with children relate to single parents. In spring 2020, Förvaltnings AB Framtiden decided that no tenants would be evicted as a result of the pandemic, and the company reports that there have been no such cases.

Substance abuse

During the year, the City worked with researchers to identify and begin monitoring parameters based on follow-up interviews. The proportion who report that their situation relating to drugs and mental health has improved following initiatives by social services has risen in 2021 compared with the previous year.

In 2021, the Health and Social Care Inspectorate (IVO) decided to close the City's Nya Tillfället

emergency housing, which offers temporary housing to people with substance abuse and mental illness. The supervisory authority considered that there was some malpractice in services that posed a serious threat to individuals' lives, health and personal safety. The Social Care Committee for Sydväst, which runs and is responsible for Nya Tillfället, has appealed against the decision of the supervisory authority.

Domestic violence

Improving efforts to counter domestic violence is an ongoing task and one focus of these efforts in 2021 was to ensure staff have the necessary skills, including basic training in dealing with domestic violence and implementing routines and pathways. During the pandemic, staff received training and began using a standardised assessment method known as FREDA, which is intended for use by social services in tackling domestic violence. New pathways and routines will be developed following the pandemic.

The four social administrations collaborate in a working group to jointly develop work in this area, and a strategy group acts between the administrations to improve competence and collaboration for people exposed to violence.

Honour-related violence

Work continued on setting up a regional support centre during 2021 for people at risk of honour-related oppression and violence, and for professionals who work with honour-related issues. The City of Gothenburg is coordinating this work between 11 municipalities in the Gothenburg region, the police authority and Region Västra Götaland. The regional support centre is a call centre for people at risk of honour-related violence and oppression, regardless of age, origin, gender, transgender identity or expression, sexuality, religion or disability. The city already had four resource teams working on honour-related issues. The resource teams focused in particular on the vulnerability of LGBTQ people to honour-related violence and has conducted roundtable discussions with other authorities and civil society to raise the issue and spread knowledge.

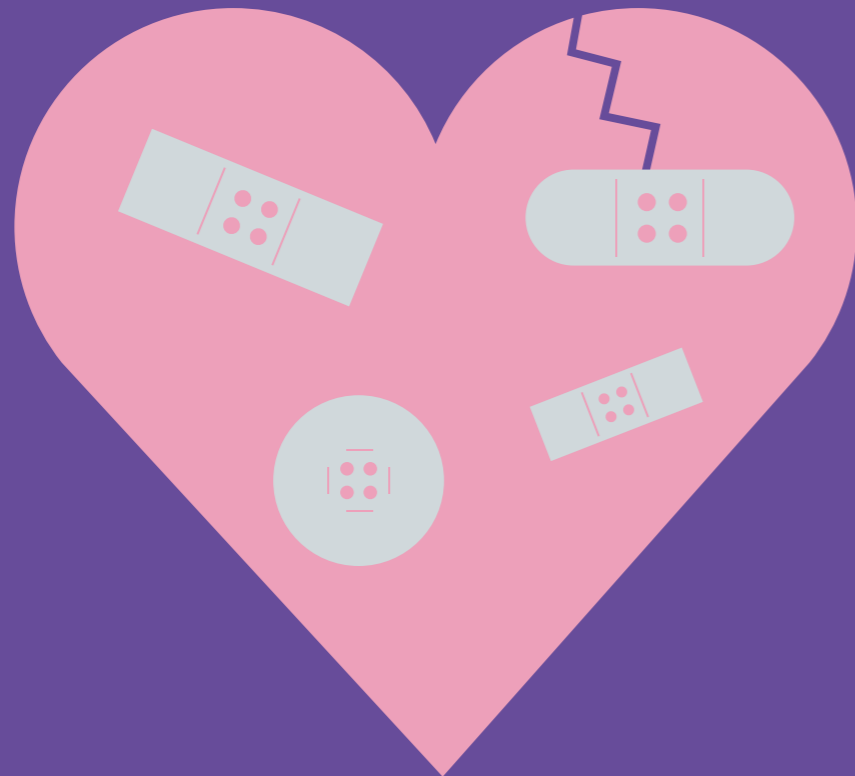
In 2021, the City Management Office was tasked with studying the links between honour killings, gang crime and violent Islamist extremism. The results of this survey will be reported in the City in 2022.

People with disabilities

The pandemic has affected opportunities for employment, social interaction and leisure for people with disabilities. It was not possible to carry out activities and social gatherings outside Buildings with Special Service (BmSS) as intended. Opportunities for daily activities for people with disabilities were limited and various events were cancelled when associations and meeting venues postponed their activities due to Covid-19 restrictions. There were some positive developments in creating opportunities for contact with others by using digital solutions.

The user survey for 2021 shows a positive result compared to 2020. However, results for the BmSS initiative have deteriorated in respect of participation and communication. In these areas, the results of the user survey differ from the national average, and women are more dissatisfied than men.

Around 4,100 people with disabilities in Gothenburg are covered by an initiative under the Social Services Act (SoL), and 4,500 are covered by the Act concerning Support and Service for Persons with Certain Disabilities (LSS). Individuals may be eligible for initiatives under both acts.



Parameters and key figures	2019	2020	2021
Prevention initiatives for children and young people, net cost, individual and family care (MSEK)	110	111	129
Number of days in institutional care, children and young people	86,027	72,129	72,510
Number of children and young people in foster homes	886	879	885
Number of days in temporary accommodation	605,413	497,132	460,303
Number of decisions not implemented within 3 months, BmSS, LSS in Q4, 2021	111	100	103
Number of decisions not implemented within 3 months, daily activities, LSS in Q4, 2021	85	103	113
Number of people in daily activities, information from Committee for Disability Support	1,771	1,799	1,834
Number of people in Buildings with Special Service (BmSS), LSS and SoL, information from Committee for Disability Support	1,836	1,889	1,920

Gothenburg provides dignified and reassuring care for the elderly, with freedom of choice

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
User assessment of home-help service in care of the elderly – overall (%)	81	80	-	86
User assessment of special housing in care of the elderly – overall view (%)	77	80	-	86
User assessment of home-help service in care of the elderly – security (%)	81	79	-	86
User assessment of special housing in care of the elderly – often affected by loneliness (%)	20	20	-	15
User assessment of home-help service in care of the elderly – affected by loneliness (%)	51	51	-	44
User assessment of special housing in care of the elderly – opportunity to choose times (%)	56	60	-	60
User assessment of home-help service in care of the elderly – opportunity to choose times (%)	52	49	-	60
Citizen satisfaction index, care of the elderly	46	40	-	52

Assessment of goal

Goal fulfilment is difficult to assess. Outcomes for the indicators are not available for 2021 and no user surveys were carried out in care of the elderly in Gothenburg. The pandemic has had a major impact on users and services in healthcare and social care during 2021.

Developments in services

Users of care of the elderly services have been hit particularly hard by the pandemic and different services have faced different challenges. Shortages of staff and skills have caused difficulties for services. The challenges of finding skilled staff and the demand for skills initiatives in areas such as communication and language were highlighted by the pandemic and remain a problem. There is also a need for certified staff and social service officers.

Due to the high spread of infection in society, the level of sick leave among employees has been high, which meant that users may have had to wait to receive healthcare and social care, or that certain services have been simply unavailable. Preventive action and social activities have been restricted.

During the first year with a single organisation providing all healthcare, social care and care of the elderly, development work had to be set aside in

order to focus on the pandemic. The organisation has, among other things, identified differences between the previous district committees in order to create common routines.

Users have been able to use monitoring cameras to enable remote monitoring through a webcam. As part of the Attractive Home-help Service Programme, work continued on implementing welfare technology such as GPS alarms and digital locks. State subsidies made it possible for nursing homes and care homes to jointly purchase robotic cats and dogs, musical activity vests, soothing cushions and interactive projectors.

Age-friendly Gothenburg 2021–2024 is an action plan implemented in 2021 that will help Gothenburg become a better place to grow older. Several of the City's administrations were involved in this work and one of this year's activities was a pilot project that uses technology guides to encourage older people to acquire digital skills.

During autumn, the Ombudsman for the Elderly submitted its first report to the City Council. The task of the Ombudsman for the Elderly is to increase the influence of the elderly on the City of Gothenburg's services.

Municipal healthcare and medical care

An increasing proportion of healthcare is to be provided in open forms of care and in users' homes. This transition places high demands on collaboration between hospital care, regional primary care, municipal healthcare and medical care, and social services.

During the year, demand on municipal healthcare and medical care increased as more patients were discharged from hospitals. The service has found it difficult to meet the increased demand for care in short-term placements and care at home. This is mainly due to the lack of certified staff and staff with the right skills to provide care at home. In its annual report, the Committee for the Elderly, Nursing and Care describes the situation as a significant issue. They also report that it has had consequences for the overall care needs of users and creates unnecessary personal suffering.

Home help

The home help service in Gothenburg has undergone several changes over the past few years, including switching to digital tools, the initial introduction of the Attractive Home-help Service Programme and the introduction of freedom of choice of care provider.

