

CITY OF GOTHENBURG
ANNUAL REPORT

2015



Göteborgs
Stad



The City Executive Board Chairman summarises 2015

2015 has been a dramatic and turbulent year, with terrorism, civil war in Syria and many refugees fleeing their countries. The vulnerability and tragedies in the Mediterranean have affected many, and galvanised people into helping others. In Gothenburg, many people have done an amazing job to make sure the reception has gone as well as possible. While crisis has characterised the wider world, Gothenburg's labour market has developed strongly and the city is in a development boom with far-reaching urban development.

A sustainable city

Gothenburg aims to be a sustainable city, open to the world, where everyone can feel at home. The mission from our citizens is the very core of the City's work. The key is to secure education, meeting-places and a rich social and cultural scene, which enable people to develop. To make a difference through service, support and care. It is important to ensure that developments benefit everybody, and the City has a challenge here in reducing the differences in health and living standards. We place particular emphasis on children in Gothenburg, a perspective that permeates all our decisions.

Gothenburg in the world

With terrorism and civil war in Syria, flows of refugees and tragedy in the Mediterranean have been prominent features of 2015. More than a million refugees have come to Europe, and Germany and Sweden have assumed the greatest responsibility. In Gothenburg, many people have made a tremendous effort to welcome those who have come here. We could never have coped with the reception so well without such great input from civil society. An important foundation was the agreement with seven organisations regarding an 'Ideas-borne public partnership' (Idéburet offentligt partnerskap, or IOP) which the City signed in 2015, and which aims to provide combined support for child refugees arriving alone.

Gothenburg stands up for the equal value of all people. Our work on human rights has mainly focused on receiving refugees, but minority issues have also become more visible during the year, and several operations have improved their systematic work. The fact that there were record numbers of participants at West Pride and the 'Human Rights Days' (organised by the Swedish Forum for Human Rights) in Gothenburg are positive indicators that there is widespread dedication to human rights.

One bright spot during the year was that the world's nations agreed on a climate agreement at COP21 in Paris in December. The vital role played by cities and companies in tackling the climate challenge came to the fore, and the City of Gothenburg took part in seminars and a large mayors' meeting. Gothenburg was recognised

as the first city in the world to issue green bonds. It was thanks to the city's prominent position in this area and the high level of ambition in the city's climate strategy programme that we were voted 'Swedish Climate City of the Year' by WWF.

Gothenburg continued to attract tourists during the year. The number of international visitors and the number of guest nights continues to increase. The finishing line of the Volvo Ocean Race was the single biggest event carried out during the year, with 335,000 visitors. Liseberg launched Halloween at Liseberg, which was a great success and contributed to yet another record year.

Gothenburg Culture Festival attracted 1.5 million visitors to 53 venues across the city. One important goal of the Culture Festival is to make everybody feel welcome in the city centre and ensure they enjoy the range of culture. So it was particularly pleasing that this year, the festival was awarded the Equalisers' prize for its firm conviction in welcoming everybody in an equal and inclusive society, where culture is a door-opener for new meetings.

Lower unemployment, but not for everybody

Gothenburg and its surrounding region have seen some strong development. Unemployment decreased during the year, more quickly than in Sweden as a whole. During the autumn, unemployment fell below the level in the Stockholm region for the first time in many years. It is particularly pleasing to see unemployment in Gothenburg decreasing most among young adults.

November saw the opening of the city's first Skills Centre in Östra Göteborg. Skills Centres are intended for people who receive some form of social services in the city districts, and who need further support to find work or start an education programme. Today we can see that many companies need to employ people but have a hard time finding the right skills, even though unemployment is high. This is an important challenge for Skills Centres moving forward.

A crucial matter when it comes to promoting growth and more jobs is enterprise. The business climate has improved during the year with greater customer satisfaction



City Executive Board Chairman Anneli Hulthén reflects on the past year.

Photo: Peter Svensson

with the City's service, although we are still not achieving our goal of being the best among Sweden's cities. The key now is to maintain and intensify our efforts to make it simple to run a company in Gothenburg.

Gothenburg is growing

Gothenburg is on the verge of a major development boom, and Vision Älvstaden and West Sweden Package are strategic initiatives that permeate this development. In 2015 a total of 2,298 homes were completed, and it is now evident that housing production and infrastructure expansion are truly gathering momentum. Measures to increase housebuilding have begun to yield results, and in the coming years the tempo will continue to increase from around 2,000 homes a year at present to around 3,800 a year from 2019 onward.

Implementation of the West Sweden Package is continuing, and new steps have been taken as part of the National Negotiation on Housing and Infrastructure in planning for a new main line for high-speed trains between Stockholm and Gothenburg. Sustainable travel is continuing to increase, although the trend has now been bucked as road traffic is now increasing once again.

ElectriCity was launched in 2015, and completely electric, silent, exhaust-free buses are now running on route 55 between Chalmers and Lindholmen. The bus service was developed in a collaboration between industry, academic research and the community, and is

one of the flagships for Gothenburg, city of innovation. ElectriCity has attracted a lot of attention, also online, where Silent Bus Sessions have more than 2.6 million YouTube views.

Children and young people are a common theme in the City's work in the culture and recreation sector. Accessibility to culture and recreation has increased during the year, and this is partly evident in the two sports centres and three artificial pitches that have come into use. The football and athletics arena Rambergsvallen, built in 1935, was demolished and replaced by the Bravida Arena. Also, in the early summer the Prioritet Serneke Arena was opened, now the biggest multi-purpose arena in the Nordic region.

And finally, Gothenburg was delighted to see Svetlana Alexievich win the Nobel Prize in Literature in 2015; she has a special relationship with Gothenburg as a 'sanctuary author' in 2006–2008. In 1996, Gothenburg was the first city in Sweden to become a sanctuary for persecuted artists and writers. Gothenburg will remain a city open to the world, and will welcome people fleeing war and oppression.

Anneli Hulthén (Soc. Dem.)
Chairman of the City Executive Board, Gothenburg

How to read the City of Gothenburg Annual Report

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

By way of introduction in the Annual Report the Chairman of the City Executive Board, Anneli Hulthén, gives a summary of the past year. This is followed by an outline of the City of Gothenburg's organisation, mission and future challenges. The City of Gothenburg Annual Report is then divided into four blocks:

BLOCK 1 **Administration Report**

The first block contains the Administration Report, which must be included in the Annual Report in line with the Municipal Accounting Act. It comprises a summary of the Annual Report with a focus on the essential parts of the City's finances and activities. The City of Gothenburg's Administration Report comprises a strategic analysis, followed by an assessment of the future which highlights the City of Gothenburg's opportunities and risks based on known conditions. It then goes on to present a summary financial analysis of the Municipality and combined accounts. There is also a presentation looking at how work on the City Council's prioritised goals is deemed to be going, and a follow-up of the City Council's mission. The Administration Report also includes an outline of personnel-related matters.

BLOCK 3 **Gothenburg Municipality** **Financial analysis and accounts**

The block begins with an in-depth financial analysis of the Municipality's accounts and a presentation is made of good financial management, the balanced budget requirement and the earnings equalisation reserve. The term Gothenburg Municipality refers to the committees and central municipal items. With the analysis, there is an account that shows what sponsorship exists within the City of Gothenburg. In the "Financial operations and risk management" section, an analysis is then made of the Municipality's financial commitments in the form of borrowing etc. This section is followed by the Municipality's financial statements, notes and accounting principles. Finally, the block gives a brief description of the financial results of the district committees and the departmental committees, followed by the Municipality's operational and investment accounts.

BLOCK 2 **Activities of the City of Gothenburg**

This block reports parts of the activities conducted by the City of Gothenburg's 30 or so committees and its 20 or so groups and companies in 2015. The block is divided into the following areas of activity, taken from the City Council budget: education, individual and family care, people with disabilities, elderly and medical care in the home, labour market initiatives, building and housing, road traffic, culture and recreation, industry and tourism, climate and the environment, human rights, equal opportunities, public health, children and finally foundations. In each area, important events and trends are described from different perspectives. Each area concludes with a brief assessment of the future.

BLOCK 4 **Combined accounts** **Financial analysis and accounts**

In the municipal sector, Group accounts are referred to as combined accounts. This block begins with a financial analysis of the combined accounts. This is followed by financial statements and notes. There is then a summary analysis of Göteborgs Stadshus AB and its clusters, followed by a presentation of the companies' investments and information on earnings and total assets.

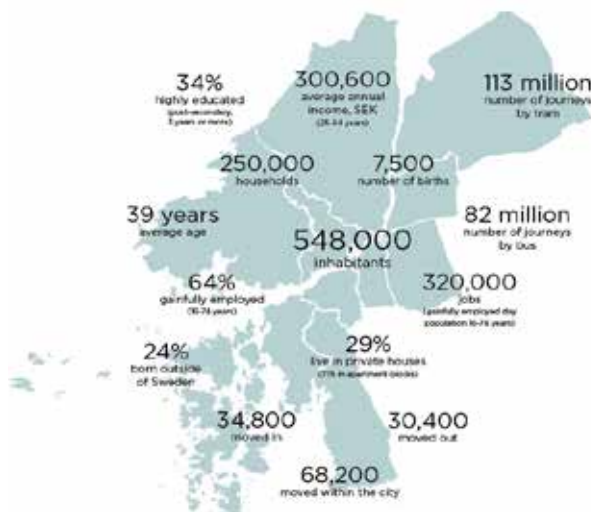
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City of Gothenburg: Sustainable city – open to the world

Gothenburg is Sweden's second largest city, with a population of just over half a million. The city is strategically located between Oslo and Copenhagen, and is the heart and the growth engine in the Gothenburg region and Region Västra Götaland. It is home to a variety of strong industries and Scandinavia's largest port. Gothenburg has always been open to people and influences from around the world.

This characterises the city's diverse trade and industry, for instance, the hallmarks of which are innovation, creativity and advanced knowledge and technology. The Gothenburg region is home to multinational companies, small businesses and clusters in 750 different sectors. Gothenburg is also a student city with hundreds of vocational training programmes, two universities and 50,000 students. Three science parks which link academic research with industry and politics bring advanced skills and strengthen the region's attractiveness.



Our main challenges: Gothenburg is currently on the verge of a major development boom. The city is growing strongly to make space for 700,000 residents by the year 2035 – that's 150,000 more than at present. Such a change is noticeable, and it demands that we think sustainably. Over the next 20 years we will build 80,000 new homes and workplaces. Public transport will be developed to make it easier for people to move around in the city, and to commute in a sustainable way. Gothenburg will grow into a close city – one with all the advantages a major city has to offer but, with the benefits of short distances, closeness between people and an open, welcoming environment.

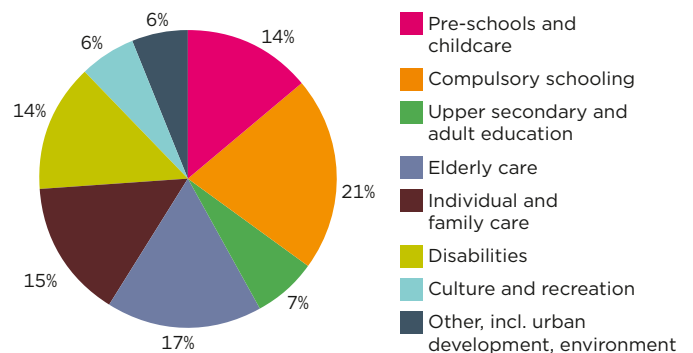
One precondition for a sustainable city is social cohesion. Differences in people's health and living standards must be evened out. As the population grows, so too does the Municipality's responsibility to provide public and professional services to its residents, visitors and business community.

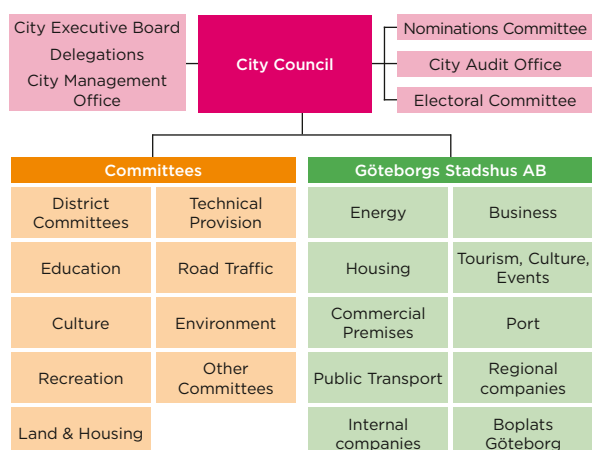
Our mission: Sweden's municipalities are responsible by law for a number of areas that are vital to the public good. These include healthcare, schools and social care, but other mandatory areas are libraries, planning and building issues, health and environmental protection, waste collection, water supply and emergency services. The City also conducts voluntary activities that are also important to society, such as cultural and recreation activities, park and garden maintenance and other technical services.

The operation is varying and far-reaching, and extensive coordination is required for it to be executed efficiently and with the right level of quality. The City of Gothenburg works from three dimensions of sustainability: social, ecological and economic. Sustainable growth leads to high employment which brings economic scope for manoeuvre.

On a normal weekday, we are responsible for activities for 30,000 children in pre-school, 53,000 pupils in compulsory schooling and 16,000 in upper secondary education. 8,000 people with disabilities receive service and support, 8,000 receive home-help services and 4,000 receive care in housing for the elderly. During the year our swimming pools had 1.1 million visits and our libraries 4.2 million visits. Liseberg received 3.1 million guests and there were 800,000 visits to our museums. Every day 170 million litres of clean water are produced, and the city's hire bikes were used 727,000 times in 2015.

How SEK 100 of tax money is spent: Healthcare, schools and social care account for around 85% of Gothenburg Municipality's net costs.





Our organisation: The City of Gothenburg is governed by politicians, and the current mandate period is 2015 to 2018 inclusive. The Social Democrats, Green Party, Left Party and Feministiskt initiativ comprise the City's governing minority.

The City Council is the supreme decision-making body. The Council is made up of politicians elected by the citizens. Under the City Council is the City Executive Board, which leads and coordinates operations. The City of Gothenburg is an organisation comprised of administrations and companies. The City Council decides which committees and companies to have and elects members to these committees as well as boards responsible for the day-to-day work.

The City Audit Office examines and assesses the operations of the City Executive Board, the committees and the company boards to ensure, for example, that the assignments the City Council has decided on are carried out efficiently and purposefully.

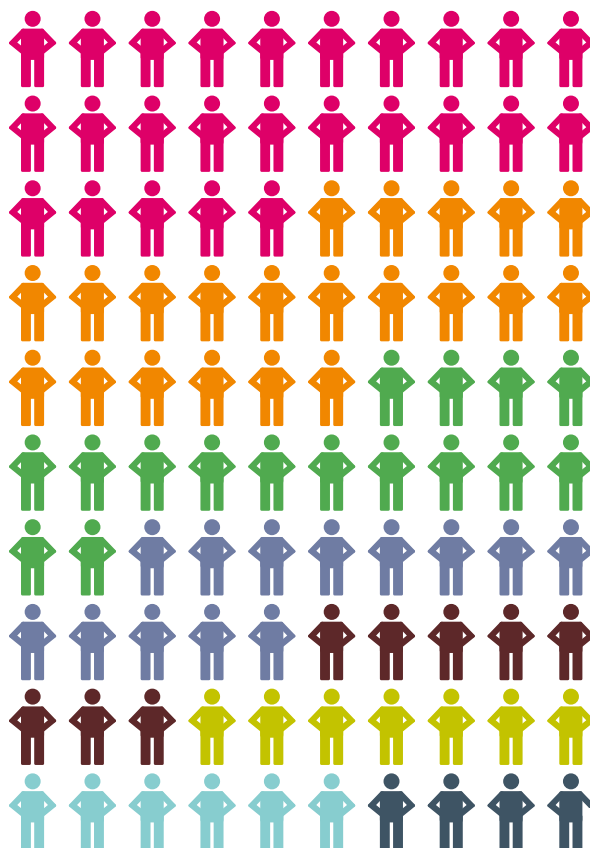
Our employees: Gothenburg Municipality is the largest employer in Gothenburg with 45,000 employees. 52,500 people work in the City of Gothenburg in more than 100 different professions in city districts, specialist administrations and municipal companies. Our common mission is to create opportunities for a good life for all the city's residents and to develop Gothenburg for the future. The average age of permanent employees in the administrations is 46 years. The proportion of employees born outside of Sweden in the administrations is 24%, which roughly reflects the composition of the city's population as a whole.

Our governance: The City of Gothenburg's governance is based on a number of starting points. Laws and other regulations govern our operations in a number of areas. The political will is manifested by decisions on the long-term direction, goals for the immediate period ahead and the fundamental remit of each operation. Finally residents, visitors and the business community have an influence on the operations through their daily contacts with the organisation.

To realise the intentions and endeavours in the starting points, we govern the organisation from different foun-

dations. Guiding documents embody the starting points and make them communicable. We organise ourselves and allocate roles and responsibilities in such a way that, together, we can ensure that the aims of the guiding documents become everyday reality. We provide the operation with resources to execute assignments and achieve goals. To complement these 'hard' values, we have attitudes designed to guide us in our approach to our assignments and how we conduct ourselves, both internally and externally.

Our governance has a recurring, interconnected structure. Analysis of the outside environment, our operation, current and future situation, challenges and risks are united with political goals in planning our activities. Quality assurance and control are natural governance tools in ensuring that we perform our tasks correctly and as intended. Our follow-up and analysis ensure the right results, and that we actively allow improvement work and renewal to get under way whenever we see shortcomings, or to motivate us towards the desired development.



Full-time equivalents in Gothenburg Municipality administrations



City Executive Board members 2015



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



Ulf Kamne
(Green)
City Councillor,
Vice Chairman



Jonas Ransgård
(Mod.)
City Councillor



Daniel Bernmar
(Left)
City Councillor



Helene Odenjung
(Lib.)
City Councillor



David Lega
(Chr. Dem.)
City Councillor



Dario Espiga
(Soc. Dem.)
City Councillor



Kristina Tharing
(Mod.)
City Councillor



Marina Johansson
(Soc. Dem.)
City Councillor



Johan Nyhus
(Soc. Dem.)
City Councillor



Maria Rydén
(Mod.)
City Councillor



Martin Wannholt
City Councillor



Lars Hansson
(Swe. Dem.)
City Councillor



Karin Pleijel
(Green) Deputy City
Councillor



Mariya Voyvodova
(Soc. Dem.) Deputy
City Councillor



Hampus Magnusson
(Mod.) Deputy
City Councillor



Ann Catrine Fogelgren
(Lib.) Deputy
City Councillor



Conny Johansson
(Soc. Dem.) Deputy
City Councillor



1 ADMINISTRATION REPORT

According to Chapter 4 of the Swedish Municipal Accounting Act, the Municipality has to prepare an administration report as part of its Annual Report. It should be a summary of the Annual Report with a focus on the essential parts of the City's finances and activities.

ADMINISTRATION REPORT

11 Strategic analysis

The aim of this section is to describe social development in Gothenburg and the region, from a broader perspective.

15 Assessment of the future

This section presents and discusses concrete and known conditions, and what these entail for the City of Gothenburg.

16 Summary financial analysis

The summary financial analysis highlights the most important financial developments and trends in the Municipality, as well as the combined accounts (Group).

18 Prioritised goals and assignments

Important aspects of the governance in the City of Gothenburg are the goals established by the City Council in the budget. This section looks at how work on these goals is run, as well as a follow-up of the City Council's mission.

24 Significant personnel-related conditions

The administration report must include a description of significant personnel-related conditions. This section focuses on the Municipality's personnel from a number of different aspects.

Strategic analysis

Following several negotiations during the first half of the year, the finance ministers of the EU Member States approved the Third Bailout Package for Greece. The second half of the year was characterised by terrorism and civil war in Syria, with flows of refugees and refugee tragedies in the Mediterranean. But at the end of the year the world's nations united on a climate agreement in Paris, with targets that also affect the wealthy countries. Just before Christmas, the UN Security Council agreed unanimously on an action plan for peace in Syria. The millennium goals were replaced by the UN goals for sustainable development. For the first time, men are in the majority in Sweden, although women still slightly outnumber men in the three largest cities.

One of the biggest refugee crises of the modern age

In 2015, over a million refugees arrived in Europe. That is more than four times the number in 2014. The overwhelming majority travelled by boat from Turkey to the nearest Greek islands. The record number was not due to new conflicts, but the fact that the opportunities for getting to Europe changed. In the last five months of the year, more than 100,000 refugees were arriving in Europe every month. Just over 220,000 arrived in the peak month of October.

Germany received the most asylum seekers in the EU with over a million. Sweden was second with 163,000. In the first half of the year 29,000 people applied for asylum in Sweden, while during the second half the figure was 134,000. Just under a quarter of the asylum seekers in 2015, 35,000, were lone children. Most of them were from Afghanistan.

Change in asylum policy

In July, Hungary began building a 180 kilometre long fence to stop refugees from entering the country. This met with strong criticism in Western Europe, both among politicians and the general public. Images of refugees, both children and adults, who drowned in their attempt to cross the Mediterranean prompted joint efforts and solidarity with the refugees. During the autumn, however, the asylum policies of several European countries underwent changes, from openness to increasing restriction as the number of asylum seekers continued to increase. The countries with most asylum seekers – Germany, Austria, Norway, Denmark and Finland – adopted more restrictive asylum legislation and introduced extended border controls with the aim of reducing the countries' attractiveness.

In Sweden too, asylum seekers were met with an open, generous attitude in the early autumn, with many volunteers involved in helping new arrivals. However, in October when 9,000 asylum seekers were being registered every week, the situation became untenable in the Swedish asylum reception system. Shortly afterwards, a cross-bloc national agreement was reached, which

partly entailed a mandatory law for municipalities to receive refugees, along with tighter rules on temporary residence permits. Sweden also requested a redistribution of refugees within the EU, as a clear signal that Sweden had taken a disproportionately large share of the responsibility.

Majority of lone children are boys

Lone children seeking asylum were in a particularly vulnerable situation which called for additional efforts and protection by the receiving nation. Through the UN Convention on the Rights of the Child, Sweden has committed to protecting all children in the country, regardless of legal status. For many, the chance of an education was an important factor in their decision to come to Sweden. The children came from different countries around the world, the five main nationalities being Afghan, Somali, Syrian, Eritrean and Moroccan. Of the lone children, 92% were boys, around 43% were aged 13-15 and roughly half were aged 16-17.

The large variations in the number of asylum seekers between municipalities meant that certain municipalities had to take an unreasonably large share of the responsibility for new arrivals. The lack of designated housing meant that many asylum seekers looked for their own, often substandard, homes in municipalities where there were already many newly arrived asylum seekers with designated housing. The situation for new arrivals was hard in many places, especially for children. Many have lived in cramped conditions in city areas with high unemployment and low incomes, which in both the short and long term reduces their chances of becoming established, and lays a poorer foundation for evening out health and living standards. At the same time there were municipalities that had good potential to offer work and education where there were only few asylum seekers.

Greater cooperation with civil society

Sweden and Gothenburg could never have coped well with the influx of refugees without the tremendous efforts of civil society. In 2015, seven organisations signed

agreements regarding an 'Ideas-borne public partnership' (Idéburet offentlig partnerskap, or IOP) with the City of Gothenburg. The agreement aims to give lone children joint support in the form of housing and a range of measures. The process has been highlighted as a good example of collaboration. Since Gothenburg was early to enter into these partnerships, this made it easier to accelerate the collaboration during the autumn to cope with the increased number of asylum seekers. The ability to work together to swiftly resolve difficult situations became an important experience for the City to learn from in managing the refugee crisis in 2015.

Current legislation is unclear regarding IOPs, and specific scope in the law is required so that innovative solutions can be developed more quickly in collaboration with civil society in the social area. However, IOPs have assumed an increasingly large role at the national political level.

Asylum seekers are expected to be officially registered as residents during 2016. The turnaround time for being granted a residence permit often exceeds a year, especially under the current circumstances, which is why many of those who sought asylum during the year will not be registered and will therefore be classified as immigrants until 2016 and 2017. A total of 51,000 new arrivals received residence permits from their municipal authority in Sweden in 2015, which was an increase of just over 4,000 on the year before and a contributing factor to immigration into Sweden being bigger than ever, with 134,000 people. Although emigration also increased slightly, the international exchange overall entailed a record net increase of 78,400 people.

Men broke a historic pattern

The population increased in 239 of Sweden's municipalities; in 115 of them, the population would instead have decreased had it not been for the net immigration.

There was no new record in terms of births and deaths, although births continued to outnumber deaths to a large extent. This, coupled with the net immigration, meant a record population increase of 103,662 people.

In spring 2015, a historic pattern was broken when men outnumbered women in Sweden for the first time. There are several reasons for this: the average life expectancy of men is increasing faster than women's (but it is still just over three years shorter), in the higher age groups women are still in a clear majority which is why more women are also dying, and there are more men than women immigrating into Sweden. The women do however just retain their majority in the cities, but here too men represent a larger share of the population increase.

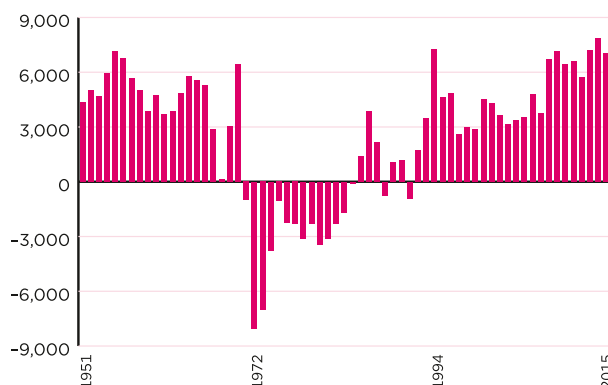
7,000 more Gothenburg residents

Gothenburg received 2,500 new arrivals with residence permits, which equates to a slightly smaller share of the total number of incomers nationwide than the city's share of the total national population. In historic

terms this is a high figure, although lower than last year (2,900). This contributed to high net immigration of 4,600 people, but this was slightly lower than in 2014.

The number of births and the number of incomers from other parts of Sweden fell slightly, while the number of deaths and the number relocating to other parts of Sweden rose slightly. Alongside net immigration this resulted in a large, although not record-level, population increase overall. At the end of 2015 there were 548,190 residents of Gothenburg, 7,045 more than the year before.

Population development in Gothenburg - 1951-2015



The population increased the most in the city district of Lundby, where a large proportion of the city's house-building has taken place in recent years. Over the past two years, Lundby has gone from being the smallest (tenth) district in terms of population, to being the eighth largest.

Freedom of movement a linchpin of the EU

For several years the City of Gothenburg has been focusing on the EU citizens coming to the city from the CEE nations (Central and Eastern Europe), and 2015 was no exception. A large proportion of them came from Romania and Bulgaria, and many were visible on the streets with their begging. Permission to stay longer than three months requires that a person is economically active, either as an employee or a jobseeker. The difficulty for incomers from the CEE entering the labour market remained in 2015. Consequently, many of them commuted back and forth between their home country and Sweden. The City of Gothenburg has given the children of these EU citizens the opportunity to attend school, and has funded an open pre-school for Roma children.

An action plan for this group, who often live in social and economic isolation, is about to be adopted both in the City of Gothenburg and in other municipalities in the Gothenburg region. The City also took part in the EU Welcome Policy project, which includes five other cities in Western Europe. The University of Gothenburg is coordinating research efforts for this project.

In tandem with the project Business Region Göteborg, along with the West Sweden Chamber of Com-

merce, the Swedish Public Employment Service/EURES and private sector representatives conducted a pilot study into the establishment of a Welcome Centre, to make it easier for EU citizens moving to Gothenburg to work. This is a group that has not previously been in focus, and there has not been any structured information support adapted to the intra-European workforce migration.

World agrees on global targets

During the autumn, the UN adopted 17 new global goals following the expiry of the millennium development goals. The new aspect of the goals is that they also encompass the rich countries, like Sweden, since they are tougher than the millennium goals. At the same time the environmental and development goals were merged, which sent a clear signal that they ought to be dealt with together.

In December, the world's nations also agreed on a climate agreement at COP21 in Paris. The importance of cities and companies was highlighted during the climate negotiations, and the City of Gothenburg took part in several different arenas to contribute and have an influence. The overriding goal states that the global average temperature increase should be limited to below two degrees Celsius compared to the time before industrialisation, and the nations should now make serious efforts to achieve below 1.5 degrees. There is, however, a sense of urgency, because the world has once again set a new record for the highest measured global average temperature. The nations will achieve the goals by following their own action plans, which

are updated every five years. Ahead of the meeting the government launched the Fossil Free Sweden initiative, which the City of Gothenburg has joined. Sweden's goal is to be one of the world's first fossil-free welfare states by 2030.

Climate adaptation is the other part of the climate agreement's overriding goal. Planning and actions took place in Gothenburg in 2015 to prepare the city for future higher sea levels and an increased risk of heavy torrential rain. Countries and cities must work to manage, in a long-term sustainable way, various kinds of stress that society may be exposed to, whether these are social or environmental events.

The third part of the climate agreement is to create funding flows that support lower emissions and a resilient society. One way is to issue green bonds, which remained a fast-growing market during the year in which the City of Gothenburg enjoys a prominent position. Thanks to these bonds and the City's strategic climate programme, WWF voted Gothenburg 'Swedish Climate City of the Year' 2015.

Terror threat once again palpable in Europe

At the beginning of the year, the terror threat once again became palpable in Europe, with several attacks during the year. Paris suffered a particularly horrific attack. According to the Institute for Economics and Peace, the number of people killed in terrorist attacks worldwide has increased nine-fold in the 2000s, and more than 32,000 people



died in 2015. Compared to other countries, Western Europe is relatively free of terrorism. The hunt for terrorists and the heightened threat in Europe led the European Commission in December to present a series of measures aimed at preventing terrorism.

Islamic State's recruitment of radicalised young people in Europe led Sweden in December to tighten the criminalisation of terror travel.

Changing view of refugees

Terrorism and the refugee crisis served to further strengthen parties and attitudes that are critical to immigration and the EU. In Sweden too attitudes towards the reception of refugees changed, but also towards immigration generally. During the autumn there were arson attacks at several planned asylum housing centres in Sweden, including a planned refugee centre in Floda. In October, Trollhättan was shaken when a pupil and staff were killed in a knife attack at a school where many of the pupils were of foreign background.

Even so, many showed great commitment and solidarity by helping to welcome new incomers. "When it was needed most, the forces of good came to the fore and welcomed the new arrivals," said the jury chairman when Fokus magazine voted the volunteer Swede of the Year 2015.

Swedish economy going from strength to strength

Political unrest in the EU, the economic slowdown in China and deep recessions in Brazil and Russia contributed to a continued slow global economic recovery in 2015. The Swedish economy, however, developed strongly, and the protracted recession after the financial crisis seems to be about to become an upturn. High public sector consumption as a result of the high levels of refugee immigration was a contributory factor. Another was the low interest rates, which drove domestic demand and contributed to a relatively weak Swedish krona, which combined with an improved economy within the OECD boosted exports. Purchases of cars and consumer durables rose dramatically; new car registration in Sweden increased by 13.5% in 2015. For the first time Volvo sold more than half a million cars worldwide, tripling its profits. Volvo's strong results were also a factor in Port of Gothenburg increasing its cargo volume by a million tonnes during the year, to just over 35 million tonnes. The export of motor vehicles and foreign visitors' consumption in Sweden were two segments that developed strongly.

Global mobility increased dramatically during the year. This was partly due to external factors as outlined above, but tourism also reached record new levels in

2015. The UN World Tourism Organization (UNWTO) reports that international tourism increased by 4.4%. There were 1,184 million foreign overnight stays during the year, an increase of roughly 50 million. According to the UNWTO, tourism directly and indirectly accounts for around a tenth of the total GNP and one in 11 jobs.

The number of foreign overnight stays increased by 5% in Europe, and by even more in Sweden at just over 10%. The rise was strongest in the city regions. Domestic tourism also increased; in the Gothenburg region the number of Swedish overnight stays rose by 5% on 2014. Landvetter Airport set a new passenger record, the Swedish Exhibition & Congress Centre enjoyed record numbers of visitors, and Liseberg theme park had one of its best years ever with 3.1 million guests.