In 2021, users met an average of 16 people over a two-week period. On average, users of home

help services actually received assistance for 71 per cent of the time they had been granted. This is a slightly lower figure than in 2020.

Special housing

The number of people in special housing has decreased in 2021 compared with 2020. Demand continued to grow in 2021. The waiting list for care homes and nursing homes also increased in 2021 and included 380 people at the end of the year. Although the waiting list for care homes and nursing homes grew during the year, there was a surplus of municipal places. This is because some homes have lower demand and some places are being converted for other purposes. 40 per cent of the people on the waiting list refuse an offer of a place.

Parameters and key figures	2019	2020	2021
Continuity in home-help service (number of staff over 14 days)	15.9	15.4	16
Delivery level of home-help service, municipal operation	70	74	71
Waiting time for special housing (number of days)	79	59	55



Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Leisure habits survey – percentage of young people who are a member of an association, club or group, total	-	-	61	59
Leisure habits survey – percentage of young people who are a member of an association, club or group, girls	-	-	60	59
Leisure habits survey – percentage of young people who are a member of an association, club or group, boys	-	-	63	59
Confederation of Swedish Enterprise ranking of local corporate climate, summary assessment	279	229	239	200
European Regional Innovation Scoreboard (regional level), total index EU28=100	138.8	138.8	137.8	143

Assessment of goal

The goal is considered to be partly fulfilled. This assessment is based on achievement of the 2021 target value for the proportion of children and young people who are members of an association, club or group. However, the leisure habits survey shows a negative trend of declining participation by young people. Participation has decreased more for boys than for girls. Participation has fallen most in socio-economically vulnerable areas.

The outcome of the indicator for the overall business climate has fallen since the previous year and did not reach the target value. The summary assessment is based on an overall rating by entrepreneurs of their experience of running a company in the Municipality. The results are presented as a ranking list for the 290 municipalities in Sweden.

The target value for the *European Regional Innovation Scoreboard* has likewise not been reached. This indicator assesses and compares the innovation ability of EU regions. However, the outcome for 2021 is not really comparable with previous measurements because a new method of assessment has been introduced. In relative terms, western Sweden has improved its position, as the region climbed from 18th to 11th place out of 240 EU regions compared between 2017 and 2021. According to the 2021 survey, the Västra Götaland region belongs to one of the EU's top 15 regions, described as *Innovation Leaders*.

Developments in services

Collaboration, and the opportunities to develop collaboration and cooperation to improve the achievement of goals, are built on understanding each other and sharing ambitions. There is a need for meeting places and arenas that maximise these opportunities, especially those that contribute to interdisciplinary collaboration.

The valuable strategic business dialogue between the City of Gothenburg and representatives of the local business community has carried on despite the pandemic. In 2021, the City was able to contribute to the development of the business climate by supporting administrations that have direct contact with companies in their operations. One example of support measures for the business community is the introduction of a zero tariff for alcohol licence applications. Throughout the pandemic the City of Gothenburg has also conducted ongoing dialogue with representatives from the restaurant and hotel industry, in the form of trade meetings. The aim is to exchange information and increase understanding of each other's tasks and the needs of the industry.

Collaboration between the City, Chalmers University of Technology and the University of Gothenburg has developed in line with the letter of intent. Coordinating teams have now been set up for all four thematic areas: urban development, welfare issues, fossil-free Gothenburg, and democracy and governance. A survey of various central groups within the city and at the universities was also carried out.

The City of Gothenburg's first agreement with civil society organisations was signed by the parties in 2012. The agreement was assessed and the results were reported in 2021. The assessment highlights several areas for development. Among other things, many people in civil society have difficulty finding the right person or department in the City and have called for more coordination between administrations and companies. Improvements are also needed in the City's ability to reach under-represented groups. According to the assessment the City can also improve the way it facilitates and makes use of dialogue with civil society. A joint working group, appointed



by the steering group for the *GotUnited* office, is now preparing proposals on how this work can be organised and implemented.

The leisure habits survey was conducted in spring 2021 during the student survey, for years 2, 5, 9 and upper secondary school year 2. The survey shows that young people who are members of an association, club or group are more satisfied with their leisure time, and that this correlation grows stronger with age. It also reveals that boys are more satisfied with their leisure time than girls and those who replied other or did not state their gender. Children and young people with disabilities are least satisfied with their leisure time and encounter more obstacles to participation, especially travelling to leisure activities. The proportion of children and young people who are members of an association, club or group has fallen by five percentage points to around 60 per cent between 2014 and 2021. The decrease is greatest among boys. In Älvsborg, Björlanda and Billdal, about 80 per cent of young people are members of an association, club or group. In central Angered, Bergsjön and western Biskopsgården, the corresponding figure is about 40 per cent.

Association activities have generally been difficult to maintain during the pandemic. Some associations that focus on outdoor activities have had better opportunities, especially in sports for children and young people, which were not impacted for such long periods of time. Following in-depth surveys, the Swedish Sports Confederation was able to report that the largest fall in the

range of activities available was experienced by target groups with disabilities. For the age group 65+ and membership of grant-approved associations, the reduction was nine percentage points in 2021 compared with the previous year.

The association grants were revised in the run-up to 2021. This created clearer opportunities to respond to initiatives by associations that want to reach out to under-represented groups, mainly in a socio-economic context. Collaboration has also been extended to other groups, such as the RF-SISU and Passalen sports and leisure associations, to improve the effectiveness of combined efforts and reach more people at existing meeting venues, or improve the quality and security of activities such trying out different sports. One clear factor for success in reaching more children and young people is collaboration through the *School as an Arena (Skolan som arena)* initiative. In 2021, the City was able to offer more holiday activities for children and young people as a result of an increased government grant. In collaboration with various associations the grant enabled the City's leisure services to offer a range of free activities.

Gothenburg is a vibrant city of culture, sports and events for residents and visitors alike

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Number employed in tourism-dependent industries	36,788	31,904	-	34,700
Citizen satisfaction index, Culture	71	70	-	78
Citizen satisfaction index, Sport and exercise facilities	62	60	-	68

Assessment of goal

Goal fulfilment is difficult to assess for 2021 as outcomes are not available for some indicators. Trends still show that the ongoing pandemic, which is now in its second year of restrictions, has had a considerable impact on the visitor industry and the city of culture, sport and events.

Developments in services

The ongoing pandemic and the restrictions in 2021 had a major impact on the visitor industry and the city of culture, sport and events. A rollback of infection control restrictions began on 1 June last year, which allowed some activities such as culture and sporting events to be resumed. This enabled several of the city's tourist destinations to open with certain restrictions in place, such as Liseberg, Universeum, theatres, museums and other institutions. Hotel occupancy increased markedly over the rest of the year.

Restrictions on the number of participants at public gatherings and public events meant that many of the major events that were planned for the year had to be cancelled or postponed. The consequences have affected residents, visitors and the business community.

Many employees were furloughed and the usual recruitment of staff for summer jobs and temporary jobs did not take place. Lack of resources imposed limitations on efforts to reach people who are excluded from the labour market. This work will gradually be resumed in the coming years. The reduced range of offerings and fewer jobs in the visitor industry affect residents of Gothenburg directly and indirectly. According to the *Swedish Public Employment Service's report for the period 2019–2021*, young people and non-native residents are overrepresented in several of the industries that were hardest hit, such

as restaurants, hotels, commerce and so on. Skills provision in the industry is a major challenge to future recovery. More young people started studying during the pandemic due to the deteriorating situation in the labour market, which had a heavy impact on those industries that depend on a young labour force.

As sports facilities and association premises were closed to the public for a large part of the year, the number of visits continued to fall in comparison with 2020. For the second year running, the number of visits to museums, art galleries and libraries was significantly lower than before the pandemic. As in the earlier stage of the pandemic, programme activities and events were cancelled, conducted online or in some cases held outdoors. Activities gradually resumed during the year as restrictions were lifted, but real-life visitor numbers have not yet returned to normal levels. The range of online activities has been expanded, support for cultural activities has been adapted and improved, and more summer jobs have been offered in cultural activities.

New hybrid experiences such as digital concert collaborations have been offered to residents and visitors. The International Science Festival, Gothenburg Culture Festival and celebrations of Gothenburg's 400-year anniversary took place online or in combination with activities in the city, modified to suit current restrictions. At the end of the year, Göteborg & Co launched *Hybrid+*, an innovative tool developed for setting up digital meeting experiences.

In 2021, cultural activities for young people and schoolchildren under the Kulturskolan and KULIS programmes were transferred to the Compulsory School Administration. Work began during the year on exploring how the organisation and methods of Kulturskolan and KULIS can be de-

veloped to give all children in the City of Gothenburg more equal access to these art and culture initiatives. National and local statistics produced annually by Kulturskolan show that the groups that are under-represented in Kulturskolan are children and young people with disabilities, teenagers, children and young people with a foreign background and from socio-economically vulnerable areas.

Gothenburg has received a great deal of international attention for its sustainability work in recent years. In 2020, the European Commission named Gothenburg as the European Capital for

Smart Tourism, and in 2021 Lonely Planet voted Gothenburg the World's Best Sustainable City Stay. For the fifth year in succession Gothenburg was ranked top of the *Global Destinations Sustainability Index, GDSI*.