Lower unemployment, but not for everybody

The good economic development meant that unemployment in Sweden continued to fall, albeit slowly. Youth unemployment fell more quickly, and at the end of the year it was the lowest since 2009. However, the positive development did not benefit everybody. On the contrary, unemployment increased among young people with no upper secondary school education, with disabilities and who were born outside of Europe. The number of long-term unemployed people also increased, both overall and among young people.

In the Gothenburg region unemployment fell slightly faster than in Sweden as a whole, and during the autumn it reached the same level as the Stockholm region for the first time in a very long time. In Gothenburg, both unemployment and youth unemployment fell more quickly than in both of Sweden's other main cities.

Registered unemployed, % of workforce

All, 16-64 years old	2013	2014	2015
Stockholm	7.1	6.6	6.4
Gothenburg	9.4	8.8	8.4
Malmö	14.9	14.9	15.0
Sweden	8.5	8.0	7.8
Young people, 18-24 years old	2013	2014	2015
Stockholm	9.6	8.6	7.5
Gothenburg	15.3	13.1	10.9
Malmö	24.5	23.3	21.6
Sweden	17.2	15.0	13.3

Source: Swedish Public Employment Service

Assessment of the future

2015 was mainly characterised by the refugee situation, both globally and in Gothenburg. How the situation will develop moving forward is unclear, and makes planning very uncertain. The large number of asylum seekers in Sweden will lead to increased reception of refugees in Gothenburg in the next few years, but exactly how many is extremely unclear. This puts further focus on the three challenges the sphere of welfare is facing, linked to demographic developments:

- Housing for socially vulnerable groups
- Skills provision
- Business premises

Since many asylum seekers are children and young people, there will be an even greater need for all schools from pre-school to upper secondary. This will also lead to stronger recruitment demand for pre-school teachers, teachers, social workers and other professional groups.

In economic terms, in the short run the increased influx of refugees is expected to lead to higher growth, lower unemployment, higher inflation and raised interest rates, as the situation will strongly affect the demand side of the economy. This applies primarily to public sector consumption, but private sector consumption will also be positively affected as more jobs are created. In the slightly longer term it will also contribute to a lower dependency ratio, i.e. fewer people for each person of working age to support. This is due to the age composition of the recent incomers to Sweden. How the economic dependency ratio develops, however, is less certain, i.e. how many people each working person will have to support. The same applies to growth and unemployment in the longer term. Whether that development is positive or negative depends on how well integration of the new arrivals works on the labour market. If the establishment time remains as long as it has been in recent years, development risks being somewhat worse on a five to ten-year basis than it would based on the assumptions made before the increased refugee immigration.

Despite the strong focus on the influx of refugees and its related consequences, the demographic development of an ageing population presents a greater challenge in the slightly longer run in terms of how welfare is funded.

Another major challenge Gothenburg is facing lies in building the sustainable city that will accommodate 150,000 more inhabitants by 2035. This not only

requires homes, but also an intelligent expansion of new infrastructure and robust public transport, premises for trade, industry and public services, and creating new opportunities for leisure activities and recreational environments. Urban development needs to promote growth, while also helping to reduce the differences in people's living standards and reducing our climate impact.

An almost equally important challenge as reducing our climate impact is to protect the city's population and infrastructure against the effects of climate change and extreme weather events. Gothenburg's location, close to the water, makes it sensitive both to floods and torrential rainfall, and the City's overriding goal is that both existing and planned land use should be able to withstand present and future climate impact.

In order to achieve greater social sustainability, segregation must decrease. In urban planning this is largely about reducing housing segregation by enabling mixed development and greater access to/use of public spaces and meeting-places where people with different circumstances can and want to come together and learn to understand each other's way of life. Laying spatial foundations for social meetings and an attractive city environment strengthens Gothenburg's attractiveness both nationally and internationally.

Gothenburg aims to be a growth engine in West Sweden, and along with other city regions is important to growth across Sweden. It is therefore crucially important that Gothenburg remains an attractive city for businesses and students, and that the city's ability to support innovation and development is strengthened.

A growing Gothenburg entails great opportunities. But a growing city also presents considerable economic challenges to fund not only the increased welfare requirement, but also urban development that meets the needs and challenges of the future. The city therefore needs to develop and adapt its economic governance and try out new paths to find new funding solutions and structures.

Summary financial analysis

Gothenburg Municipality reported net earnings of SEK 824 million in 2015. Structural earnings were SEK 180 million, which means the financial margins which have been falling since 2011 fell slightly further. The statutory balanced budget requirement was met, which means that the Municipality has met this requirement every year since it was introduced. Gothenburg Municipality's total volume of investment was SEK 2.2 billion during the year, which is approximately the same as 2014. The City of Gothenburg Group reported net earnings of SEK 1,219 million. Compared to the previous year, net earnings increased by approximately SEK 800 million.

The financial analysis on the following two pages should be seen as a summary of the financial development and position of Gothenburg Municipality and the City of Gothenburg Group. More detailed analyses can be found in blocks 3 and 4, later on in the Annual Report.

GOTHENBURG MUNICIPALITY

Net earnings for the year

Gothenburg Municipality reported bottom-line earnings of SEK 824 million in 2015. Structural earnings, which indicate the ongoing operating earnings in the organisation, were SEK 180 million. This figure does not include non-recurring items, capital gains and any dividends from companies. These ongoing operating earnings equate to 0.7% of the combined tax revenue and municipal financial equalisation. This parameter indicates a falling trend, as earnings have decreased over time while the scope of the operation has increased.

Net earnings for the year of SEK 824 million entailed a surplus compared to budgeted earnings, which were SEK 400 million. The main reasons for this were a surplus reported by the committees, one-off income from AFA Insurance and non-budgeted capital gains. Because of the earnings figure, the budgeted dividend of SEK 670 million from Göteborgs Stadshus AB was not required. Gothenburg Municipality achieved the balanced budget requirement and reserved further resources for the earnings equalisation reserve.

Good financial management from an earnings perspective

The financial analysis in block 3 outlines a number of key figures which indicate a stable economic situation over a number of years. However, since capital gains have been a significant element of net earnings in recent years, structural earnings have decreased dramatically for several years. The financial margins in the ongoing operation have been growing weaker since 2011. The margins appear low bearing in mind the challenges the

City of Gothenburg is facing in terms of urban development, with large investment requirements and increased costs due to demographic developments.

Good financial management is deemed to prevail in the Municipality, based on considerations of the interaction between the City Council's six focus areas and its results over time.

Investments for the year

Gothenburg Municipality's total volume of investment during the year amounted to SEK 2.2 billion. This was a lower volume than planned for in the budget, mainly due to postponements. Parts of the investment volume are financed through investment income. The volume of investment to be financed through the City's own funds amounted to SEK 2.0 billion. The majority of the year's investments, around 45%, were in premises and housing. Investments in infrastructure accounted for around 35%, water/sewage-related activities accounted for 14% and sports and leisure facilities for 4%.

Equity and the equity-assets ratio

The Municipality's equity has grown stronger over time due to positive financial results. The equity-assets ratio is a measure of the Municipality's long-term financial manoeuvrability, and it shows what percentage of the Municipality's assets have been financed through tax revenue. At the end of the year, the equity-assets ratio was approximately 32%.

Balanced budget requirement

Gothenburg Municipality achieved the balanced budget requirement in 2015, with net earnings excluding capital gains of SEK 379 million. Gothenburg Municipality has therefore met the balanced budget every year since its introduction in 2000. This result, set against 1% of tax revenue and municipal financial equalisation, resulted in a surplus of SEK 108 million, which thereby increased the earnings equalisation reserve to SEK 657 million at the end of the year.

Gothenburg Municipality in figures

MSEK	2013	2014	2015
Gross costs	31,531	33,096	35,332
Total assets	51,460	57,732	61,041
Net earnings for the year excl. extraordinary items	898	138	824
Net earnings for the year excl. items affecting comparability and extraordinary items	728	610	625
Net earnings for the year	9,595	392	824
Volume of investment	2,394	2,190	2,214
Volume of investment including investment income	1,592	1,733	1,996

Gothenburg Municipality/financial key figures

per cent	2013	2014	2015
Earnings and capacity			
Net earnings for the year excl. items affecting comparability and extraordinary items/tax revenue	2.9	2.4	2.3
Degree of self-financing of investments incl. investment income	108	58	87
Equity-assets ratio	35	32	32
Risk and control			
Acid-test ratio	66	70	81
Net financial assets (MSEK)	-5,377	-6,074	-7,092
Municipal tax rate (SEK)	21.12	21.12	21.12

COMBINED ACCOUNTS - GROUP

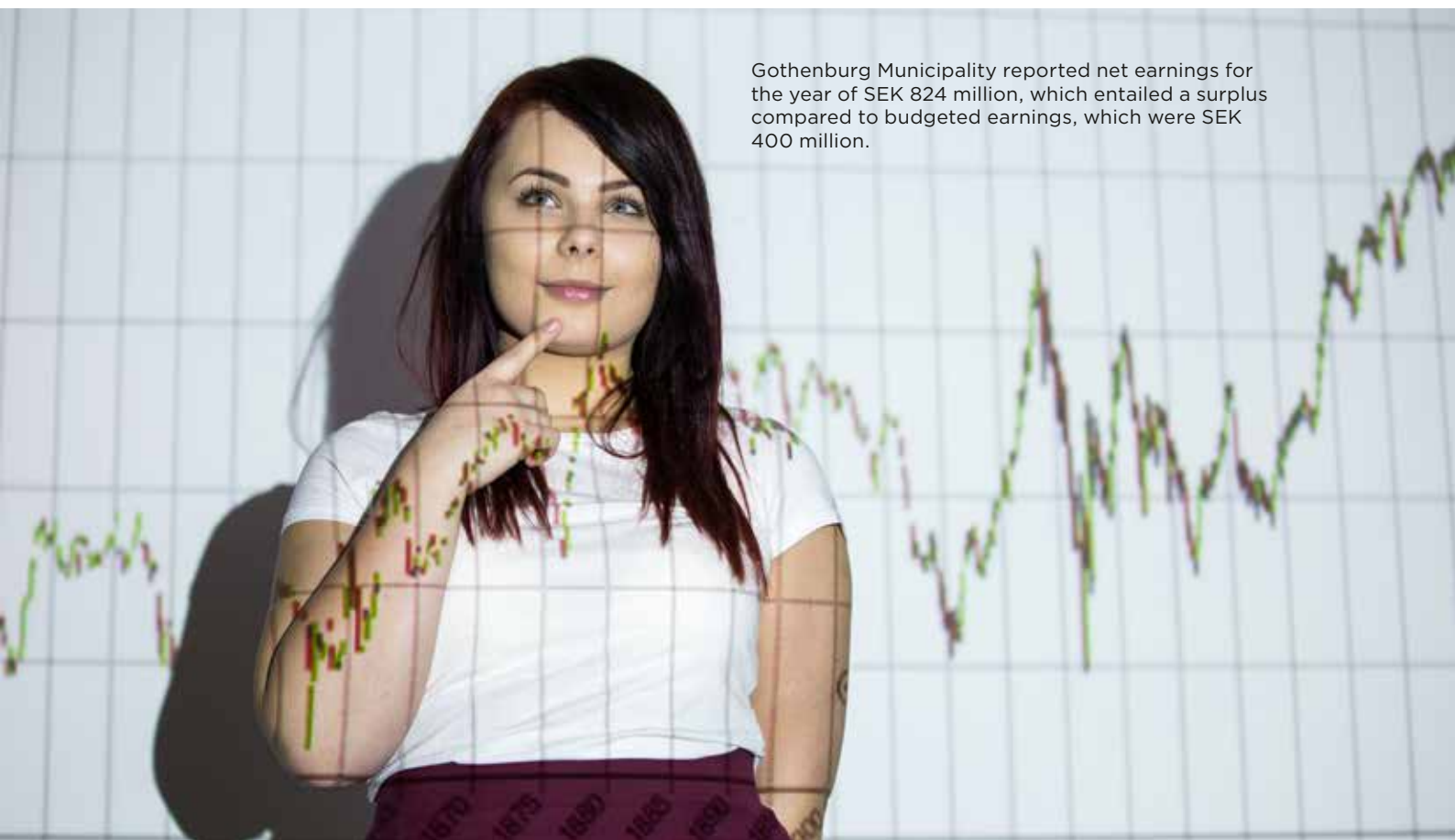
The City of Gothenburg Group reported net earnings of SEK 1,219 million in 2015. Compared to 2014 the net earnings were almost SEK 800 million higher, and the Municipality was mainly responsible for the increase. The Group's investments totalled SEK 6.0 billion in 2015, a decrease of SEK 0.3 billion on 2014. The company sector's share of the volume of investment was SEK 3.8 billion, while the Municipality accounted for SEK 2.2 billion. Compared to the budget for the year, investments were SEK 2.3 billion lower, which is mainly due to projects being postponed.

The combined accounts for the City indicate positive developments for a number of financial key figures during the year. The degree of self-financing for the year's investments exceeds 100%, which means full self-financing. The equity-assets ratio, which has been growing stronger for several years, was strengthened further. Correspondingly, the City's debt-equity ratio has been gradually decreasing for a long time. The acid-test ratio rose from 30% to 35% after decreasing slightly in recent years.

Combined accounts in figures

MSEK	2013	2014	2015
Receipts	48,230	48,470	50,780
Total assets	81,074	81,468	83,121
Earnings after financial items	1,922	561	1,253
Net earnings for the year	1,733	433	1,219
Volume of investment	6,647	6,248	5,955
Equity-assets ratio	30	30	31

Gothenburg Municipality reported net earnings for the year of SEK 824 million, which entailed a surplus compared to budgeted earnings, which were SEK 400 million.



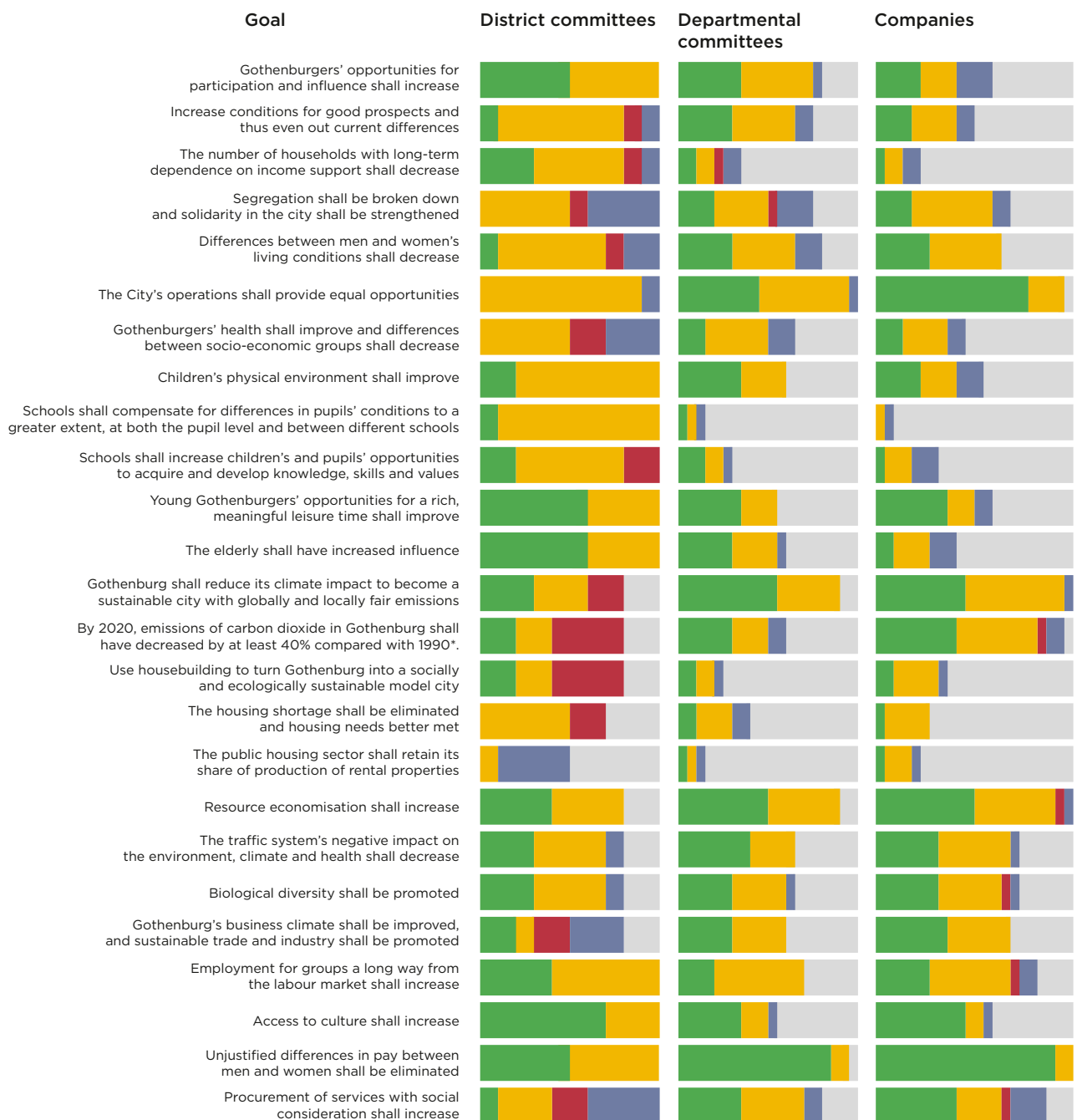
Prioritised goals and assignments

Goal follow-up in summary

In their annual reports, committees and boards have assessed anticipated goal achievement during the mandate period for each of the City Council's prioritised goals. The assessment was said to be based on the committee/board's contribution to the City's overall goal achievement. The following assessment grounds were used:



Where the committee/board made no assessment or stated that the goal did not come within its remit, it has been marked in grey in the figure below.



*In 2035, consumption-based emissions of greenhouse gases shall be a maximum of 3.5 tonnes of carbon dioxide equivalents per resident

When interpreting how well committees and boards deem that the goals will be achieved, it is important to consider that different committees/boards have a different level of impact on the different goals. With the compulsory goal of schools, for instance, the district committees and the Education Committee have the decisive impact on how well the goal has been achieved, and it is of little relevance that the majority of departmental committees and company boards have not taken the challenge of achieving this goal.

District committees, departmental committees and company boards have also assessed goal achievement based on slightly different preconditions. In somewhat generalised terms, there is a pattern whereby the district committees have assessed the anticipated achieved effect, while primarily the company boards have assessed whether any activities are being carried out. Clear examples of areas where this leads to a large difference in the assessment can be found in the gender equality goals: "Differences in living standards between men and women shall decrease" and "The City's activities shall be gender equal".

Another example where the assessment has been based on different preconditions is the goal "Unjustified differences in pay between men and women shall be eliminated". Most of the committees and boards deem goal achievement to be good and that there are no unjustified differences in the administration/company. Some expect only a certain degree of goal achievement and base their assessment instead on a City-wide perspective. They deem that the differences that exist between comparable professions working in different administrations/companies will not be eliminated within the mandate period.

Summary of the assignments

In the budget for 2015, the City Council gave the City's committees and boards 42 assignments. Some of the assignments are to be carried out by all the various committees and boards, while others are intended for committees and/or boards based on their specific field of operation. Thirty of the assignments are brand new while the rest are carried over from previous years, although some of these have been adjusted slightly.

Seventeen of the assignments have been completed, and ten are mostly or 50% completed. Twelve of the assignments are partially completed or begun. It has not been possible to carry out two of the assignments. One of the assignments has been referred to an ongoing inquiry in the field of education.

Eleven assignments are also included in the 2016 budget, and one of these has already been completed in 2015.

All committees and boards shall draft equal treatment plans in relation to all bases for discrimination. The work shall apply from both a personnel and a resident perspective. From the resident perspective, the majority of committees/boards have completed the assignment. As planned, several district committees worked more clearly on the

assignment in 2015. The specialist administrations and companies have made progress. Overall, a considerable difference in execution is evident compared to 2014.

The assignment has been completed from a personnel perspective.

Children with families shall be offered more income support during holidays

The assignment was carried out in conjunction with the revision of the financial assistance guidelines, as decided by the City Council in December. Households with children which have received financial assistance for at least 10 months are entitled to more income support on any two holiday days over a 12-month period, since the daily norm based on the national norm has been doubled for each household.

The proportion of qualified foster homes shall increase, and working alternatives to placing children in institutions shall be established

The assignment has not been completed. There is an ambition to recruit qualified foster families, but the prevailing personnel situation and the heavy influx of new arrivals makes it impossible to establish a long-term effort. The recruitment of foster families was doubled in 2015, which does in the longer run increase the chances of obtaining qualified foster care.

Substance abuse shall be prevented and individuals shall receive early support in breaking their dependency

All the committees have completed the assignment.

To reduce the thresholds for public housing, the City shall look into the possibility of lowering the financial requirements of being a tenant and sharing contracts, through so-called "friend contracts"

Förvaltnings AB Framtiden reports that work on the assignment is under way. The renting policy is currently under review.

Create a support programme for women's organisation

The Committee for Allocation of Social Welfare has completed the assignment.

The City shall start a project based on the model used in the "Tolerance Project" in Kungälv

The Committee for Allocation of Social Welfare has completed the assignment.

All operations shall keep statistics by gender and map resource allocation based on gender

The assignment has largely been completed. Twenty-three mappings have been done, five of which were

PRIORITISED GOALS AND ASSIGNMENTS

before 2015. Two are in progress. More are keeping statistics by gender.

Roughly half of the committees/companies have completed the assignment from a personnel perspective. Several state that they have statistics by gender, measure gender equality using the Jämix tool and are mapping pay levels. Some have mapped resources for education initiatives and the use of occupational healthcare services.

All simply remedied obstacles in the Municipality's public premises and public spaces shall be removed during the mandate period

The assignment is partially completed. The Cultural Affairs Committee and Property Management Committee estimate that all simply remedied obstacles will be dealt with by 2017. Other committees are either beginning to deal with the obstacles or in full progress. The Commercial Premises Committee aims to have finished taking measures during the mandate period.

The size of child groups in pre-school shall decrease

Half of the committees have completed the assignment. The five districts that have not say that finances have not been sufficient to reduce the size of child groups. Covering all needs has been the priority, and also the premises do not allow it and there is a shortage of pre-school teachers.

Pre-school hours shall be extended for children of long-term unemployed parents

Half of the committees have completed the assignment. The districts that have not say that it is not possible due to confidentiality between the pre-school and the care system for individuals/families. Large groups of children have complicated the process.

Norm-critical expertise among personnel shall be strengthened to ensure it is available to every school and pre-school

The majority of the district committees report having completed the assignment. Two district committees say that the assignment has been initiated, and one reports that the assignment is not complete. The district that has not completed the assignment has made preparations during the year but has yet to start up the activities.

Schools shall offer courses in feminist self-defence

Nine districts have completed the assignment. In one of the districts, the assignment has been partially completed.

Courses in feminist self-defence have primarily been organised for pupils in the upper years of compulsory education.

Active work is in progress to lay a foundation for increased housing production. For example, the Property Management Committee has earmarked building rights to lay the foundation for more housing and building associations.

Photo: Jeanette Larsson



An expert group shall be appointed to help develop school tools, based on a scientific foundation and tried and tested experience

The City Management Office has initiated a process to produce indicators that measure pupils' improvement on an aggregate level (school, district and City of Gothenburg). The assignment also entails identifying tools to measure essential factors for successful teaching and learning.

The City Executive Board shall be tasked to review teachers' administrative duties and draft an action plan for how they can be reduced and simplified

The process of drafting a long-term plan to reduce and simplify teachers' administrative duties has begun.

The administrations have drawn up action plans to improve teachers' working environment. The perception of implemented initiatives was followed up during the autumn in the form of a survey, in cooperation with the teachers' unions. The assignment remains in 2016 and the work will be ongoing.

All schools shall offer homework and study assistance during and outside of school hours, also in pupils' mother tongues

The assignment has largely been completed. Five district committees and the Education Committee say that the assignment has been fully completed. The other district committees say that they have only partially completed the assignment as it was not possible to offer full study support in pupils' mother tongues.

As far as possible, users shall have access to contact persons who speak their native language

The assignment has been completed. A high percentage of users in home-help services and housing for the elderly have access to contacts who speak their native language. The greatest difficulty in meeting this need appears to be in district committees where the residents have a wide range of different native languages. An inventory of language skills among personnel has been taken to facilitate the matching process.

Support for carers shall be investigated

The investigation has been conducted, and the revised guidelines are being considered by the City Executive Board and City Council in spring 2016.

More forms of housing solution shall be developed

The Property Management Committee has completed the assignment. The committee has earmarked building rights to lay the foundation for more housing and building associations. The committee can see a need to develop more models, so that associations and smaller building contractors can be involved in urban development to a greater extent.



The City Management Office has drafted a proposal for an overall action plan for the City to reduce the number of injuries from falling among users of home-help services and residents in housing for the elderly.

An action plan shall be drafted to reduce the number of injuries from falling among users of home-help services and residents in housing for the elderly

The assignment has been completed. The City Management Office has drafted a proposal for an overall action plan for the City to reduce the number of injuries from falling among users of home-help services and residents in housing for the elderly, and it was adopted by the City Executive Board in November 2015.

A study of what activities can be added to the senior citizen public transport pass shall be conducted

The City Management Office has looked into what further activities can be added to the senior citizen public transport pass. The proposal has been submitted to the political parties ahead of budget work for 2017.

An action plan to improve working conditions and the working environment within elderly care shall be developed

The assignment has been completed. The action plan will be considered by the City Executive Board and City Council in winter 2016.

Formulate a plan for how Gothenburg can eliminate the housing shortage in the long term

The assignment has not been completed, but active work is in progress to lay a foundation for increased housing production. The Property Management Committee, Planning and Building Committee and Road Traffic Committee will carry out joint planning work with the aim of reaching a consensus on the goal, and on how each committee will contribute to the goal. The Property Management Committee estimates that a summary action plan can be presented in 2016.



Car traffic in Gothenburg shall decrease Priority shall be given to pedestrian, bicycle and public transport.

More housing shall be created for people with disabilities

The assignment has been completed but the needs have not been met. In 2015, 63 apartments in buildings with special service (BSS) were produced and 42 apartments have been arranged via F100 (municipal housing companies offering apartments for people with disabilities). According to the housing plan for people with disabilities, a further 300 apartments in BSS need to be created during the period 2016-2018.

A long-term strategy for equipping public housing shall be developed

The assignment is partially completed. Förvaltnings AB Framtiden has a 10-year maintenance and investment plan in the properties. The subsidiaries have drafted strategies to take into account social and technical requirements. Förvaltnings AB Framtiden intends to develop a Group-wide strategy for public equipment that is clearly linked to the city's work on urban development.

A 'Homeless House' as a meeting and contact point for help and support for homeless people shall be set up in collaboration between various players

The Administration for Allocation of Social Welfare reports that the assignment has been initiated. Planning of the operation is in progress together with users, and the ideas-borne sector and further players will be involved. The administration has submitted a description of the operation to the City Premises Administration and Higa AB, and awaits a decision on premises for the operation.

Within three years Förvaltnings AB Framtiden shall complete 1,400 apartments a year

Förvaltnings AB Framtiden has started the assignment and is gathering strength to achieve the goal by bringing together new production into a property development company. The number of land instructions and local plan starts has steadily increased. Collaboration with the City's players is good and this lays a foundation for increased housing production.

Models for building apartments with low rent shall be produced

The assignment is partially completed and work is in progress. Älvstranden Utveckling AB has drawn up a model through the Frihamnen Projects, whereby some of the rental properties will have low rent. Förvaltnings AB Framtiden is taking part in the process. The Property Management Committee has evaluated the competition at Guldmyntsgatan. The evaluation and the results of the model development in Frihamnen form the basis for the continued work.

Car traffic in Gothenburg shall decrease

The Road Traffic Committee has completed the assignment. Investment projects have been planned and implemented in accordance with the Transport Strategy for a Close City. This means that priority is given to pedestrian, bicycle and public transport in the projects. As part of the development planning, urban planning is monitored to ensure that it is in harmony with the direction of the Transport Strategy.

The percentage of organic food shall be at least 40% before the end of the mandate period

The assignment has been fulfilled by a good margin as the City's percentage of organic food is 45%. The success is largely due to a new wholesale agreement signed by the City in November 2014, which means that conventional food is gradually being phased out and organic food phased in, and only organic meat and cooked meats are purchased.

A dialogue shall begin with Mölndal Municipality and the Swedish Transport Administration about building an ecoduct over the Söderleden part of the ring road.

The assignment has been completed. Work on traffic development is under way in Fässbergsdalen.

The action plan for making it simple to run a company in Gothenburg shall be implemented in the city

A new action plan was drafted and adopted during the year. Each organisation affected is now responsible for incorporating the action plan into its regular work.

An action plan to stimulate sustainable innovation and creative entrepreneurship shall be developed

The assignment has largely been completed. The action plan has been linked to the City Council's mission to develop a strategy for innovation work which includes a model for how the City should work on innovation projects. A first draft has been considered by the steering group for work on the strategy, and in the City's newly formed coordination forum for research and innovation issues. The action plan is estimated to be ready for approval in spring 2016.

All compulsory school pupils shall be offered at least one performing arts visit a year

The Culture Administration and all of the district administrations have completed the assignment. The Culture Administration has subsidised performing arts visits for children and young people via the equalisation subsidy given to professional music, dance and theatre organisations in Gothenburg's free cultural scene.

Culture School shall be expanded over two years so as to eliminate waiting lists

The assignment has only been completed to a minor extent. All the Culture Schools have tackled the assignment in different ways and have taken active measures to prepare more pupil places. The majority of city district committees deem that the waiting list for Culture School is at approximately the same level as in previous years. The premises issue is the single largest challenge for Culture School. A review of the goals and rates for Culture School and El Sistema is required.

A maximum of 5% of the hours worked in the City of Gothenburg shall be carried out by hourly employees

The assignment has only been completed to some extent. The assignment has been around for a number of years and the percentage of time worked by hourly employees has gradually decreased, although there was no decrease at an overall level in 2015. The percentage amounted to 7.3%. There have been both decreases and increases in the city districts' various operations, and these have cancelled each other out at the overall level. Efforts to reduce this percentage continue.

The percentage of non-Nordic individuals and women at managerial level shall increase. An action plan shall be drawn up.

The assignment to produce an action plan to increase the percentage of non-Nordic managers has been completed. Activities are carried out both at a central municipal level

and at administration level. The number of non-Nordic managers increased from 5.5% to 6.3% at overall municipal level.

The assignment to increase the number of women at managerial level was already previously achieved for most committees and companies. Gender equality has been achieved at an overall level, although some committees and companies have a slightly lower percentage of women among their managers.

Pay levels for the most senior managers shall be restrained, and the differences between the highest and lowest shall decrease

The assignment has not been completed. Calculated as a percentage, pay increases in the pay review were lower for the highest earners than for the low earners, but nominally this has not resulted in a decrease in the pay difference between the highest and lowest paid. The pay structure for new recruits has also meant that a decrease has not been possible.

The City shall work further on projects to reduce working hours in 2015–2016

The assignment has been completed. A six-hour day project in housing for the elderly in Västra Hisingen has been initiated and extended to include the whole of 2016.

Administrations and companies shall offer all permanent employees full-time positions and an opportunity to work part time

Approximately half of the committees/companies have completed the assignment of offering full-time positions. The rest have completed it to a higher degree than in 2014. It still remains to be fully completed in pre-schools and for night staff. The percentage of full-time permanent employees is 92%. The opportunity to work part time has been strengthened during the year thanks to new instructions for granting leave of absence.

A model for evaluating investments from a gender equality perspective shall be developed and implemented

Work on gender quality assessment of investment projects has begun in the investing committees' and companies' basic material ahead of the 2017 budget. The operations have made varying progress in their analyses and models, and work needs to be developed further in the coming plan period.

In 2015, at least 50% of the City's service procurements shall be carried out with social consideration

The assignment has only been completed to some extent by committees and companies. The reason why the assignment could not be completed is that no service procurements have been carried out, or the committees/companies do not have that type of procurement and instead mostly use framework agreements. Another reason is that the procurements carried out are too small to encompass a social consideration requirement, based on volume or contract period.