During the year, Liseberg was the first amusement park in the world to receive certification according to ISO 20121, which sets requirements for sustainability at events and covers all aspects of sustainability – environmental, social and economic.

Parameters and key figures	2019	2020	2021
Number of media loans from libraries	3,565,560	3,757,339	3,581,992
Number of visits to sports and exercise facilities (Sports and Associations Committee)	1,096,716	657,787	381,633

Gothenburg is an equal city that fosters a sense of community and trust

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Residents aged 16–84 who have low trust in others (%)	-	30	30	27
SCB's citizen satisfaction index, satisfied with own influence, overall index	33	32	-	36

Assessment of goal

The goal is not considered as fulfilled. This assessment is based on the indicator for residents aged 16–84 who have low trust in others, combined with the overall analysis.

In 2021, 30 per cent of residents had low trust in others. The target value was 27 per cent, so this target was not met. The level of trust can be seen as an indication of cohesion and equality in society. The general trend is stable over time, but there are large differences between groups. The level of trust is lower than average among younger, unemployed residents with a low level of education and people born outside Sweden. Those who live in areas with poor resources also express significantly less trust in others in general than those who live in areas with good resources. Among young people aged 16–24, 41 per cent have

low trust in others. Among young people with disabilities in the same age group, the figure is 56 per cent.

Developments in services

Promotion and prevention initiatives are being taken to create an equal city in broad collaboration with other stakeholders. Efforts to make the city more equal are conducted sustainably and in the long term through measures to create healthy conditions for children and young people to grow up in, opportunities for employment, for equal and sustainable living environments and for participation, influence and trust. The aim is to reduce differences in living conditions between residents of the city and between different parts of the city. This helps to create cohesion, trust and participation.



can be seen in this year's tenants' survey, which shows an improvement in perceived security.

School as an Arena and Lights On projects

The School as an Arena project has been running for a few years at eight schools in the city's vulnerable areas. Schools serve as a meeting place that offer activities before and after classes for children and residents in the area. In 2021 a collaborative initiative was set up between the Compulsory School Administration, Framtiden and the social care administrations to expand the *School as an Arena* project to further schools in the form of the *Lights On* project. Its aim is to provide activities and contexts that encourage more children to complete their schooling and enjoy meaningful leisure time in a safe environment. The new project uses the same working approach as the School as an Arena project and was introduced at ten schools in 2021. Both the *School as an Arena* and *Lights On* projects involve several stakeholders working together to develop activities that local children and residents can get involved in based on local circumstances and needs. This working approach is now in use in a total of 18 schools in the city.

More parents at work

The City's skills centres take a family-centred approach that highlights how children benefit when their parents find employment. The centres have seen good results over the year, as reflected in the high proportion of participants who become self-sufficient. Several of the participants' children also received additional support, through social services or at school, for example.

Summer jobs

Over 4,000 young people were offered summer jobs in 2021. This is the highest number of summer job placements provided. Slightly more girls than boys applied for and got summer jobs. About 50 per cent of the upper secondary school students were girls. Among year 9, 54 per cent were girls. It is generally more difficult for people with disabilities to find employment. In 2021, all young people who applied for a summer job and said they had a disability were therefore offered summer jobs. A total of 156 young people with disabilities were offered jobs, compared with 44 in the previous year.

In Gothenburg, participation varies between groups. There are also significant differences in levels of trust within the population, and in the degree of social isolation. There is insufficient data on the grounds for discrimination, apart from gender and age, to analyse the level of equality or whether the City's services reach everyone. The City Executive Board's rights-based council and the Youth Council have important roles to play in improving knowledge and influence on issues concerning groups that have less influence, trust and participation.

The City of Gothenburg's new *programme for full participation by people with disabilities* clarifies the City's role in ensuring rights and equal conditions for this group. Among other things, the programme highlights the importance of democratic participation for everyone on equal terms. According to the national survey *Health on Equal Terms 2020*, people with disabilities, which includes between 15 and 20 per cent of the city's residents, generally have significantly lower democratic participation: 52 per cent compared to 62 per cent of the population as a whole.

Citizens' offices

The citizens' offices carried out various trust-building activities during the year. When the

citizens' offices had to close due to the pandemic, the service took to the streets on a Democracy Bus to meet citizens. The citizens' offices work closely with other stakeholders in the local communities in which the offices are located, and by collaborating with them the City was able to offer activities such as homework sessions, job coaching and free legal advice. The citizens' offices have continued to develop the concept of resident guides. The purpose of resident guides is to reach out to groups that would not automatically get in touch with the Municipality, to provide information, for example.

Equal and sustainable living environments

In the field of strategic planning, the City Planning Authority has worked on a programme to improve equality in the city, consisting of measures in several particularly vulnerable areas. The focus of the programme has been to create space for single-family homes in these particularly vulnerable areas. Operational efforts have concentrated on coordinating the management of urban spaces with the need to serve the public. Framtidskoncernen has made good progress on establishing a strategy for development areas during the year and the results of this work

Overall goals

Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future

City Council's overall goals and overall operational goals	Assessment of goal fulfilment for 2021
Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future	Partly fulfilled
Gothenburg takes responsibility for the quality of life of future generations	Difficult to assess
Gothenburg is a city with sustainable mobility and good accessibility	Partly fulfilled
Gothenburg is a safe and well-managed city	Not fulfilled
Gothenburg has attractive urban spaces that are dense and varied	Partly fulfilled

The goal is considered to be partly fulfilled, based on the achievement of targets that make up the four overall operational goals. These show a varied picture which was partly affected by the pandemic. Some values measure the effect of a long-term process of change, for which the results for an individual year are not always available. However, it is relevant to track the trend towards a long-term goal, not just the value for an individual year. Generally, it can be said that Gothenburg is to some extent a sustainably growing metropolitan city where steps are being taken to create a safe environment with confidence in the future.

The goal *Gothenburg takes responsibility for the quality of life of future generations* is difficult to assess as data is not available for any of the indicators

for 2021. Some of the indicators are reported every four years, others every two years.

Progress towards the goal *Gothenburg is a city with sustainable mobility and good accessibility* is highly dependent on the course of the pandemic and is considered to be partly fulfilled. The goal *Gothenburg has attractive urban spaces that are dense and varied* is also considered to be partly fulfilled. The annual target for the number of completed homes has been met, while new construction of single-family homes has not reached the target value.

The goal *Gothenburg is a safe and well-managed city* is not considered fulfilled, as data is not available for several of the indicators for 2021, although they have previously remained steady or shown a slight downward trend over time.

Gothenburg takes responsibility for the quality of life of future generations

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Waterways with healthy ecological status (%)	13.6	13.6	-	11
Lakes with healthy ecological status (%)	40	40	-	44
Total atmospheric emissions of greenhouse gases, tons CO ₂ -eq/resident.	4.0	-	-	3.4
Total collected household waste (kg/person)	358	359	-	350
Percentage of nature conservation areas (%)	12.9	14.0	-	13

The indicators, which are based on data from the Kolada database, are delayed or updated infrequently, so it is not possible to give results for several of the indicators.

The status of waterways and lakes is updated every four years and greenhouse gas emissions are reported after a two-year delay, in autumn.

Assessment of goal

Goal fulfilment is difficult to assess as data is not available for all the indicators. The indicators, which are based on data from the Kolada database are delayed or updated infrequently, so it is not always possible to give up-to-date results.

For the nature conservation indicator, the target value for 2020 was met.

For waterways, the target value is currently met, while the indicator for lakes almost meets the target value. However, the target values for both these indicators will be significantly stricter in coming years, so meeting the targets will be more challenging.

There is no data for 2021 for the indicator collected household waste, but the recent trend has been positive as the volume of waste fell between 2018 and 2019. In 2018, a total of 368 kg of household waste was collected per person. Similarly, there is no data for atmospheric emissions of greenhouse gases for 2021. It is difficult to assess the indicator trend here as the value rose in 2018 (4.2) then dropped in 2019 to the same level as in 2017.

Developments in services

Governance for the environment and climate

The City Council has approved the *City of Gothenburg's Environment and Climate Programme 2021–2030*. The programme shows the direction ahead and provides a common platform for the City's long-term strategic environmental efforts. The focus of efforts during the year was to begin implementing the strategies set out in the environment

and climate programme and to train management in the City's administrations and companies to use the environmental management system.

Implementation of the City's joint environmental management system has begun, backed by the *City of Gothenburg's Guidelines for Systematic Environmental Management*. An initial advisory and supporting audit has been conducted, showing that the proportion of committees and boards that apply systematic environmental management has reached 58 per cent.

Waste and resource management

The pandemic has affected demand for waste collection, although not to the same extent as in 2020. The volumes of bulk waste and hazardous waste increased, and the number of visits to the recycling centres is slightly higher than in 2020. The increase in the number of visits following the pandemic has thus persisted. Waste collection has generally worked well, but periods of snow and ice at the start and end of the year meant problems carrying out some collections.