Significant personnel-related conditions

The City's operations are growing and the administrations in particular have had major recruitment needs during the year. Staffing requirements in schools and social services in particular increased strongly due to the large number of new arrivals. Many employees and managers are experiencing an increased work load and work tempo. Sick leave continues to increase, chiefly among women in the so-called contact professions. Action plans for an improved working environment with a focus on preventive measures is a prioritised area.

Staff volume

The staff volume (time worked) within Gothenburg's administrations and municipal companies amounted to 44,200 full-time equivalents in 2015. The figure increased by 1,000 to 37,600 full-time equivalents in the administrations. The increase for the city districts was just over 600 full-time equivalents, and almost 400 in other administrations. Half of the increase took place in individual and family care, and compulsory schooling. As a percentage, the increase was highest in individual and family care, but there was also an increase in elderly care and upper secondary schools. The increase in the company sector was just over 100 full-time equivalents, bringing the figure to 6,600.

Much of the increase in staff volume can be attributed to an increased number of newly arrived pupils at compulsory and secondary school, as well as the Administration for Allocation of Social Welfare's broadened assignment and responsibility for lone children and young people who arrived during the autumn. The city districts have also carried out planned staff increases in social services for children and young people.

Number of employees

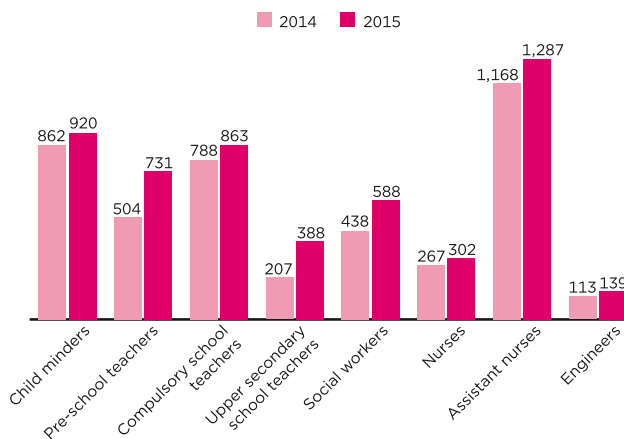
In 2015 the number of employees in the administrations increased more than in the immediate years prior. In December 2015, the number of employees at the administrations totalled 45,000, an increase of 1,900 during the year. Including municipal companies, the City had 52,500 employees at the end of the year. The increase within the administrations is greatest in individual and family care, partly due to a planned increase in social services for children and young people, and partly to the increase in lone children who arrived during the autumn. A relatively high proportion of the latter increase comprises hourly personnel in housing centres. The number of employees in compulsory schooling, upper secondary school and elderly care has also increased. The number of permanent employees in the administrations increased by 1,200. This rise can partly be seen in the occupational groups pre-school teachers, personnel in the field of rehabilitation/disabilities, teachers, school personnel, engineers/architects and social workers.

The proportion of permanent full-time employees at the administrations increased from 91% to 92% during the year. Work remains to be done to be able to also offer night staff full-time positions to a greater extent. The corresponding percentage within the companies was 97%. Increasing this percentage has been a prioritised matter in the City Council's budget for several years; in 2010 the figure was 82%.

Recruitment needs

The majority of administrations have expanded their operation, and recruitment needs were extensive during the year. A total of 12,800 employees were recruited, which is almost 3,000 more than in 2014. Several of the Municipality's occupational groups are subject to strong competition. As an employer, the Municipality is relatively well placed in the competition for staff on the regional labour market, and it recruited many pre-school teachers, teachers, nurses, social workers and engineers, for example. Nevertheless, several administrations report major difficulties in meeting their recruitment needs.

External recruitment for employees paid by the month (permanent and fixed-term contracts)



Marketing the City as an employer

In order to meet the City's long-term skills requirement, it is important that pupils, young people, students and others perceive the City as an attractive employer. A new way of reaching different target groups has been tested on a larger scale in 2015. By arranging our own job fairs, we are conveying our own image of the City of Gothenburg as an employer, without getting lost in the crowd at large trade fairs and events. An evaluation of the trial has consistently shown positive results. Pupils and students say that they now have a whole new perception of the City as an employer, and many showed great interest in working for the City. The focus on organising our own job fairs, together with participation in other marketing activities, will intensify over the years to come.

Various forms of work experience are important gateways for prospective employees and many pupils and students carry out work experience at one of the City's workplaces. Holiday jobs for upper secondary and compulsory school pupils also provide an opportunity to create a positive image of the City as an employer. During the year, 1,500 upper secondary school and 1,800 year 9 pupils had holiday jobs in the City.

Management planning

372 new managers were employed in the administrations during the year (272 women and 100 men), which is 100 more than in 2014. The number of managers in service increased by 76 on 2014. At the same time, more managers have left the Municipality. In 2015, staff turnover increased among head teachers and managers in the fields of individual and family care, and disabilities. Mobility among managers has been high in elderly care for several years, and 2015 was no exception. There are management planning programmes for prospective managers at all levels, which are designed to secure the emergence of new managers and prepare opportunities for employees to develop and make a career with the City. Employees and managers are showing great interest in taking part in the various programmes.

Internal and external personnel mobility

The City is a major employer and there are excellent opportunities for employees to develop and find new work tasks, either in their own or another administration, or in one of our companies. Internal mobility was 12.4%, which is a slight decrease on 2014. During the year 2,800 employees stopped working for the Municipality. Staff turnover was 8.5%, which is a slight increase of 1.8 percentage points compared with 2014. Staff turnover increased the most among social workers and nurses, and this is a major problem for the operation. During the year just under 800 employees in the administrations retired. More and more employees are working to the age of 67 and in 2015, 40% were over the age of 65 when they retired. The proportion of employees working over the age of 65 also increased in occupations where staff have previously taken early retirement, such as assistant nurses.

Equality in the workplace

The City of Gothenburg works actively to promote equality in the workplace from several aspects. The basic structure of gender-separated operations and occupational groups means that work to promote equality must be varied and sustained in order to create equality in the workplace in the long term. As a result the City is unable to fully implement the solutions. More occupational groups need to achieve a more even gender distribution in order to increase equality.

In principle, all of the administrations and companies have developed their gender quality plans into plans for equal rights and opportunities for all. Within the City there is a continuous effort to secure the HR processes so that recruitment for managerial and other positions, tests in selection situations and the allocation of work experience places can take place in an equal, non-discriminatory way. Testing tools

for selection situations have also been quality assured for this purpose. During the year the City of Gothenburg has continued to strive to create sustainable, equal terms and conditions for managers in traditionally male or female-dominated professions, with increased support for managers in the city districts' recruitment processes, for example.

The gender distribution among managers in the City's operations closely reflects the gender distribution among employees, which is a measure of equal career opportunities between the sexes. The percentage of women employees in the city districts is 83%, while the corresponding figure for managers is 80%. In the specialist administrations, the percentage of women employees and women managers is 59%. The percentage of women employees in the companies is 39%, the corresponding figure for managers is 37%. Management careers are mainly found in these three sections.

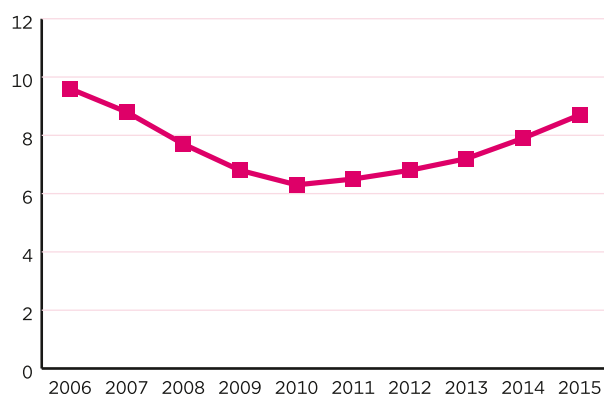
Working environment and health

The City has a broad spectrum of activities that encompass many different assignments with different preconditions. As a result, there are many different factors and circumstances that affect health and the working environment for employees and managers. Expanded assignments and higher ambition levels, as well as government control and the City's own priorities, have led many employees and managers to experience an increased work load and work tempo. The psychosocial working environment within the City's operations is strained. The administrations and companies have taken preventive measures regarding health and fitness, and have reviewed managers' circumstances. An action plan has been drawn up for an improved working environment in elderly care, and equivalent work has begun in pre-schools.

Sick leave

Sick leave continues to increase, a trend that is consistent with the rest of Sweden. Up until 2010 sick leave decreased, but since 2011 it has been increasing again. Sick leave was 8.7% in the administrations in 2015, which is an increase of 0.8 percentage points on 2014. The increase is mainly due to a rise in the length of absences. In 2015, sick leave cost the City SEK 433 million (SEK 388 million in 2014) in terms of sick pay and accrued holiday time alone.

Total sick leave, administrations (%)



SIGNIFICANT PERSONNEL-RELATED CONDITIONS

The City's rehabilitation guidance has been updated and revised during the year to support managers and others in efforts to reduce sick leave. There are no instant solutions to reducing sick leave, but early preventive measures benefit the rehabilitation process and increase opportunities to return to work. Quality-assured documentation is required in individual cases to ensure that managers and others can analyse the reasons for sick leave and then take appropriate measures. Efforts have been made in the administrations to increase and quality-assure documentation in rehabilitation-related matters.

Wage setting

The City's wage policy focuses on equal, competitive pay. This meant that measures were also needed in 2015 for the City's administrations to increase relative pay for occupational groups in welfare and education, groups which have long had a high proportion of women employees. The City's administrations face the challenge of developing a pay structure that makes it possible in the long term to recruit and retain employees with the right education and skills. The equalisation of structural pay differences is part of this challenge.

The difference in pay between different labour market sectors, where healthcare, care and teaching traditionally have lower pay levels than the technical and administrative sector, is the most important explanation behind the pay differences between men and women.

The outcome for this year's pay review for the administrations averaged 3.1%. The investment in occupational groups within welfare and education means that the increase for women was just over 3.2%, while the increase for men averaged 2.9%. There is an uneven distribution of men and women in the occupational groups in the City, and large occupational groups in welfare and education have a high proportion of women. Since these occupational groups have lower pay levels than those in other sectors, however, the investments and higher pay increase for women in terms of percent have only a small effect on the salary relationships between comparable occupational groups in the different sectors when measured in Swedish kronor.

When calculating women's average pay in relation to men's average pay, the 2015 pay review contributed to a 0.7 percentage point equalisation of pay, and women's average pay (irrespective of occupation) is now 93.2% of men's in the City's administrations.

The payroll expense for an employee increased by an average of 3.3% in 2015. In addition to the pay review, there were contractual changes regarding the level of special payments (unsocial working hours, on-call pay and overtime) which amount to an average of 0.3 percentage points of the increase in payroll expense. This increase in cost varies greatly between the different administrations, depending on the operation. Another influencing factor is pay changes resulting from new and replacement recruitment, which can increase or reduce the payroll expense.

Future issues

Demand for professionally trained staff, primarily in the fields of education, social services and care, will increase strongly in the years to come. Demand for personnel with

technical degrees will also increase. The education system will find it difficult to meet the strong demand for professionally trained workers. The greater the difference between supply and demand, the more important it will be to take a new approach to staffing and organisation. It will be necessary to 'be economical with' employees' expertise by allocating work duties differently, creating new roles and broadening occupational areas, for example. This, along with competitive pay and a good working environment, will play a crucial role in the Municipality's ability to recruit and retain employees.

Staff in the administrations in 2015

	Women	Men	Total
Total number of employees	35,155	9,898	45,053
Permanent employees	26,963	6,920	33,883
Fixed-term employees	3,279	1,298	4,577
Hourly employees	4,913	1,680	6,593
Percentage of permanent employees born outside of Sweden	24.7%	22.3%	24.1%
Number of managers	1,248	450	1,698
Percentage of managers born outside of Sweden	8.5%	9.8%	8.8%
Age structure among permanent employees			
percentage aged under 35 years	20%	20%	20%
percentage aged 35–49	38%	38%	38%
percentage aged 50 or older	42%	42%	42%
External recruits			
for permanent employment	3,484	957	4,441
for fixed-term employment	6,169	2,196	8,365
External departures among permanent employees	2,213	526	2,739
of which with a pension	606	173	779
of which at own request	1,415	296	1,711
Staff turnover			8.5%
Internal mobility			12.4%
Sick leave	9.5%	5.8%	8.7%
60 days or more	5.8%	3.1%	5.2%
29 years or younger	7.5%	5.0%	7.0%
30–49 years	9.2%	5.1%	8.4%
50 years or older	10.5%	6.9%	9.8%
Educational background among permanent employees			
university education (minimum 3 years)	42%	44%	43%
post-secondary education (minimum 2 years)	16%	18%	16%
secondary school education	35%	31%	34%
compulsory school or other pre-secondary education	7%	7%	7%



2

ACTIVITIES OF THE CITY OF GOTHENBURG

This block reports parts of the activities conducted by the City of Gothenburg's 30 or so committees and in the company sector under the parent company Göteborgs Stadshus AB during the year. The block is divided into the following areas of activity, taken from the City Council budget: education, individual and family care, people with disabilities, elderly and medical care in the home, labour market initiatives, building and housing, road traffic, culture and recreation, industry and tourism, climate and the environment, human rights, equal opportunities, public health, children and finally foundations. In each area, important events and trends are described from different perspectives.

Education

The number of children and students attending pre-school, compulsory school, upper secondary school and adult education increased in 2015. The number of asylum seekers and newly arrived pupils in the upper years of compulsory school and in upper secondary school has increased dramatically. The percentage of pupils who met the targets in all subjects in year 9 of compulsory school decreased slightly compared with 2014. In upper secondary school, goal achievement improved compared to the previous year with the percentage of pupils obtaining the upper secondary school diploma increasing, both on programmes that prepare pupils for higher education and on vocational programmes.

The education sector covers all school activities such as pre-school, compulsory school, after-school recreation centres, compulsory special needs school, upper secondary school, upper secondary special needs school and adult education under municipal and independent control. This means that the operation directly affects approximately 115,000 Gothenburgers from children in pre-school to students in adult education.

Process-oriented development of activities

The City of Gothenburg works on process-oriented development of activities, which partly entails mapping its own working methods. Three areas have been mapped in the field of education to date: pre-school administrative processes, reception in compulsory special needs school, and pupil health. Work to develop the education sector's main process map also began during the year. The mapping results have chiefly been used to improve and develop the operation, but in some cases also to procure and purchase IT support.

Improvement in systematic quality work

Systematic quality work means that everyone who works in pre-schools, schools and adult education systematically and continuously monitors the operation, analyses the results in relation to national targets and, based on this, plans and develops education. Systematic quality work continued to move forward in 2015. In the administrations' descriptions of the work the roles, methods, forums, materials, documentation and activities have been clarified further compared with previous years. The administrations conducted verbal dialogues between different levels of the organisation, such as between a sector manager, area manager and head teacher, and they held meetings at predetermined times during the year and in line with a predetermined system. Compared with previous years, the entire chain of systematic quality work was implemented in greater depth, from work team to unit, area and sector.

The analysis of the academic results continued to develop during the past year. One area of development highlighted by the analysis was the need to develop the ability to demonstrate links between initiatives and effects.

Inspection of quality in independent pre-schools

The unit for independent operations is a City-wide unit that is responsible for approving and inspecting independent operations within pre-school, educational care and independent after-school recreation centres. The unit's remit also includes providing information, advice and support to the independent operations. The unit, which has existed for three years, has now inspected all independent operations in Gothenburg.

In 2015, it carried out 97 inspection visits and its assessment, following the inspections, is that the operations in the inspected areas fulfil the requirements placed on a good-quality operation. In 2015, 13 applications were made to start a pre-school or educational care.

Since all of the independent operations in Gothenburg have now been inspected, the regular inspection will be slightly different ahead of the next round of inspections. The pre-schools that are of very high quality will have a shorter inspection visit, while other pre-schools will have a full-day visit. To make the inspection more effective, the unit has started work on producing a risk and impact analysis as a tool in assessing the scope of the inspection.

The rules for independent schools, after-school recreation centres and educational care have been updated and approved by the City Executive Board. The new rules apply from 1 January 2016.

Pre-school – some key figures

	2013	2014	2015
Net cost (MSEK)	-3,292	-3,494	-3,632
Net cost development (%)	6.6	6.1	3.9
Number of children in pre-school	28,995	29,549	29,774
Percentage in municipal pre-school	83.6	83.2	83.1
Percentage in independent pre-school	16.4	16.8	16.9
Demand as a percentage of the population aged 1-5	86	86	86



Total demand for pre-schools and educational care was at the same level in 2015 as in the previous year, 86%. The strongest demand was in Västra Göteborg, 89%, and the lowest in Centrum, 80%.

Photo: Lo Birgersson

Net cost increased by 3.9% in 2015, which can be attributed to price and pay increases, as well as to more children and the continued expansion of pre-schools. Lundby was the city district with the largest increase in the number of children of pre-school age. Total demand for pre-schools and educational care was at the same level as in the previous year, 86%. The strongest demand was in Västra Göteborg, 89%, and the lowest in Centrum, 80%. This can be explained by the fact that Centrum had a far higher proportion of 1-year-olds than other city districts.

Initiative for the 11 most vulnerable schools completed

The City Executive Board's spring 2013 investment in the most vulnerable schools came to an end in 2015. The results of the 11 schools fluctuated strongly from year to year, while many improvements took place which were not visible. Gothenburg has decided to start work on finding other ways of measuring pupils' improvement. One important conclusion of the initiative was that by far the most crucial factor to success is the existence of an efficient learning organisation, adapted to its purpose, that can convert resources into long-term development work.

The percentage of pupils with complete grades in year 9 decreased

Percentage of pupils who met the targets in all subjects

		2013	2014	2015
All principals	All	69.4	73.1	71.6
	Girls	73	75	73
	Boys	66	71	70
Municipal schools	All	65.4	68.8	66.6
	Girls	69	71	86
	Boys	62	67	65
Independent schools	All	79.9	82.9	82.9
	Girls	81	85	84
	Boys	79	81	82
Malmö municipal schools	All	63.9	65.4	64.3
Stockholm municipal schools	All	74.7	77	77.9
Sweden municipal schools	All	75.6	75.9	75.3
Sweden – all principals	All	77	77.4	77

The percentage of pupils who met the targets in all subjects decreased in Gothenburg. The decrease was in the municipal schools, while the independent schools had the same results as the previous year. The largest decrease in academic results was for girls in municipal schools. Girls had better results than boys but the difference between boys' and

girls' results decreased during the year. Malmö reported a decrease in results and Stockholm an increase.

Compulsory school and compulsory special needs school – a few key figures

	2013	2014	2015
Net cost (MSEK)	-5,020	-5,284	-5,762
Net cost development (%)	6.8	5.3	9.0
Number of pupils in compulsory school	49,493	51,334	53,370
Percentage in municipal school	80	79	79
Percentage in independent school	20	21	21
Number of pupils in compulsory special needs school	477	499	455
– of whom individually integrated	60	53	69
Number of children in after-school recreation centres	19,259	20,236	21,349
Percentage in municipal after-school recreation centres	86.4	85.6	85.0
Percentage in independent after-school recreation centres	13.6	14.4	15.0
Demand as a percentage of the population aged 6–9	80.6	80.8	80.9
Demand as a percentage of the population aged 10–12	12.3	14.0	16.6

Net cost increased by 9.0% during the year, which can primarily be attributed to an increase in pupils in compulsory schools as well as to price and pay increases. In the immediately preceding years, the increase in compulsory school pupils was in the younger age groups. In 2015, however, the number of pupils increased throughout compulsory school, in both the younger and older age groups, which can mainly be explained by a higher number of newly arrived pupils in the City's compulsory schools.

The number of pupils attending after-school recreation centres increased by almost 1,000 during the year.

Demand for recreation centres for children aged 6–9 increased marginally to 80.9%, but the figure varied greatly from district to district. The lowest demand was in Angered, 60.7%, and the highest in Örgryte-Härlanda, 90.8%. Demand for recreation centres for children aged 10–12 increased and totalled 16.6%. Here too the figure varied greatly from district to district. The varied demand in the lower age groups can mainly be linked to the parents' frequency of work.

The percentage of pupils in independent compulsory schools was unchanged compared with 2014. The highest percentage of pupils in independent schools was 44% in Centrum and the lowest was 8.4% in Västra Hisingen. This can be explained by the fact that Centrum has several independent schools in its district, whereas Västra Hisingen has none.

Many new arrivals in compulsory and upper secondary school

Compulsory and upper secondary schools both experienced significant increases in pupil numbers as a result of the higher number of asylum seekers in Sweden and Gothenburg in 2015. At the end of 2015, there were almost 2,500

refugee children and young people aged 0–19 in Gothenburg. Furthermore, more than 900 Gothenburgers in the same age group were 'officially received', i.e. they had been granted a residence permit over the past two years. This increase in pupil numbers mainly affects the later years of compulsory school and the language introduction programme in upper secondary schools. Relatively few of the new arrivals were of pre-school age.

Increasing segregation has been observed in compulsory schools. For several years the majority of newly arrived pupils started school in a residential area where a high proportion of residents had a non-Swedish background. The trend was, however, broken to some extent in 2015. One of the reasons behind this is that the city districts began to refer pupils to schools outside of the direct vicinity, partly because the closest schools had become oversubscribed and partly to break the concentration of newly arrived pupils to certain schools. Another significant reason behind the break in trend was the opening of housing centres for lone refugee children and asylum housing centres in other residential areas, which also meant that newly arrived pupils attended schools that had not previously had many such pupils.

On the whole, however, initiatives were needed to obtain a more even distribution of pupils who were new to Sweden. There was a broad consensus in the City that the quality of education is being raised and conditions for integration are being improved if there are newly arrived pupils in more schools. Initiatives relating to this issue were made in various areas. In December, the City Executive Board decided on a number of initiatives to lead development in this direction. In brief the initiatives are based on acting differently to before when newly arrived pupils start at Swedish schools. School places will be allocated at city district level, unlike in the past when it was done at school level. The city districts will collaborate and apply the same procedures when allocating school places. The city district in which the pupil lives will guide the parent/guardian in their choice of school. Room to take new pupils is being created in schools with few new arrivals, and new arrivals are given priority in filling these places. Collaboration with independent schools will be developed.

The city districts also emphasised that knowledge and skills are required in reception and introduction, as well as in the planning and implementation of teaching for newly arrived pupils in all pre-schools and schools. Three City-wide initiatives to support the development of education in this direction were the implementation of guidelines on newly arrived pupils' right to education, inclusive working methods and skills provision plans.

Many of the asylum seekers and new immigrants were of upper secondary school age. The number of pupils on the language introduction programme periodically increased so much that not everyone could be accepted. Children and young people who come to Sweden are generally entitled to attend school within one month of arriving. At times during the autumn term it was hard to keep to this deadline at upper secondary schools. There were not enough premises or teachers with the right qualifications to be able to extend schooling in line with the rise in pupil numbers.

How did upper secondary school students fare in national programmes?

Academic results, upper secondary school

	Gothenburg (Municipal schools)		Sweden (Municipal schools)	
	2014	2015	2014	2015
Average points	14.0			
National programmes	14.0	14.1	14.0	13.9
Vocational programmes	12.9	12.6	12.9	12.9
Higher education preparatory programmes	14.7	14.8	14.6	14.5
Percentage of pupils (%) eligible for university				
National programmes	69.4	72.2	70.0	70.8
Vocational programmes	31.4	31.2	31.9	32.1
Higher education preparatory programmes	91.2	92.9	92.0	91.3
Percentage of pupils (%) with an upper secondary diploma within 3 years				
National programmes total	65.8	70.8	72.6	74.5
Vocational programmes	58.7	63.2	67.9	70.8
Higher education preparatory programmes	69.1	73.9	75.0	76.2

The second group of students studying under the GY 2011 upper secondary reform took their final exams in June 2015. The aim of the change is for education in a national programme to lead to an upper secondary diploma. The upper secondary diploma is an overall term for two different diplomas with different requirements. The vocational programme leads to a vocational diploma while the higher education preparatory programme leads to a higher education preparatory diploma. Goal achievement improved on the previous year with the percentage of pupils passing the upper secondary school diploma increasing, both on programmes that prepare pupils for higher education and on vocational programmes. A similar improvement has taken place at national level, and also in Malmö and Stockholm.

Upper secondary school – some key figures

	2013	2014	2015
Net cost (MSEK)	-1,465	-1,501	-1,557
Net cost development (%)	-0.9	2.5	3.7
Gothenburg pupils in upper secondary school	16,219	16,085	16,220
Percentage in municipal school	49	49	49
Percentage in another municipality's school	9	9	8
Percentage in independent school	42	42	43
Gothenburg pupils in upper secondary special needs school	374	357	340

The number of pupils in upper secondary schools increased for the first time in many years. This can largely be explained by more asylum seekers and newly arrived pupils.

The percentage of pupils in municipal upper secondary schools was relatively unchanged compared with the previous year, while the percentage in independent schools increased marginally. The percentage of pupils in other municipalities' upper secondary schools decreased, which can be explained by the closure of upper secondary schools in some municipalities in the Gothenburg region.

Most asylum seekers and newly arrived pupils studied in a municipal upper secondary school. This meant that an increasing number of pupils took part in an introduction programme in the municipal operation, and the percentage of pupils in introduction programmes totalled 24%. The majority of these pupils took part in language introduction programmes, i.e. a course for upper secondary school age pupils who are new to Sweden.

The number of pupils in upper secondary special needs school decreased in 2015, but the number of newly arrived pupils in this form of school also increased.

Greater collaboration between adult education and the labour market

The merger of the City's adult education and labour market initiatives resulted in the operation developing and broadening in several ways in 2015.

One example of this was the shorter, tailor-made courses targeted at the labour market, in which almost 700 people took part during the year. These courses were carried out in close collaboration with industries that have had major recruitment needs, primarily the automotive industry but also the hotel, restaurant and catering sector. The initiative has been a major success.

In autumn 2015, labour market initiatives were also carried out in seven occupational areas for pupils studying SFI (Swedish for Immigrants). These initiatives intertwine practical experience with industry theory, courses in occupation-oriented language and SFI or basic Swedish as a second language. The initiatives were planned in collaboration with the business sectors and lasted approximately 20 weeks. The aim was to give participants the basic skills to work in the relevant occupational area.

Adult education – some key figures

	2013	2014	2015
Net cost (MSEK)	-365	-391	-394
Net cost development (%)	-0.75	7.2	0.8
Number of full-year places purchased	11,604	12,507	12,737
– of which basic adult education	1,685	1,718	1,763
– of which upper secondary adult education	3,865	4,400	4,551
– of which special needs education for adults (särsvux)	70	69	86
– of which Swedish for Immigrants (SFI)	5,984	6,320	6,355
Vocational higher education	1,319	1,314	1,368

The calculation basis for a full-year place in basic adult education, SFI and 'särsvux' (special needs education for adults) is 540 hours. The calculation basis for a full-year place at upper secondary school level is 800 points.



The merger of the City's adult education and labour market initiatives resulted in the operation developing and broadening in several ways in 2015. Photo: Marit Lissdaniels

The net cost for municipal adult education was virtually unchanged between 2014 and 2015, while the volume of education increased slightly.

The results in adult education vary. The results for SFI can be considered good since, in comparison with other cities, Gothenburg reported a higher percentage of passes and a lower percentage of interruptions of studies, while at the same time the cost per study place was lower.

In some upper secondary school courses, however, the percentage of passes was low and many students interrupted their studies. In 2015, the Labour Market and Adult Education Committee conducted an in-depth analysis of interruptions to studies, which combined statistics with telephone interviews. The analysis revealed, among other things, that interruptions to studies cannot always be linked to the quality of the education, but may instead be due to the student finding work or personal reasons. At the same time, the analysis showed that almost half of the students interrupted their studies due to the organisation or implementation of the course.

YRGO - vocational higher education in the City of Gothenburg

The new YRGO brand for vocational higher education run by the City of Gothenburg was launched in early

2015. YRGO is a very popular education provider and in 2015 the operation had five applicants per study place, compared to the national average of 2.6.

A high percentage of the students graduate and 94% of the graduates were in gainful employment or self-employed six months after finishing the programme. Of these a full 94% worked entirely or partially in the area studied in the programme.

During the year YRGO submitted applications for programmes due to start in 2016. The Swedish National Agency for Higher Vocational Education approved a full 55% of the programmes. The national average for approved applications is 31%, and YRGO's results meant that they had the highest percentage of approved programmes in Sweden. This is probably a result of YRGO's close collaboration with the labour market and industries, which has enabled it to meet the labour market's needs.

Future issues

The major challenge in education over the next few years is the ability to handle the increased number of children and pupils in the City of Gothenburg. The challenge lies in creating social sustainability and equal education. There are also difficulties in finding premises and recruiting qualified pre-school teachers and teachers.

Individual and family care

An improved economy reduced the need for income support but the housing shortage remains a problem, and more people turned to social services to seek help arranging housing. Recruiting experienced social workers is still a problem throughout Sweden and the government's coordinator has visited children and civil servants in two city districts. School results are the focus for children in foster care through the Skolfam collaboration.

Financial assistance decreasing

The scope of financial assistance in the city showed a clear break in trend in 2015, with a fall both in net costs and the number of households requiring income support. The change means that the net cost for income support decreased by 3.6% while the number of households on income support decreased by 4.9%. It is particularly pleasing to note that the group of long-term dependent households (who receive income support for at least 10 months a year) continued to decrease. The decrease was 3% compared with 2014.

The positive results can probably be primarily explained by improvements in the labour market. However, the structured work to reduce long-term dependency was also part of the explanation.

In total, costs for income support decreased by SEK 40 million to SEK 1,085 million in 2015. The number of long-term dependent households, for whom income support is a more or less permanent form of income, reduced by 423 to 9,104. Other households decreased by 732 during the year and totalled 11,094 at the end of the year.

Strong recruitment demand results in higher work load in social services

Difficulties in recruiting employees and managers continued in 2015. Managers in social services and the City Management Office worked together to develop different solutions to stabilise staff turnover and secure the working environment, primarily within the remit as a public authority. Attempts were made to use retired employees and to increase administrative resources, in order to increase the time available for conversations with users, for example.

Retaining skills and creating stability within social services will continue to be a focus area for a long time to come. The situation is not unique to Gothenburg; similar situations can be seen across Sweden. The lack of experienced social workers is particularly noticeable within the role as a public authority regarding children and young people. Sweden's National Board of Health and Welfare has been commissioned by the government to find solutions to the recruitment problems and working environment in social services.

National coordinator for social services for children and young people visited Gothenburg

The government's national coordinator for social services



School results are the focus for children in foster care through the Skolfam collaboration.

for children and young people visited Gothenburg in the spring and met civil servants and children from the district administrations of Angered and Centrum. The government's national coordinator has been tasked with strengthening and supporting the development of social services for children and young people to ensure they get the help and support they need. This is to be carried out in dialogue with representatives of a number of municipalities. During the visit the coordinator also met children and guardians from both city districts who have their own experiences of social services for children and young people. A survey of social workers' and managers' working hours was also carried out, to establish how working hours are distributed between direct contact with children and guardians, documentation, administration and staff management, for example. A follow-up visit will be carried out in 2016.

Skolfam – a method for helping children in foster care succeed at school

Skolfam is a method which aims to ensure every child in foster care has good schooling based on their personal circumstances. The focus is on school results and its work is carried out in the school arena using pedagogy as a tool. There are nine Skolfam teams in Gothenburg, encompassing 233 children. The mapping carried out to date has led the administrations to report that staff have noticed needs in children which would otherwise not be noticed, and which staff have been able to meet in order to create a positive development both at school and in foster homes.

Of the 233 children covered by the Skolfam collaboration, 27 in one city district were the subject of a second mapping process two years after the first. 73% of girls and 44% of boys in the Skolfam project have met the academic targets in school. This can be compared with other children in foster care in the same city district, where only 26% of girls and 13% of boys have met the academic targets. In all probability, Skolfam helps more children in social care get by at school, which is the single largest protection factor against mental health problems as an adult.

Housing shortage continues to require social service resources

The lack of housing remains a problem and has continued to result in more people turning to social services to seek help arranging housing. The City's costs for social housing solutions have increased by 15.8%, which is on a par with the increase in 2014. A housing shortage and overcrowding are also risk factors that could lead to people needing other support from social services in addition to help with housing.