The Eco-cycle and Water Administration carried out random analyses of Gothenburg's refuse bags. More than a third of residual waste in bags still consists of packaging and newspapers. Although the proportion of packaging, newspapers and hazardous waste in refuse bags has decreased, a large amount of recyclable waste still ends up in the incinerator at Sävenäs. The Eco-cycle and Water Administration found that better results were achieved where information and signage had been improved since the last random analysis.

Littering has been reduced, partly as a result of nudging campaigns by the Parks and Landscape Administration and collaboration with businesses, associations, property owners, schools and volunteers. In partnership with the University of Gothenburg, Framtiden has developed an app to document and categorise waste, as well as a model to enable monitoring of the effects of various litter-reduction measures.

The Eco-cycle and Water Administration has worked with the City's administrations and companies to begin implementing the *City of Gothenburg's Waste Plan 2021–2030*.

Sewage and water quality

Drinking water services have been affected by this year's weather conditions. The prolonged cold spell at the start and end of the year and the hot summer led to an increase in the number of burst pipes and leaks, and a reduction in water quality.

The treatment plant at Brudaremossen landfill was completed and opened during the year. The new plant treats leachate from environmentally hazardous substances in the former landfill site. The water is then piped to Ryaverket sewage treatment plant, as before, and undergoes further treatment to remove substances such as nitrogen and phosphorus. The residual sludge is used as plant fertiliser and to generate biogas. Local treatment is necessary to meet Revaq certification requirements so that the nutrient-rich sewage sludge can be used on arable land. The treatment plant won the *Svenskt Vatten Revaq prize*, which was awarded for the first time.

Biodiversity

The Environment Administration has conducted a follow-up study to examine how the City uses the green space factor as a method in detail planning. The method is increasingly widely used in the City. The green space factor is a measure of the ecosystem services that an area provides, i.e. how green and blue spaces can help to resolve certain environmental challenges in the local area. One example is the way that vegetation delays and purifies stormwater, improves air quality and reduces noise.

The Parks and Landscape Administration has implemented measures to increase biodiversity in the city, such as creating flower meadows, mowing and harvesting grass in meadows, increasing the cutting height on lawns and planting more wild flower lawns. The aim of *Hum*, a project about bumblebees set up in collaboration with Gothenburg Botanical Garden, was to inform children about the value of biodiversity, emphasise the importance of bumblebees and to highlight the declining number of bumblebee species in Sweden.

As a result of the administration's ongoing work to restore wetlands, several measures were implemented during the year. For example, the stormwater ponds through which the Kålsäreds-bäcken stream flows have been restored so that they work better as sedimentation traps and allow the passage of fish. Several spawning sites have been created for fish, as well as a few smaller ponds for amphibians and other aquatic life. A number of spawning sea trout were seen between the ponds in autumn.

Climate and energy

The City of Gothenburg has renewed the *Viable Cities Climate Contract 2030* in order to work with 22 other Swedish cities towards the goal of becoming climate-neutral by 2030. Because the majority of emissions occur in cities, they play a vital role in the climate transition. The city signed the contract in an effort to speed up Gothenburg's climate transition.

This has been a turbulent year in the energy market. Göteborg Energi supplied more electricity and district heating than in recent years and the share of fossil energy used for district heating rose slightly due to the cold weather. Göteborg Energi also drilled a thousand-metre-deep borehole in Högsbo to test the extraction of geothermal heat.

Hoppet pre-school was completed and opened during the year. The project was successful in cutting climate emissions by 70 per cent compared with a conventional pre-school.

Älvstranden Utveckling aims to halve emissions from all new construction and renovation projects by 2024. One example is Merkurhuset at Skeppsbron, where the company managed to reduce emissions by approximately 23 per cent compared to standard construction.

A new rail freight shuttle service between the port of Gothenburg and Piteå has been introduced for forest products primarily intended for the Asian market. The products were previously shipped from Piteå on the Baltic Sea coast and transshipped to central European ports. The new service means that carbon dioxide emissions are reduced by 83 per cent.

The City Council has approved the City of Gothenburg's environmental and traffic safety requirements for light and heavy vehicles, which aims to make the City's fleet of vehicles fossil-free by 2023 in order to meet the City's climate goals. A proposed energy plan has been submitted for consultation. The plan describes how the City of Gothenburg will work towards the energy-related goals of its Environment and Climate Programme while maintaining a stable energy system.

Air quality

The Environment Administration's measurements for 2020 showed the best results since measurements began approximately 45 years ago. For the first time, Gothenburg passed the statutory limit values for nitrogen dioxide, a low but acceptable level. This was partly due to the pandemic, as well as the mild and windy winter months before the pandemic started. For those results that have so far been processed for 2021, the levels of air pollution continue to look good. To achieve national, regional and local goals, however, air quality needs to improve even further. Good air quality benefits the public health of both adults and children.

Drinking water and food

The City Council has approved the *City of Gothenburg's policy for meals*. The policy contributes, among other things, to fulfilment of the Environment and Climate Programme's target for food, which requires that the City's purchases contribute to greater biodiversity and lower climate impact, as well as the targets of City's waste plan to reduce food waste and the use of disposable items.

The City's operations worked towards certification under the Kranmärkt (Eco-tap) label during the year. This national sustainability label shows that operations do not use or purchase water in bottles, cans or cartons. By the end of the year, 18 (out of a total of 23) administrations and 21 (out of a total of 30) companies had qualified to use the Kranmärkt label. As a step towards using the Kranmärkt label in all City of Gothenburg operations, bottled water has been removed from the City's framework agreement.

Commitment to green sustainable cities

In September, the City of Gothenburg signed the European Commission's *Green City Accord*. The accord sets goals in five areas: air, water, biodiversity, circular economy and noise. The City also signed the *Eurocities' Plastics Declaration* which commits us to take action in five areas, including cooperation with local companies and raising citizens' awareness of the need to reduce plastics in society.



Parameters and key figures	2019	2020	2021
Percentage of recycled energy, district heating (%)	70	79	69
Percentage of renewable energy, district heating (%)	19	20	24
Weight of food waste, residual waste and mixed waste, change compared with previous year (%)	-1.8	-3.8	-0.2
Leakage of drinking water, litres per metre of drinking water supply pipe, 24 hrs	21.0	19.5	21.8

Gothenburg is a city with sustainable mobility and good accessibility

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Average speed of city buses in city centre	18.6	20.6	19.2	18.0
CO ₂ emissions – production by sector – transport (kton)	-	-	-	920
Share of means of transport for all journeys in Gothenburg, walking (%)	21	19	22	22
Share of means of transport for all journeys in Gothenburg, bike (%)	7	9	7	7
Share of means of transport for all journeys in Gothenburg, public transport (%)	30	25	24	30
Share of means of transport for all journeys in Gothenburg, car (%)	43	47	46	41
Region satisfaction index – transport links	64	64	-	70

Outcomes are unavailable for 2021 for indicators relating to the region satisfaction index. Statistics Sweden (SCB) has changed its citizen survey, which means that this information will not be available in the future either. From 2018 onwards, no results are available for CO₂ emissions – production by sector, transport (kilotons).

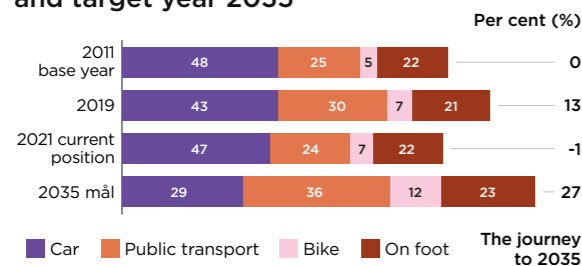
Assessment of goal

The goal is considered to be partly fulfilled. The trend for the year is closely linked to the course of the pandemic.

The total number of journeys in 2021 was 13 per cent lower than in 2019. In comparison with the base year 2011, the total number of journeys fell by one per cent. Based on transport trends in 2021, 22 per cent of journeys were made on foot, 7 per cent by bike, 24 per cent by public transport and 46 per cent by car. More people used cars for journeys made in 2021, but the total number of car journeys was lower than in 2019, which is in line with the goals of the transport strategy.

As a result of the general reduction in travel, and hence reduced congestion, accessibility for journeys in Gothenburg has been good. The average speed of regional buses was 19.2 kph over the period January–December, which is higher than the target value for 2021 but below the average speed measured in 2020.

Share of means of transport for base year 2011, current status 2021 and target year 2035



Estimated number of journeys and share of means of transport for base year 2011, 2019, current status 2021 and target year 2035.

The width of the bars indicates the number of journeys by different means of transport, and the numbers in the bars indicate the percentage of journeys by that means of transport. The number on the right is the percentage change in the total number of journeys compared with the base year 2011. Rounding of numbers may mean that the total is higher or lower than 100%.

Developments in services

Traffic trends are difficult to assess, partly because the pandemic has affected travel, and partly because Gothenburg and the region are in the midst of a construction boom, which has also had an impact on traffic. The Hisingsbron bridge opened on schedule in May for cars, buses and east-bound pedestrian and cycle traffic, and in August it also opened for trams.