In July 2015 the City Council adopted the City of Gothenburg's strategy and plan on homelessness 2015–2018. The plan was drafted in a broad collaboration between companies, administrations and the ideas-borne sector. The work encompasses a long-term strategy, as well as an action plan with activities to reduce homelessness. The strategies are founded on apartment-based housing solutions and increased measures to prevent eviction, as well as on strengthening leadership and control of the Municipality's work on homelessness. Work has begun on the 23 activities set out in the action plan, which is to be completed in 2015–2018.

The increase in the number of new arrivals has posed a major challenge, and efforts have been made to create housing solutions, both in the form of temporary housing and more long-term solutions. As a special initiative, AB Framtiden is offering 500 apartments to homeless families with young children, which have been earmarked via Boplat for two years.

Plan for the City's work against established abuse and dependency which has a long-lasting palpable impact on people's lives

The City Management Office has been commissioned by the City Executive Office to develop a plan at strategic level against heavy substance abuse. The Committee for

Allocation of Social Welfare has been given responsibility for developing the plan. Work began in autumn 2015.

The plan encompasses the Municipality's operations and aims to clarify the areas of responsibility within the City and in relation to the dependency care provided by the healthcare services. The work will be coordinated with the review of the City of Gothenburg's Action Plan in the area of alcohol, narcotics, doping and tobacco.

Individual and family care – a few key figures

Population frame	2013	2014	2015
Net cost (MSEK)	-3,082	-3,283	-3,421
Net cost development (%)	1.5	6.5	4.2
Of which net cost:			
– children and young people	-1,019	-1,116	-1,208
– adults	-661	-759	-834
– income support	-1,132	-1,125	-1,085
– other costs	-270	-283	-294

The net cost increased by 4.2% in 2015, which is a lower rise than in 2014 (6.5%). One of the reasons for the slowdown in net cost development is that the net cost for income support has decreased by 3.6%. At the same time, households on income support have decreased by 5% and the number of long-term dependents by 3% compared with 2014. The city districts attribute this to a good labour market and successful work in ongoing labour market projects.

The net cost for children and young people has increased by 8%, which is mainly due to a higher net cost for foster care placements. The net cost for voluntary initiatives for children and young people has increased by 14% (SEK 22.8 million), while the cost for compulsory initiatives has decreased by 13.6% (SEK 28 million). Care days increased by 68% and the number of foster home placements increased by 39%, which the city districts attribute to the increase in lone children arriving in the city. The net cost per care day has decreased by approximately SEK 1,000 per day compared with 2014, which is probably due to payments from the Swedish Migration Agency.

Net costs for adults have increased by 10%. Net costs have primarily increased in social housing, by SEK 87 million or 15.8%. In the same period the net cost for care initiatives for adults decreased by 5% and the number of care days decreased by 7%. The main reason for the fall in care costs for adults is that the net cost for the Care of Alcoholics, Drug Abusers and Abusers of Volatile Solvents (Special Provisions) Act has decreased by 13.9% (SEK 11 million).

Future issues

Important future issues include reducing long-term dependency on income support, quality assurance and provision of staff in the social services' role as a public authority, and developing collaboration and preventive work to counter homelessness.

People with disabilities

The right of people with disabilities to participate fully in society is an important issue in the City's overall work. There has been a focus in the operation during the year on areas such as housing, influence and participation, as well as coordination for parents of children with disabilities.

The City of Gothenburg's programme for full participation for people with disabilities

A new programme was adopted by the City Council during the year, which has an inclusive rights-based perspective. The programme aims to lay the foundation for the City's administrations and companies to help create a city in which all residents are given equal conditions. The programme's goals will be monitored using indicators.

Individual support and services for people with disabilities

The area of disabilities is a part of social services and comprises a public authority remit in accordance with the Act concerning Support and Services for Persons with Certain Functional Impairments (LSS) and the Social Services Act (SoL). There are numerous activities that provide support and services for people with disabilities, such as housing with support and service, daily activities, employment, short-term stays and personal assistance.

Influence and participation

Work to develop and ensure influence and participation for people with disabilities is continuing. A number of user audits have been carried out, as well as other surveys into users' perceptions of our operations. The results have been used as a foundation for dialogue and for developing the activities.

The implementation plans are one of the most important instruments in giving individuals influence over the help and support they receive. Efforts to secure these plans and improve documentation continued during the year.

More support for families and relatives

National and local research indicates shortcomings in support for families of children with disabilities. The activities targeted at families need to work based on a common model for preventive, targeted measures that improve health – such as helping parents to coordinate the help and support given to children, and ensuring that the burden on parents is relieved effectively. In several city districts work is under way to increase families' participation in decision-making processes, increase knowledge among parents and employees, and strengthen cooperation within and between operations. This work has taken the form of parent involvement, lectures and dialogue. Projects with so-called coordinators, who are tasked with providing special support in coordinating the child's

assistance needs, have been carried out in one city district. Guides for children and adults with disabilities is a scheme offering information and guidance on the support available in society, and guidance on the right authority or body to contact. During the year the scheme has encountered an increased need for discussion and contact.

The city's support for carers is aimed at all citizens who support or care for an elderly person or a someone with a long-term illness or disability. The city districts offer activities to provide support, such as lectures, a carers' café and carers' groups. In order to improve conditions for equal support for carers in the city, proposed revised guidelines have been developed in collaboration with the administrations. The guidelines are being considered by the City Council in spring 2016.

Continued need to develop the area of work and meaningful employment

There are currently around 1,700 people with decisions regarding daily activities under LSS. The number of people granted services is increasing and the operation has to meet new target groups. The daily activities aim to provide a foundation for development and careers within the operation, or for work and education. Development and improvement work is taking place in the city districts to better meet users' needs. In order to increase users' influence over daily activities, the user must be able to choose the provider. During the year a study has been conducted into the consequences of introducing a system of choice model, and the proposal will be reported to the City Executive Board in spring 2016.

IPS (individual placement and support) is an evidence-based method for laying the foundation for people with cognitive and mental disabilities to find work. In 2015 an action plan for collaboration was drawn up between the Swedish Public Employment Service, Försäkringskassan social insurance office, psychiatric services and NSPHiG (the national collaboration on mental health in Gothenburg). The introduction of IPS in the city districts has begun with the aim of all city districts having access to trained work specialists and having a joint organisation for coordination and development. The method produces good results; more people have found work or started studying, while others have entered structured employment. The activity centres have a smoothly functioning operation that works in line with IPS, and some of the city districts have their own work specialists. More people have the 'right income', for example they



The City's administrations and companies shall be given a foundation to help create a city in which all residents are given equal conditions.

have transitioned from income support to wages, study loans or payment for activities.

Housing shortage

Sixty-three apartments in homes with special service (BSS) have been completed in 12 different projects, a decrease on 2014 and slightly below the average for recent years. More apartments have been added, but this has not reduced the need for housing. The expansion has happened at the intended rate and the difficulties have been due to a lack of sites/projects in suitable locations, among other things. In the plan for housing for people with disabilities, it is estimated that 300 new apartments are needed to meet the balance in 2018. Two hundred and sixty-five apartments are expected to be completed during the same period.

The housing shortage has meant that people with disabilities who would be able to cope in standard housing are instead applying for BSS. Access to apartments alone is not enough for people to be able to live in standard apartments as an alternative to BSS. Other prerequisites are having support available in the building, employment opportunities and companionship for those who need support with this. Housing support has continued to develop in all city districts. During the year 42 people were given an apartment through F100, which is an increase on 2014. (F100 is a scheme whereby the municipal housing companies offer apartments to people with disabilities.)

The housing shortage has led to the purchase of short-term places and other temporary housing solutions. Decisions about BSS cannot always be executed, which results

in a risk of special charges. At end of 2015, 166 people had received decisions which were not executed within three months. Of these, 24 had declined an offer and 25 had accepted an offer but not yet moved in.

Number of people receiving support and service

In 2015, 3,903 people per month received support under LSS and 4,250 per month under SoL. Altogether this is on a par with 2014.

People with disabilities

– some key figures

	2013	2014	2015
Net cost (MSEK)	-2,962	-3,084	-3,281
Net cost development (%)	5.1	4.1	6.4
Change in volume of staff (%)	0.6	4.0	0.9

Future issues

- Developing more operations that can offer individual and flexible support for people with extensive and complex needs.
- Meeting the skills provision need in the operations. The base personnel in the area have a varied educational background. Many employees have no education with a special focus on disabilities.
- Lack of housing despite the expansion of BSS according to plans.

Elderly and medical care in the home

There is a focus on home-help services with the aim of increasing users' influence and autonomy. From 2017 users will also be able to choose the provider when the system of choice is introduced in Gothenburg under the Act on System of Choice in the Public Sector (LOV).

Greater influence and autonomy in home-help services

Extensive development work is in progress in home-help services and will continue until 2022. The objective is to increase users' influence and autonomy, and for employees to perceive the profession as attractive.

Individuals who apply for home-help services are given a framework decision. This means that the administrator decides on a number of home-help hours per week to meet the assistance-assessed needs based on the goals formulated in partnership with the individual. The contact at the home-help services and the individual jointly plan how and when support should be provided, and how the time should be used based on the objective.

The first service in welfare technology, camera surveillance, is offered to people who have a need and want the service. At present approximately 50 people have security cameras.

Documentation under the Social Services Act, which is carried out by assistant nurses/home helps, is now digital.

To enhance career paths and improve quality in home-help services, two new roles have been introduced and recruited: a care instructor and an administrator role for planning.

Preparations ahead of the system of choice in home-help services

The City Council has decided to introduce a system of choice in accordance with the Act on System of Choice in the Public Sector (LOV). A study into the introduction is under way and a preliminary timetable suggests that users of home-help services will be able to choose their provider from autumn 2017.

Support for carers

The city's support for carers is aimed at everyone – relatives, friends or neighbours – who supports or cares for someone close to them who is elderly or has a long-term illness or disability. The support is also aimed at carers of people with substance abuse problems or mental illness. To create the conditions for equal support for carers, proposed revised guidelines have been formulated. The guidelines will be considered by the City Executive Board and City Council in spring 2016.

Housing for the elderly who need it

When the support provided in the home is no longer enough to meet the care needs, it is possible to move

into housing for the elderly. Around 4,000 people live in an apartment in housing for the elderly. The number of people waiting to move into housing for the elderly has increased, due to more people being granted placements in such housing and fewer apartments becoming vacant. More housing for the elderly needs to be built to meet this need.

'Dignity guarantees' to clarify expectations

The five dignity guarantees are:

- We guarantee that employees visiting you in your home will show their service identification when they introduce themselves (this applies to home-help, health and medical staff).
- We guarantee that we will contact you as soon as we know we cannot come at the agreed time (applies to home-help, health and medical care services).
- We guarantee that we will contact you in advance if a new member of staff will be providing your support and assistance (applies to home-help, health and medical care services).
- We guarantee that the planning for how your help and support is carried out will be done together with you or the person representing you. This planning will be complete within two weeks of the date your help began. If your native language is not Swedish, we guarantee that your plan will be translated if you so wish (applies to home-help services, housing for the elderly and day activities).
- We guarantee free, personalised respite services in the home once an assistance decision is in place. When you say that you need respite care you will be able to have it within 48 hours (we need two working days to plan and this applies in ordinary housing).

The application and value of the guarantees have been examined during the year, and have proven to be important to the care recipients and their carers. Despite major information and communication initiatives, the dignity guarantees are not sufficiently well-known among care recipients and their carers.

Elderly people's perception of the quality of housing for the elderly and home-help services

Financial investments in the City's elderly care and health and medical care have laid the foundation to improve quality. In elderly care, quality is monitored for



All AgeHub is a pilot study into the development of a West Swedish development and innovation centre at Johanneberg Science Park. It is based on developing products, processes and services which make it easier for the elderly and people with disabilities to live a safe, independent life.

Photo: Lo Birgersson

example by the National Board of Health and Welfare's national user survey, and in the municipal and county council database. Based on the results the City prepares and analyses quarterly reports, one for home-help services and one for housing for the elderly.

The elderly are generally satisfied with their home-help services, although the results are lower than for Sweden as a whole. Eighty-one per cent of those who replied are quite or very satisfied with their home-help services. In the user survey, the elderly are particularly pleased with treatment and confidence in the staff. Staff continuity has been measured for a third year, and the result is that on average the user meets 14 different members of staff (over 14 days among users with at least two visits a day). The City's results are slightly better than for Sweden as a whole. The areas of improvement that have been identified are the preparation of implementation plans and a named staff contact, and users do not feel they can influence the times that staff come. The comments and complaints process is another area for improvement.

Elderly people are generally quite satisfied with their housing, 78% are quite or very satisfied, which is a slightly lower result than for Sweden as a whole. Elderly people are particularly satisfied with their treatment by staff and security in housing for the elderly. Areas for improvement are activities, as well as the comments and complaints process.

Care and medical care in the home, also with extensive needs

Many people have their care and medical care needs met in their own homes, through home-help services and home medical care instead of in hospitals, short-term facilities or housing for the elderly. During the year, an average of 8,600 elderly people received home-help services every month.

Municipal health and medical care is given to people of all ages. On average 8,800 people received health and medical care services via the City's operations every month, just over 200 of whom received advanced medical care in the home. There is a trend towards 'close care' where the Municipality's health and medical care takes great responsibility for increasingly complex needs, in close collaboration with primary care. Special attention has been paid to the target group of severely ill elderly people and their need to have as few contacts as possible and access to home visits by doctors.

Collaboration between hospitals, primary care and the Municipality

Since Region Västra Götaland was formed in 1999, there has been an agreement regulating the division of responsibility between the principals. A joint work process for overhauling and developing a new health and medical care agreement has been decided in consultation between the principals. The work began in October 2015 and is progressing in the intended direction.

Quality registers enable learning and continuous improvement

Work on quality registers is one of the cornerstones of development work and an essential element of care. The registers are compiled by the professional occupational groups that will benefit from them in their professional lives. It is also possible to follow up what individual county councils and municipalities achieve.

Senior Alert is a national quality register for preventive care. Undernourishment, falls and pressure sores are important areas for care recipients in both inpatient and primary care, home medical care and municipal elderly care. The purpose of Senior Alert is to create a good infrastructure and system for preventive work.

Continued efforts are under way to develop the quality of end-of-life care. The Swedish Register of Palliative Care is a national quality register designed for anyone caring for people at the end of their lives. The register aims to gradually improve end-of-life care irrespective of the care provider. Good results were reported for Gothenburg as a whole in 2015.

Good hand hygiene and the right clothing are a patient safety issue

As part of the work on patient safety, many operations have set about improving basic hygiene procedures. Self-assessments have been carried out at housing for the elderly and in home medical care. Continued work is necessary because hand hygiene and the right clothing are an area for improvement.

Future issues

- An increase in the elderly population places demands on city planning, residential environments, public health work and, above all, care and medical care. Many new employees need to be recruited to meet the challenge. The number of applications to upper secondary medical care and care programmes is continuing to decrease. The proportion of specially trained nurses is low bearing in mind the challenges faced by health and medical care, where more and more people can be cared for at home. Recruiting and in particular retaining nurses and assistant nurses is a major challenge for the City's care and medical care service.
- Modern new housing for the elderly needs to be planned and built to meet the increase of elderly people in the population.
- The Göteborg Region Association of Local Authorities is leading a pilot study into the development of a West Swedish development and innovation centre at Johanneberg Science Park. The project is called All AgeHub. The centre will form a hub where individuals, senior citizen and user organisations, companies, innovators from municipal medical care and care, and scientists jointly develop products, processes and services which make it easier for the elderly and people with disabilities to live a safe, independent life. The city's development centre for elderly issues, Senior Göteborg, is actively taking part in this work.



"I heard about the new technology and thought, why not? I prefer to have a camera looking at me than someone popping their head in at night." Sune, 83, is one of the users of the security camera – the City of Gothenburg's first welfare technology service.