Special transport services

Service Travel provides passenger travel for individuals who find it difficult to travel on their own. Travel was greatly affected by the pandemic, since a significant proportion of travellers belong to various risk groups. Following the drastic reduction in special transport journeys in 2020, numbers began to rise gradually in 2021. In January, the number of journeys made was 56 per cent of the figure for the corresponding month in 2019. During autumn, that figure approached 80 per cent.

Travel must become more sustainable

The electrification of the vehicle fleet has gained considerable momentum in the city. The number of charging stations for electric cars is now increasing at a rapid pace. In 2021, Göteborg Energi and Göteborgs Stads Parkering AB completed over 500 new charging spaces and there are now

more than 1,500 charging spaces in municipal parking areas. Of these, 15 are so-called fast chargers. Charging spaces in parking areas that offer both visitor parking and permit parking are used most often. These are often areas used by workplaces, residents and visitors.

Gothenburg wins “Gold Charger” award

In December, Gothenburg was awarded the *Gold Charger* (Laddguld) award for its comprehensive approach in which various municipal stakeholders, including the energy company, public transport, parking and housing companies and the business community work together to bring about rapid change. *The Golden Charger* is awarded annually by the Swedish Secretariat for progress towards establishing a vehicle fleet that is free from fossil fuels. The award goes to the municipality that has taken concrete initiatives and a holistic approach to establishing infrastructure for charging and the electrification of vehicles.

According to Sweden’s environmental goals, the entire transport sector must reduce its climate impact by 70 per cent by 2030. This requires that stakeholders and municipalities push from all directions. The City was able to sum up the year as follows:

- » The City of Gothenburg has 354 of its own light electric vehicles, three heavy electric vehicles and 30 electric buses.
- » There are over 1,500 public charging points, including chargers for heavy vehicles, and further investments are being made all the time.
- » 12 clean electric cars are registered for every 1,000 residents of the city, making a total of just over 7,000 electric cars.
- » The City’s parking app makes it easy to charge and park while just paying for the electricity used.
- » Emission-free transport is set as a requirement for procurement.
- » Business Region Gothenburg has been tasked with coordinating the transition to an electric transport system and the City of Gothenburg is planning to adopt an Energy Plan and an Electrification Plan in spring to achieve the goal by 2030.
- » The *Gothenburg Green City Zone* test arena has been launched on the initiative of Volvo Cars, RISE and the City of Gothenburg through Business Region Gothenburg.

Large projects

The Swedish Transport Administration has continued construction work on the West Link (Västlänken) within the framework of the *West Sweden Package*. Progress includes the re-opening of the Götatunnel to traffic following the completion of tunnel reinforcement work at Kanaltorget and Otterhällan.

Hisingsbron bridge has opened to traffic and now links the city centre across the water and unites the two halves of the city as a green and accessible metropolis. Work has continued on the demolition of the Götaälvbron bridge to enable future urban development.

During the year, the parties to the *West Sweden Package*, which include the City of Gothenburg, approved a project contract worth SEK 300 million. In total, this means that the City of Gothenburg may be granted co-financing to a value of around SEK 120 million to carry out measures that include implementation studies for a new pedestrian and cycle bridge across the river and a tramway in Allétråket.

The City Council decided in 2021 that the future Lindholmen link will take the form of a tunnel under the Göta Älv river between Lindholmen, Stigberget and Linnéplatsen. The Lindholmen link is part of the expansion of a new tramway between Lindholmen and Linnéplatsen, and is one of the phases in creating an inner city ring for tram traffic. The Lindholmen link is financed through the *National Negotiation on Housing and Infrastructure – Tram and City Bus Service Brunnbo–Linné*. The link is planned for completion in 2035 and is estimated to carry 30,000–35,000 public transport passengers per day when complete.

Despite the prevailing pandemic and disruptions to global logistics, the Port of Gothenburg has experienced strong growth in freight volumes during the year. All classes of goods except energy (e.g. oil) have seen increases in 2021. The container segment in particular has shown particularly strong growth during the year, with a sharp rise in rail freight. Container freight by rail to and from the Port of Gothenburg increased by nine per cent, which is the highest figure since the Port of Gothenburg began monitoring freight volumes. The share of container freight by rail is now 62 per cent.

Gothenburg is a safe and well-managed city

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Number of particularly vulnerable areas	6	6	5	5
Percentage of population (aged 16–84) who feel that fear of crime has a strong negative impact on their quality of life (NTU)	8	9	8	6
Reported violent crimes (per 100,000 residents)	1,226	1,203	-	1,150
Reported cases of vandalism (per 1,000 residents)	24.4	25.9	-	24.3
Citizen satisfaction index – street cleaning and waste collection	60	59	-	68

Outcomes are unavailable for 2021 for indicators relating to the citizen satisfaction index.

Assessment of goal

The goal is not considered to be fulfilled. Data is unavailable for several indicators for 2021, but they have remained at the same level or shown a slight downward trend over time.

Perceived fear of crime that affects quality of life has remained at about the same level (8–9 per cent) over the years. However, according to the *National Security Survey* (NTU) conducted by the National Council for Crime Prevention Council and the findings of the SOM Institute, people experience greater fear and insecurity about being outdoors in the evening in their own residential area in all districts, but there are large variations within and between districts. The group who most avoid going out alone in the evenings in their own residential area are women, residents with a lower education level and those who live in resource-poor areas.

The number of particularly vulnerable areas has decreased and meets the target value for 2021. The number of reported violent crimes per 100,000 inhabitants also fell slightly in 2020. However, reported cases of vandalism increased to some extent in 2020.

Residents' satisfaction with sanitation and waste collection has decreased slightly over the years with each assessment.

Developments in services

Fall in reported crime probably due to the pandemic

According to the key indicators below, the total number of reported crimes and crimes in public has fallen. This downward trend is likely to be an

effect of the societal changes brought about by the pandemic and the fact that people have not spent as much time in public spaces as usual.

Sense of insecurity among various groups in society

As the results show, women and residents with a lower education level in Gothenburg experience the greatest fear and insecurity about being outdoors in the evening. Fear and insecurity about being outdoors is also greater among people with disabilities and young LGBTQI individuals between the ages of 16 and 25 than in the rest of the population.

Measures to build a sense of security and prevent crime

Gothenburg must be a safe and secure city for those who live, work and visit the city. Improving security in the city is a responsibility that all services share in different ways, either directly or indirectly. This work must be conducted systematically and through collaboration. There has been some improvement in this area, but efforts must be stepped up.

The efforts of the social care administrations build on the *Safe in ... model*. In 2021, together with a number of administrations, they began taking measures to build a sense of security with the goal of ensuring that everyone feels safe across the city. One step in these efforts to improve security was to begin revising the central collaborative agreement with the police.

The issue of security is also incorporated in urban planning by the administrations, for example by installing more lighting and enhancing

security. The work is aided by collaborating with the social administrations and using the information they provide. As part of its assignment Framtidskoncernen takes a broad perspective and has allocated specific resources to ensure that Gothenburg will not have any districts that are classified as high risk by 2025. The implementation of initiatives in the Group's strategy for development areas was stepped up significantly during the year.

By providing children and young people with schooling and creative leisure opportunities, schools take a long-term approach to making Gothenburg safer. Most security improvement and crime prevention efforts take place in schools during their daily activities and by setting out values. As part of measures to improve the physical environment in schools, the Compulsory School Administration reviews roads to and from schools as well as the indoor and outdoor environment at each school. The Education Administration takes active steps to improve student influence and perimeter security.

The open sale and use of drugs has the largest single impact on security in urban areas, as well as leading to other crimes such as theft and violence. There are also links between drug crime and serious organised crime. It is therefore important to focus the City's resources on those factors that will reduce the sale and use of drugs in order to increase security in the city.

Measures to improve safety outdoors

An overall map of unsafe locations was produced in 2021 to provide an overview of the areas that administrations and companies define as unsafe. The majority of unsafe locations are facilities aimed at children and young people in the city, such as

sports facilities, pre-school and school sites, and local squares. The roads leading to and from these locations are also felt to be unsafe. Most insecurity is experienced between 16.00 and 24.00.

In central Gothenburg, the *Safer Nordstan* initiative includes activities to reach out to young people and support them in various activities. Nordstan is perceived to be calmer and safer as a result of this work. Perceived safety has decreased in Järntorget and Långgatorna. Measures to reverse this trend have been put in place, including increased street presence and coordinated efforts between the City's field workers and police, collaboration with NGOs, tenant-owner associations and support for property owners in the area. Since February 2021, the area around Järntorget has also been classified as a LOV 3 area, under an act that governs the use of security officers.

Several new LOV 3 areas were designated during the year and there are now nine areas where security officers employed by the City of Gothenburg patrol the city to improve safety and security. This is five more than in 2020.

A well-managed city

The Parks and Landscape Administration is responsible for the city's green spaces. The number of green spaces has grown and they are used more frequently. This is a positive trend, but also increases the burden on facilities, parks and natural areas, leading to more wear and tear and increased littering. The Parks and Landscape Administration has collaborated with various stakeholders to reduce littering. The administration has also experienced a sharp rise in the number of questions and opinions put forward by the public, and is taking steps to improve its service level.

Parameters and key figures	2019	2020	2021
Men who feel unsafe outdoors, aged 16–84 (%)	-	17	-
Women who feel unsafe outdoors, aged 16–84 (%)	-	43	-
Total reported crimes	112,694	115,093	106,913
Total number of reported crimes in public	1,900	1,805	1,657

Gothenburg has attractive urban spaces that are dense and varied

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Net movement to Municipality	3,525	730	679	4,000
New construction: single-family homes	331	351	262	500
Number of completed homes	4,357	4,494	5,365	5,000
Region satisfaction index – commercial offerings	71	70	-	73
Region satisfaction index – leisure opportunities	73	69	-	76
Region satisfaction index – transport links	64	64	-	70

Outcomes for indicators relating to the region satisfaction index are not available for 2021. Statistics Sweden (SCB) has changed its citizen survey, which means that this information will not be available in the future either.

Assessment of goal

The goal is considered to be partly fulfilled. The annual target for the number of completed homes has been met, while new construction of single-family homes has not reached the target value. The downward trend in net movement of people to the city has continued.

Housebuilding is progressing throughout the city in order to meet future needs and tackle the housing shortage. Approximately 5,350 homes were completed during the year, which exceeds the target value of 5,000 per year and is in line with the goal of 20,000 homes by 2022. Despite the pandemic, housebuilding in the city is at a high level. The number of completed homes exceeds previous years and the number of homes under construction remains high. A total of 262 new single-family homes were completed, which is lower than in previous years and below the target of 500 homes. On the other hand, planning permission was sought for 450 single-family homes.

Despite low net movement to the city, the number of vacant homes has not increased. This is believed to be a consequence of the housing shortage and a demographic shift towards a higher proportion of young and elderly residents, which means more single households.

Developments in services

Gothenburg has urban spaces that are dense and varied

Urban development in Gothenburg should be dense, sustainable and dynamic, creating a city where people want to live, and the goal is to complete 20,000 new homes within the mandate

period. The City aims to create attractive and safe residential areas with a dynamic mix of housing, municipal services, leisure activities, offices and a vibrant range of commercial services. Hisingsbron bridge opened to traffic in 2021, linking the city centre across the river with its elegant profile and uniting the two halves of the city as a green and accessible metropolis. The aim is that the city should be integrated and grow bigger, yet still feel compact. Construction work is now under way on Platinan, the first new building near the bridge abutment, which will form a striking landmark in the urban environment.

Housebuilding in Gothenburg is currently at a record level. The number of planned homes has not been so high since the Million Programme of the 1960s and 70s. In 2021, a total of around 5,350 homes were completed, 60 per cent of which are rental apartments, which is the highest proportion in ten years. Municipal public housing accounts for around 1,580 homes, 1,100 of which are rental properties, which is more than were built during the Million Programme. The largest numbers of homes were completed in the districts of Gamlestaden, Frölunda and Tuve.

The City's goal to complete 500 single-family homes each year presents a challenge over the next few years. The number of single-family homes for which planning applications have been submitted is higher than ever, but the estimated time from approved local plan to completion is at least five years. To improve the availability of single-family homes the City is exploring further construction of single-family homes in areas where this is permitted under the existing local plans.

Despite the high level of housebuilding there is still a housing shortage, but low net movement to the city combined with new construction may improve turnover in the existing housing stock. The demographic shift towards a growing proportion of young and elderly residents means more single households. The average waiting time for housing through the municipal Boplats agency is still around 6.4 years and the number of advertised apartments has increased, as has the number of registered applicants for housing.

Construction of parkland and an adventure playground in Centenary Park is under way and is expected to be completed in the first half of 2022, providing attractive new areas for recreation, physical activity and meetings. The number of visitors to parks, green areas and beaches continued to rise during the pandemic and has led to increased management and congestion measures.

High pace of housebuilding for long-term fulfilment of goal

Gothenburg is growing and its population will continue to grow. The estimated population growth of 250,000 by 2050 means that the city needs to provide 120,000 new homes, more community services and 100,000 new jobs. Around 10,000 new homes are currently under construction and urban development and densification are taking place in many parts of the city. At Masthuggskajen,

the Våghuset office building and several other tall buildings are taking shape. The plan is to create about 1,300 new homes, 6,000 office spaces, two pre-schools, a hotel and two parks in the area. In Gamlestaden, the recently approved local plan involves the construction of 250 new homes and extension of business premises in an area with a rich industrial heritage. At Selma Lagerlöfs Torg and along Litteraturgatan, new homes, commercial buildings and a shopping street are under construction. The densification plan for this area, known as Selma Stad, includes 1,700 homes.

A proposed local plan for the centre of Backaplän has been submitted for consultation. This would allow the construction of around 2,200 homes and pave the way for a socially diverse city with a wide range of apartments and access to municipal and other services. After many years of work, a detailed general plan for Västra Arendal and Torsviken has now been adopted. This will enable the City to continue developing Scandinavia's largest port and also means that green spaces and *Natura 2000 areas*, which are especially worthy of protection from an EU perspective, will become nature reserves.

During the year, the City produced statutory guidelines for housing supply and land allocation, respectively. The guidelines are strategically important in the process of securing access to good housing for all residents of Gothenburg.





Climate challenge

The consequences of climate change, including higher water levels and more extreme weather, mean that Gothenburg's location, at the mouth of the Göta Älv river entails risks that could affect housebuilding. Planning for the implementation of flood protection is ongoing, but there is insufficient funding. Good progress was made on developing a climate adaptation plan for the City's operations in autumn and this work should be completed in 2022.

Future urban development

Work on the new general plan, including in-depth studies for central Gothenburg and Frölunda-Högsbo, has reached the final stages. A review was carried out during the summer and adoption by the City Council is planned for 2022. A general plan is a guide for municipal land and water use and is based on long-term sustainable development with a focus on a dense, green city

with diverse content and a more multi-centred layout. The plan takes into account increased population, attracting migration to the city and creating attractiveness and robustness. It also provides an opportunity to prioritise urban development in the right locations, creating urban qualities and delivering essential services.

A digital platform has been developed in parallel with the general plan. The new general plan and the geographical focuses are primarily presented in digital form. This improves accessibility and will also facilitate more integrated general planning.

A new organisation for urban development was approved in autumn and will come into effect on 2 January 2023. The purpose is to create a more integrated urban development process in planning, implementation and administration of the city. The change is expected to contribute to greater efficiency and the new organisation will provide a foundation for improving the efficiency of the processes that are involved in creating a sustainable city.

Parameters and key figures	2019	2020	2021
Percentage of completed homes that are rental properties (%)	45	47	60
Number of homeless people (adults and children)	5,015	3,733	3,161
Single-family homes	331	351	262
Number of rental properties	1,495	1,540	2,527
Number of shared ownership properties	1,826	1,764	1,670
Special housing (student, BmSS and other housing)	542	496	726
<i>of which Buildings with Special Service (BmSS)</i>	75	48	73
<i>of which student housing</i>	347	123	42
Renovation	163	343	180
Total number of homes	4,357	4,494	5,365

The starting point is sustainable urban development that can accommodate the growing population and respond to the needs and demands of different groups. The housing supply programme includes strategies to meet the general need for housing and housing for residents for whom the city has a specially designated legal responsibility.

Rapid housebuilding requires collaboration

Achieving such a high pace of construction requires the use of new working methods that were partly developed during the *BoStad2021* project, which is currently being wound down. The project goal is to build 7,000 new homes in excess of regular construction, and around 4,000 will be completed this year. The project will be transferred to the City organisation as District West; construction is under way and it is expected that the project goal will be achieved in 2023.

The City's undertaking in the National Negotiation on Housing and Infrastructure means that by 2035 around 45,700 new homes must be built close to the designated public transport investments the city is making. As of 2021, approximately 9,000 homes have been completed. The current pace of construction and forecasts are not high enough to meet the commitment for 2035, but when construction at Frihamnen

harbour begins, the increased pace of construction will increase the likelihood of meeting the goal.

Provisions for special groups

Despite the general increase in housing availability, there is still a shortage of new Buildings with Special Service (BmSS) as well as student apartments. Work is therefore under way to identify areas and sites that may be suitable for BmSS and student housing.

Homelessness in Gothenburg has fallen for the third year in a row. Compared with 2020, the number of homeless people has dropped by 15 per cent and the number of homeless households by 9 per cent. The number of homeless families with children has fallen from 393 to 282. Acute homelessness has decreased in particular, especially for families with children without social problems (structurally homeless) and for single households with issues of substance abuse or mental illness. Factors that have affected homelessness include more housing association apartments, a routine for providing emergency assistance and coaching to find accommodation, as well as reduced numbers of new arrivals and increased housing construction. Measures taken as part of the homelessness plan have had some effect but need to be supplemented with measures regarding the general availability of housing.



Overall goals

Gothenburg is a metropolitan city with a stable economy and strong growth

City Council's goals and overall operational goals	Assessment of goal fulfilment for 2021
Gothenburg is a metropolitan city with a stable economy and strong growth	Partly fulfilled
Gothenburg has a balanced budget and long-term sustainable finances	Fulfilled
Residents of Gothenburg get value for their taxes and high-quality welfare	Partly fulfilled
The City of Gothenburg is an attractive employer that provides good working conditions	Partly fulfilled
Gothenburg has an attractive and innovative business community of a high international standard	Difficult to assess
Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good	Fulfilled

The goal is considered to be partly fulfilled, since two of the overall operational goals have been fulfilled and two are partly fulfilled.

The City's financial position is stable, but there are long-term challenges. Unemployment is now falling again and the impact on income support was never as great as feared. Following the downturn that resulted from the pandemic, growth is now strong and the number of newly registered companies has risen. Despite this, the perceived improvement in the business climate has stalled.

Gothenburg has a balanced budget and long-term sustainable finances

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
The Municipality must achieve earnings of 2% (percentage over a rolling ten-year period)	3.5	4.1	4.7	3.5
Self-financing of investments over a rolling ten-year period should be at least 50%	123	114	115	94
Equity/assets ratio 15%	21	22	25	15
The City's development activities must be balanced over 10 years, self-financing level (%)	108	104	112	100
The City's operations must show good financial management	-	-	-	According to assignment

Assessment of goal

The target is considered to be fulfilled, since all indicator outcomes for 2021 exceed the target values set in the budget. It can also be reported that all indicators show an improvement compared to 2020.

Four indicators are used to monitor achievement of the goal for a balanced budget and long-term sustainable finances. The first indicator is the equity/assets ratio for the Municipal Group, while the other three indicators refer solely to the Municipality. The Group's equity/assets ratio increased to 25 per cent and is thus well above the target value of 15 per cent. The fact that the Group's equity/assets ratio has increased in recent years is largely due to the fact that the Municipality and its companies have increased their equity through positive earnings. Earnings in relation to tax revenue, financial equalisation and general state subsidies amounted to 4.7 per cent over a rolling ten-year period. This outcome represents

an improvement in relation to the preceding years and is well above the target of two per cent. Self-financing of investments amounts to 115 per cent over a rolling ten-year period. The strong earnings for the year, combined with a slower pace of investment than budgeted, meant a marked improvement in the ten-year rolling value compared with 2020 and that self-financing of investments was clearly higher than the target of 94 per cent. Land development activities are also evaluated over a rolling ten-year period and the level of self-financing thus remains above 100 per cent.

The targets for good financial management are evaluated in the Administration Report. The interpretation of good financial management in the City is based on the same indicators as used above to assess target fulfilment for a balanced budget and long-term sustainable finances. The Administration Report also contains an in-depth financial analysis of the Municipality and the Municipal Group.

Residents of Gothenburg get value for their taxes and high-quality welfare

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Efficiency ranking for municipal compulsory schools, (low values indicate good results)	220	214	228	230
Staff in direct contact with residents as percentage of total staff	73	71	71	73
Cost of individual and family care (SEK per resident)	7,485	7,400	7,545*	7,700
Cost of care of the elderly (SEK per resident)	10,632	11,101	11,185*	10,400
Citizen satisfaction index – support for vulnerable people	47	44	-	49
Citizen satisfaction index – care of the elderly	46	40	-	52

* The indicators for cost per resident for individual and family care and care of the elderly are preliminary calculations.

Assessment of goal

The goal is considered to be partly fulfilled since the target value has been achieved for two of four of the indicators, for which outcomes are available for 2021.

For the indicator “*cost of care of the elderly (SEK per resident)*” there is a conflict between the target to reduce costs, while care of the elderly has received greater resources in the form of municipal grants and increased state subsidies. In the long term, the potential to achieve the set target values will be further hampered by the expected rise in the proportion of older people in the population.

The proportion of staff in direct contact with residents has fallen in relation to the base value set for 2019 based on the budget requirement for 2021. Because the outcome is measured on the basis of hours worked, one explanation for the downward trend could be the effects of the

pandemic on those staff who work closely with users. They have been affected to a greater degree by sick leave and restrictions intended to limit the spread of infection. There have been problems finding temporary replacement staff for services, as well as a shortage of temporary staff due to a high absence rate among pre-school children and pupils, and fewer elderly people requesting home help or housing.

The result reported for the indicator *Efficiency ranking for municipal compulsory schools* is a key figure from Kolada: *Weighted result for compulsory schools, municipal schools*. This is a combination of three parameters and their deviation from a model value. The parameter is reported as a ranking of 290 Swedish municipalities, and Gothenburg is ranked number 230 among municipal compulsory schools. The indicator shows a negative trend for 2021, but is still above the set target value.



The City of Gothenburg is an attractive employer that provides good working conditions

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Employee engagement index (HME) for Municipality as a whole – total index	75	79	78	80
Sick leave for municipal employees (total %)	8.1	9.6	8.6	8.2

Assessment of goal

The goal is considered to be partly fulfilled. The assessment is based on the Group’s total sick leave, which totals 8.1 per cent, so the target for 2021 has been met, even though sick leave for the administrations does not meet the target. Sick leave shows a positive trend and is declining for both women and men in all age groups. The pandemic and the Swedish Public Health Agency’s restrictions have continued to have a major impact on sick leave in services that have close contacts with users. Healthy attendance – the percentage of employees who have a maximum of four sick days per year – has also increased in most occupational groups in the administrations since last year’s decline and now stands at 37.1 per cent. Healthy attendance is not reported by the companies and therefore cannot be assessed at Group level.

The target for *Sustainable Employee Engagement (HME)*, was not achieved for 2021. *Sustainable Employee Engagement* is an index obtained from the results of the employee survey and enables the City’s employer policy to be assessed in relation to employee engagement. HME has fallen slightly compared with the previous year, with a score of 78 for 2021. The result for women was 79; for men it was 78; and for those who define themselves as other it was 74. 21 per cent of employees who responded to the survey state that they have experienced some discrimination, bullying or harassment. Many companies take part in the City’s employee and manager survey, although some only take part every alternate year. Many administrations and companies also use tools to assess employee satisfaction, but it is not yet possible to combine these into a city-wide assessment.

The *City of Gothenburg attractive employer programme* is intended to reflect the City's efforts to achieve the goal. The programme runs from 2019 until 2023 and defines three targets and eight strategies. Extensive work is taking place in the administrations and companies within the framework of this programme. An interim review will be presented in spring 2022.

One of the strategies employed in 2021 is aimed at the organisational culture in the city: *We develop our organisational culture to build trust*

within the organisation and between us and the people we serve. The programme examines how efforts can provide more active support for behavioural changes that will develop and strengthen the collective organisational culture. To provide a common foundation for the City of Gothenburg, efforts have focused primarily on organisational culture among managers of the City's administrations and companies.

More information on this goal can be found under *Significant personnel-related conditions.*

Gothenburg has an attractive and innovative business community of a high international standard

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Corporate climate according to Confederation of Swedish Enterprise ranking	216	189	191	150
European Regional Innovation Scoreboard (regional level), total score	138.8	138.8	137.8	143
Corporate climate according to Insight Customer Satisfaction Index (CSI)	68.6	73	70*	75
Newly registered companies (per 1,000 residents aged 16-64)	11.7	12.8	13.6**	9.2

* The corporate climate Customer Satisfaction Index (CSI) is reported in April, and the preliminary assessment indicates a score of 70, which is still a high level even though it is lower than in 2020.

** The number of newly registered companies are reported in the Growth Policy Analysis at the half-year mark. The reported figure is the preliminary assessment of the City Management Office.

Assessment of goal

Goal fulfilment is difficult to assess as current outcomes are unavailable for two of the indicators; these will be published later in 2022.

The EU has changed the way it calculates the value for the *European Regional Innovation Scoreboard*, which means that the result for 2021 is not comparable with results for previous years. Relatively speaking, however, western Sweden has improved its ranking, since the region has risen from 18th to 11th place out of 240 compared regions in the EU between 2017 and 2021.

Available data for the number of newly registered companies in 2021 indicates an increase of six per cent in start-ups compared to 2020.

Developments in services

The business community in the Gothenburg region has recovered quickly since the pandemic

restrictions were lifted. At the end of 2021 economic growth was at a record high, as reflected by companies' recruitment plans, which show recruitment is at an all-time high.

Unemployment in the region has fallen and in November 2021 totalled 6.3 per cent, a decrease of 1.6 percentage points compared to the same period in the previous year. This means the region still has the lowest unemployment level of the three metropolitan regions. In the City of Gothenburg, unemployment fell by 2.2 percentage points between November 2020 and November 2021, and now stands at 7.8 per cent.

Despite the pandemic, several important investments were made in Gothenburg in 2021. Important new company establishments and investments in Gothenburg include Uniqlo and Einride. In addition, Volvo Cars and Northvolt decided to locate their joint research centre for



building the batteries of the future in Gothenburg. Klarna and Apple are also establishing new development centres in Gothenburg. The positive trend in the business climate has now stalled and will continue to be the focus of the City's development efforts. In 2021, administrations and companies whose operations involve direct contact with companies continued their efforts to stimulate the business climate.

International House Gothenburg was opened in April as a reception service that brings all relevant City services together under one roof for people who come here from other countries to study, work or do research.

There are several cooperative initiatives and networks in Gothenburg that contribute to sustainable development in close collaboration between the City, academia and organisations. *Gothenburg Green City Zone* is intended to create a zone in central Gothenburg where all transport will be emission-free by 2030. *Gothenburg Climate Partnership* places a strong emphasis on including more companies in these collaborative efforts, not least in the construction sector. The construction and property industry needs to speed up progress towards the climate goals set in the construction industry's roadmap for fossil-free competitiveness. *Green Gothenburg* has raised the visibility of Gothenburg's green solutions and helps to make

the city more attractive to visitors, as well as improving export opportunities for companies in the region.

The Vinnova-funded development of the City's innovation programme, *GO: Innovation phase 3*, was completed this year. However, the city has an ongoing commitment until 2023 to build on these efforts based on the results of the *Vinnova project*. The ongoing work will assist in creating frameworks for collaboration between the city, academia, the business community and civil society, which will lead to greater local influence over Gothenburg's social challenges.

The visitor industry has been affected locally, nationally and internationally as a direct consequence of the pandemic and the restrictions that were introduced. In Sweden, the three metropolitan areas and the physical retail sector were hit hardest by the decline in the visitor industry. Some easing of the restrictions took place in June, which in conjunction with the peak season for the visitor industry season in July and August gave a boost to the industry in Gothenburg. Further easing after the summer meant that private travel increased relatively quickly, while business travel picked up more slowly. For foreign visitors, the opportunities to travel to Sweden have been severely restricted, as is reflected in the statistics on visitors.

Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good

Indicator	Outcome 2019	Outcome 2020	Outcome 2021	Target 2021
Number of households that received income support at some time during the year (per 1,000 residents aged 16-64)	31	30	28	32
Percentage (%) of registered labour force aged 16-64 who are unemployed	7.1	9.4	8.9	10.6
Percentage (%) of registered labour force aged 18-24 who are unemployed	6.9	11.1	10.0	13.4

The 2021 outcome for the percentage of unemployed in the age group 16-64 and all outcomes for the percentage of unemployed in the age group 18-24 were calculated as defined by Kolada (number of active jobseekers and in programme year T divided by number of employed in year T-2 plus number of active jobseekers and in program year T). The figures are the annual average value.

Assessment of goal

The goal is considered as fulfilled, since all indicators met their target values (for these indicators, the target value is met if the outcome is equal to or less than the specified target value).

Unemployment trend

The number of unemployed increased slightly at the beginning of 2020 due to the slowdown in the economy, but from March onwards there was a sharp increase due to the pandemic and its effects on parts of the business community.

When the economy began to recover after summer 2020, unemployment gradually decreased and this trend continued during 2021. In December, unemployment was below eight per cent for young people aged 18-24 and for the entire population group aged 16-64, measured as a proportion of the registered labour force.

Young people were affected to a greater extent by increased unemployment due to the effects of the pandemic in comparison with the entire population group, but the recovery was also stronger among the younger group. The situation is reversed for those born abroad. The relative increase in the number of unemployed was lower than for those born in Sweden, but the decrease in 2021 was also correspondingly lower. On the other hand, there were no major differences in the trend between women and men. Throughout the period 2019-2021, the unemployment rate was slightly lower for women than for men (0.1-0.3 percentage points lower).

Income support trend

At the beginning of the year the number of households receiving income support was slightly higher than at the same time last year. Since then, the number of households receiving income support has decreased and during autumn an average of six per cent fewer households received income support than during autumn 2020. In October 2021, the number of households receiving income support to date was at the lowest level ever recorded for a single month since the year 2000.

It is particularly encouraging that the number of children in households receiving income support is continuing to fall. Since 2000, the number of children in households who have received income support at some point during the year has more than halved.

The fall during the year occurred in the number of households that have a temporary need for income support. The number of households with a long-term need (ten months or more) remains at the same level as in 2020, which is slightly higher than before the pandemic. Because of the way this parameter is defined there is a certain lag in the effect of any economic downturn or upturn. During autumn there was also a small decline in the number of households requiring long-term income support, which indicates that in the longer term the recovery of the economy and the labour market may also have a positive effect on long-term needs.

The trend varies slightly across the city. The fall in the number of households receiving

income support between 2020 and 2021 occurred in Nordost and Centrum, while there was little change in Sydväst and Hisingen. From a longer perspective, the trend in Nordost differs from other parts of the city due to a marked reduction in the number of households receiving income support.

Labour market initiatives

Registrations for the Labour Market and Adult Education Committee's skills centres were lower in 2021, partly due to changes in the KROM job-matching service, through which the Public Employment Service and independent stakeholders help jobseekers to find work or training as quickly as possible. The number of places for

support and matching, STOM, increased sharply. The effects of the pandemic have also affected services.

The number of people placed in labour market employment has increased significantly during the year and more people went on to a job or studies. According to the Labour Market and Adult Education Committee, the increase may be partly due to clearer processes that emphasise the role of the employment coordinator. For example, 55 per cent of those who found temporary work or introductory jobs have found work or studies, and 14 per cent of those who had publicly protected employment have found employment.

Parameters and key figures	2019	2020	2021
Number of participants in skills centres	1,784	1,636	1,280
Skills centres: transition to self-supporting (%)	52	51	60
Number of households receiving income support, average for year	8,655	8,780	8,564
Number of children in households that receive income support, December	5,300	5,193	4,755
Number of children in households that receive income support, December	6,024	5,300	5,193

Auditor's Report

Auditor's Report for 2021 for the Board and Committees of the City of Gothenburg and the combined annual accounts of the City of Gothenburg, reg.no. 212000-1355.

We, the auditors appointed by the City Council of the City of Gothenburg, have examined the activities of the Executive Board and Committees of the City of Gothenburg. The activities of the City of Gothenburg's companies have also been examined by appointed lay auditors. The examination has been performed by expert advisors who assist the auditors.

The City Executive Board and Committees are responsible for activities being conducted in an appropriate and financially satisfactory manner, for the accounts and the reporting being true and fair and for the adequacy of the internal control systems.

Our responsibility is to express an opinion on the accounts, the activities and the internal control systems on the basis of our audit. We also assess whether the annual accounts are consistent with the financial and operational goals decided by the City Council.

The examination has been performed in accordance with the Local Government Act and generally accepted auditing standards in municipal activities as well as the City of Gothenburg's audit regulations. The examination has been carried out with the focus and to the extent required to provide reasonable grounds for assessment and examination of liability.

The results of the examination of the City Executive Board and Committees are shown in the audit memoranda and audit accounts submitted to the Board and the Committees. The results of the examination of the companies are shown in a corresponding way in the audit reports and audit accounts submitted to each company. The examination of the City of Gothenburg's accounts and annual accounts, including the combined accounts, can be found in a separate audit report

which has been submitted to the City Executive Board. The year's examination is summarised in our annual statement, which has been submitted to the City Council.

A critical remark was addressed to the Compulsory School Committee.* The examination shows significant deficiencies regarding the Committee's handling of the payment of subsidies to the independent provider Föreningen Framstegsskolan. The Committee has disregarded its obligations under the Swedish Education Act and handling has therefore not been appropriate.

A critical remark was addressed to the Road Traffic Committee.* The examination of the Committee shows significant deficiencies with regard to the Committee's internal governance and control of the risks of irregularities and unauthorised influence, as well as information security and accounting procedures. Several of these deficiencies have previously been known by the Committee, but they have not been adequately remedied.

It is our opinion that the Board and Committees of the City of Gothenburg have otherwise conducted their business in an appropriate and financially satisfactory manner, and that the internal control has been adequate.

We judge that the accounts in all essentials provide a fair and accurate picture.

A balanced budget requirement analysis has been prepared in the annual accounts. The balanced budget requirement analysis shows that the City of Gothenburg has met the balanced budget requirement in 2021.

In our opinion, the financial results presented in the financial statements are essentially consistent with the goals set by the Council. In our opinion,

however, it is not possible to determine whether the results of the City's operations are consistent with the operational goals for good financial management.

The auditors shall report their examination of liability of the Board and Committees to the City Council. The assignment of the lay auditors in the companies does not include a standpoint in the matter of liability.

We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2021.

We recommend that the 2021 Annual Report for the City of Gothenburg be adopted.

Gothenburg 5 April 2022

Bengt Bivall

Sven R. Andersson

Vivi-Ann Nilsson

Monika Bandi

Erik Fristedt

Lars-Gunnar Landin

Lars-Ola Dahlqvist

Susanne Zetterberg Jensen

Bernt Helin

Gun Cederborg

Stefan Dahlén

Birgitta Adler

Lars Lorentzon

Christina Rogestam

Tom Heyman

Johan Abrahamsson

Torbjörn Rigemar

Alf Landervik

Anna Sibinska

Tore Svensson

Bengt-Åke Gellerstedt

Hans-Göran Gustafsson

*The auditors Bernt Helin and Tore Svensson have chosen not to support the decision of the rest of the group to address a critical remark to the Compulsory School Committee.

City Management Office

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