Photo: Hans Karlsson

Elderly and medical care in the home

– some key figures

Population frame	2013	2014	2015
Net cost of elderly care (MSEK) *	-3,933	-4,063	-4,311
Net cost development of elderly care (%)	1.0	3.3	6.1
Net cost of home medical care (MSEK) **	-368	-389	-419
Net cost development of home medical care (%)	11.8	5.7	7.7
People receiving home-help services (average/month)	8,650	8,724	8,636
People in housing for the elderly excl. short-term stays (average/month) ***	4,037	3,964	3,968
Payment responsibility for discharges, year places	6.3	19.6	18.4

* Including home medical care for people over 65

** Home medical care for all ages

*** Just over 80 places within the Committee for Allocation of Social Welfare's operation for people aged over 65 years to be added

Labour market initiatives

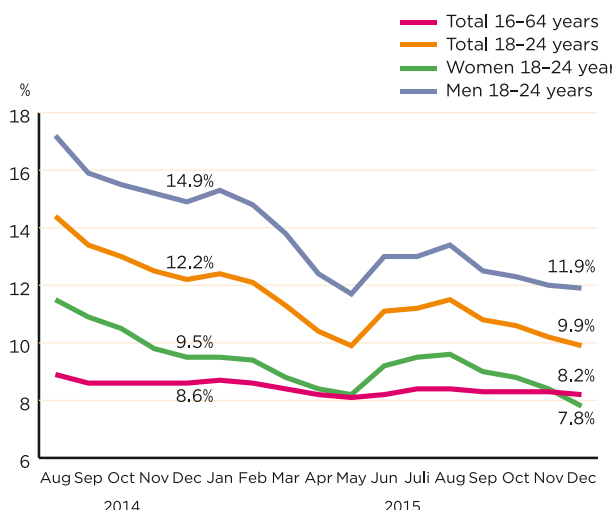
Unemployment in Gothenburg fell in 2015 and the largest decrease was among young adults aged 18–24. The year has been characterised by extensive efforts to develop and change the City's labour market initiatives, and November saw the opening of the city's first Skills Centre in Eastern Gothenburg.

Positive development on the labour market

Unemployment in Gothenburg fell in 2015 and the largest decrease was among young adults aged 18–24. The Swedish Public Employment Service's forecast, which was produced in autumn 2015, showed a strong labour market for Gothenburg and Västra Götaland. Youth unemployment gradually decreased and reached its lowest level since 2009. This was mainly clear among young people with upper secondary school education who are close to the labour market. However, the labour market continued to be divided in two. While many companies identified a need to recruit, they found it increasingly difficult to find the right skills, even though many people were unemployed.

People without an upper secondary school education, people with disabilities that entailed reduced work capacity and people born outside of Europe continued to experience difficulties on the labour market. The Labour Market and Adult Education Committee is carefully following developments on the labour market in its capacity as the City's committee for unemployment.

Unemployment rates in the City of Gothenburg



Source: The Swedish Public Employment Service and the Labour Market and Adult Education Committee

The diagram shows the unemployment rate for the population of the City of Gothenburg. (Number of employed people, jobseekers and the number receiving activity support.)

The City's work

The City of Gothenburg supplements the national labour market policy with various initiatives for people who are largely dependent on income support. The initiatives aim to enable people to establish themselves on the labour market, and are often run in close collaboration with the Swedish Public Employment Service. The collaboration with the Public Employment Service was strengthened during the year; for instance an agreement was signed regarding collaboration between the service and the City on initiatives for young unemployed people aged 16–24.

Skills Centre opened

In November the first of four Skills Centres was opened in Östra Göteborg. Planning is in progress for other skills centres.

Skills Centres are intended for people who receive some form of social services in the city districts, and who need further support to find work or start an education programme. Skills Centres aim to take an individual and solution-oriented approach based on participants' needs and goals.

Based on the labour market's needs, the centres will tailor initiatives to help participants earn their own living. These initiatives may include coaching, study and vocational guidance, job matching, work experience and courses to increase skills.

The initiatives will take place in close collaboration with the Swedish Public Employment Service and the business community. Furthermore, three more Skills Centres are starting up in Gothenburg in 2016. They will be located in Angered, Hisingen and Centrum/Västra Göteborg.

Future issues

As a result of the increased number of new arrivals, the City faces major challenges in future years regarding labour market initiatives. This increase has not yet significantly affected the operation, but as asylum seekers are granted residence permits major initiatives will be needed to meet the need for courses in Swedish, other adult education and labour market initiatives. Planning for a new situation has begun in collaboration with the Swedish Public Employment Service.

Building and housing

Gothenburg is growing, and housing production and infrastructure expansion are now gathering momentum towards the goal of the city growing by at least 30% in 20 years. At the same time demand for housing is increasing, which has led to higher prices and growing waiting lists. It is a challenge to counter segregation – geographically, physically and socially – and to create city environments that are attractive and sustainable in the long term, in a situation where a lot has to be built at once, although at the same time the high pace of change makes it possible to make a difference. Gothenburg is meeting this challenge with a focus on sustainable urban development, active work on land supply, and by engaging the citizens of Gothenburg in the city's development.

Great need for new housing

Increasingly strong demand for housing in Gothenburg was evident during the year. Bopplats Göteborg, for example, had 170,000 people on its housing waiting list at the end of the year, and around 50,000 of these registered in 2015. Mobility on the housing market remained low and the number of apartments advertised via Bopplats has decreased. At the same time prices for tenant-owner dwellings and private houses increased by over 10% during the year. Altogether, the figures indicate high pressure on the housing market.

Sharp increase in housebuilding

In 2015, a total of 2,298 homes were completed, of which 1,826 in apartment blocks, 240 in private houses and 232 in special housing. There were also 255 apartments built in buildings previously used for other purposes. Measures carried out over a number of years to increase housebuilding have yielded results during the year, and in the coming years the tempo is expected to gradually increase, from around 2,000 homes a year in previous years to around 3,800 a year from 2019 onward.

Number of completed homes 2012-2015

Year	New-build	Renovation	Total
2012	1,894	216	2,110
2013	2,303	265	2,568
2014	1,793	224	2,017
2015	2,298	255	2,553
Total	8,286	960	9,246

Planning creates the conditions to enable the constructions of housing, businesses, services, infrastructure and recreation areas. Planning for housing has been a predominant issue and the trend has been for increasingly large local plans with a high housing content. Extra measures have been taken to meet the housing need with the goal of creating a further 7,000 homes over and above the planned housing volume by 2021. For the goals to be met, the right market conditions must be in place, but the Munic-

ipality's work on supplying land suitable for construction has increased dramatically in both the planning and land allocation stages.

The City has also completed a planning programme for Bergsjön with 2,500 new homes. The plans include more tenant-owner homes, better opportunities to travel between the different areas of the district, and investments to develop Rymdorget square into a meeting-place and service centre. These will be the first new homes in the area since Bergsjön was completed in the early 1970s. The area is also the subject of a case study in the Divided City research project.

Number of planned homes 2012-2015

Homes in:	2012	2013	2014	2015
Started local plans	1,600	3,700	7,200	10,750
Adopted/approved local plans	2,800	3,200	3,570	3,450
Land allocations	1,390	1,045	1,303	2,950

Within the scope of the GEM project, the implementation of measures for more efficient planning was completed during the year and a process management team was appointed. The development project is therefore now complete and has moved to the operations phase. A new development project aimed at streamlining implementation is about to begin.

Initiatives for vulnerable groups on the housing market

The City has actively worked to improve the housing supply for specific groups. In 2015 the City Council adopted a new strategy to tackle homelessness, and work began on the 23 activities set out in the action plan which are to be carried out in 2015–2018. In 2015, 408 households moved into apartments with municipal contracts or leaseholds, which were allocated following an assessment of social and medical reasons.

The Real Estate Administration has examined the possibility of a transitional housing system for the target

group of homeless families with children. A review of the allocation, renting and support forms for these households has begun in order to help them move on to more permanent housing. The City, through Förvaltnings AB Framtiden, also began a special two-year initiative for 500 families with children whose housing situation is uncertain. The households that meet the criteria for this priority apply for apartments in the usual way via Boplat. The initiative is also part of the Municipality's strategy to meet the housing needs of new arrivals.

The refugee situation

The year has been strongly characterised by the large increase in asylum seekers. This has posed a major challenge for the City, and extensive efforts have been made to develop housing solutions, both for lone children seeking asylum and for new arrivals who have been granted a residence permit and been received in Gothenburg. Towards the end of 2014 the City adopted a strategy to meet the housing needs of newly arrived refugees. In the strategy, first priority is given to children's need for stable living conditions.

Active work was carried out during the year to implement the assignments specified in the strategy. This includes proposals in the form of temporary modular housing, as well as more long-term housing solutions. During the autumn the important decision was made to invest in the construction of temporary housing in Frihamnen. In the first stage there will be approximately 600 homes in nine plots on land and water. An investigation into the possibility of creating modular housing for 3,000 refugees in other parts of the city was carried out during the year.

The regional collaboration within the Göteborg Region Association of Local Authorities has established a common platform for new arrivals in various societal areas. For example, joint initiatives are included regarding housing supply for new arrivals, which also includes housing for lone children. This collaboration has been strengthened in 2015.

Stronger focus on social sustainability

In 2015 the City-wide work on 'An Equal Gothenburg – the whole city socially sustainable' continued its organisation. The work is partly based on the report entitled *Skillnader i livsvillkor och hälsa i Göteborg* (Differences in living conditions and health in Gothenburg), published in 2014. During the autumn, the City and Idékom collaboration council carried out a workshop in which the City invited the ideas-borne organisations to discuss joint action on work towards An Equal Gothenburg. The overall objective was to organise joint action to achieve the City Council's prioritised goals of increasing the conditions for good prospects in Gothenburg, evening out differences between socio-economic groups, and reducing segregation.

One of An Equal Gothenburg's four focus areas is to "Create sustainable environments and communities that promote health". The following action areas were identified during the planning process: Strengthen residents' participation, influence and peace of mind; Plan for a local environment that promotes health; Plan for less segregated housing; Increase access to housing; Increase the use of

active and public modes of transport. The results from the autumn workshop are included in the long-term planning and the ideas-borne organisations/civil society will be invited to collaborate and discuss relevant issues. Efforts to strengthen residents' participation have been in line with the City's adopted principles aimed at deepening democracy and increasing citizens' opportunities for influence.

Social sustainability continues to be observed in the day-to-day urban development projects. In the planning process, the social consequences of local plans and their consequences for children have been assessed. Knowledge and processes for carrying this out continue to be developed. The City's public housing sector carried out extensive work to contribute to residents' living environment, welfare and increased integration. Above all, initiatives have been conducted to increase employment, which has resulted in both young people and adults outside of the labour market finding work or work experience in the housing group.

Co-creation and participation engage Gothenburgers

Attention surrounding urban development has increased, as has the involvement of Gothenburg's citizens. Dialogue with residents has been pivotal to incorporating different perspectives when developing the city. Such dialogues have, for example, highlighted conflicts of goals which need to be dealt with in planning. The development of green spaces, for instance, has often provoked strong reactions among local residents. Experience shows the importance of making residents aware of planners' and decision-makers' considerations and standpoints when transforming a city area. Intense discussions have been held about various aspects of urban development, such as local plans for city areas, city plaza environments, parks, and the creation of safe living environments. Several debates have taken place in Älvrummet, which has been a natural arena for discussing urban development issues and exhibiting proposals and plans.

The development of children and young people's participation has been a particularly important issue. The City continuously works to develop the child's perspective in urban development. This means, for example, that various aspects of children and young people's access to recreation areas, playgrounds, green areas and other outdoor children's areas are considered in both the planning and construction phases.

Award-winning buildings

During the planning stage for Frihamnen, the temporary value-creating activities in the area have been developed. In addition to previously launched activities such as sailing school, roller derbies, a sandy beach and urban gardening next to the jubilee park, a sauna was opened in 2015 which attracted a lot of attention in the local media and national forums for town planning. The sauna won a regional award for architecture and was also nominated for the Kasper Salin prize. Water play in artwork also arrived through 'Berget' ('the mountain'), and late summer saw the opening of Gothenburg's first public baths in the Göta River.

The newly built church in Amhult has been named



Gothenburg faces major challenges joining the city across the river while at the same time building the whole city, both physically and socially.

Building of the Year 2015. It is “a building where quality and long-termism for the sake of extraordinariness seems to have prevailed over trends and short-term interests. From the small brass details in the interior, via the nave’s gathering volume, to the tranquillity of the garden, everything becomes a part of the whole. The church’s expression is dignified yet at the same time unpretentious, and it blends beautifully into the growing fabric of the city”, as the panel of judges wrote in its statement.

Climate change requires action

At the Paris climate summit in 2015, it became increasingly clear that adapting to climate change is almost as important an issue as reducing climate emissions. Gothenburg is vulnerable to flooding because the central parts of the city are low-lying. The City’s overriding goal is that both existing and planned land use should be able to withstand present and future flooding.

A number of sub-investigations are taking place within the framework of the hydro model and the thematic addition to the outline plan for climate adaptation. Some of these investigations were completed during the year; for example the results of the rainfall modelling process were released during the year. At the same time, tests and minor adjustment measures were carried out in the city. For instance, Kviberg multi-purpose arena has the city’s first rain gardens, which treat surface water and prevent flooding.

Gothenburg takes responsibility for land supply

Land allocation has continued to evolve as a strategic tool. The land allocation policy has been implemented during the year, and this has resulted in greater transparency surrounding land allocation selections and decisions. During the year the City has also decided on new focus areas for municipal land ownership and the purchase of certain site leaseholds to make them freeholds, the aim being to

improve clarity for developers and commercial operators at an early stage. At the same time, the City has developed its work on strategic land allocation requirements in order to increase the construction of affordable rental apartments.

To meet the needs of trade and industry, the Municipality has a range of land with completed local planning for commercial operators, and during the year three sales have been made to companies in different industries. In order to better meet the demand for industrial land, the Municipality has for example drawn up local plans for 300,000 m² of logistics operations. Demand for office premises in central Gothenburg has remained strong in 2015, and vacancies in the existing portfolio are low. In the longer term there are plans for a major expansion of offices in the central area, Frihamnen, Backaplan and other locations.

Research, development and innovation in cooperation

Gothenburg faces major challenges joining the city across the river while at the same time building the whole city, both physically and socially. This requires close cooperation between the City and other sectors such as trade and industry, academic institutions, the non-profit sector and civil society. More people and organisations are needed in order to think ahead and contribute new ideas and solutions. Examples of collaboration arenas in which the City is involved include Lindholmen Science Park, Johanneberg Science Park and Mistra Urban Futures – Centre for Sustainable Urban Development.

For three years the City has taken part in an initiative by Vinnova on “Innovation platforms for sustainable, attractive cities”, which was completed in 2015. The project entitled “Gothenburg’s new innovation platform” has resulted in the development of methods regarding the City’s innovation processes, the knowledge foundation for future research and innovation strategies for the City, as well as a joint knowledge agenda (in sustainable urban development)



for Sweden's three major cities. The cities' joint urban challenges are highlighted in the knowledge agenda, which will be used for dialogues with national authorities, to provide input for forthcoming research proposals, and to more clearly communicate the cities' needs in various cooperation processes. The City has also applied for funding to develop a joint research and innovation strategy for the City's operations. During the year Vinnova and the Swedish Agency for Economic and Regional Growth granted approximately SEK 10 million to produce the necessary foundation material. The work has been led by the City Management Office.

In 2015, Mistra Urban Futures, which is partly funded by the City of Gothenburg, underwent an international evaluation of operations in its first five years from 2010. Mistra, the Swedish Foundation for Strategic Environmental Research, has subsequently decided to allocate a further SEK 80 million for the period 2016–2019.

As a continuation of the urban development project, which took place in 2013–2014, the county administrative boards, the Swedish National Board of Housing, Building and Planning, and Mistra Urban Futures jointly arranged three national knowledge seminars on sustainable urban development in autumn 2015. One of the seminars took place in Gothenburg. The Divided City research project was presented at the seminar and its reports can be accessed via the KTH Royal Institute of Technology's online database, DiVA. One of the project's findings was that the form and structure of the city are important to employment and integration. City development strongly influences access to society's resources, which in turn affects people's prospects.

Future issues

Very high housing production is required due to high immigration, the prevailing housing shortage and the increased influx of new arrivals. There is talk of a doubling of housing production on a national level, with the major

cities expected to take a high proportion. It is not only a question of new homes, but also new infrastructure, more services and more recreation areas. Furthermore, measures are required to protect the city's population and infrastructure against the effects of climate change and extreme weather events. Knowledgeable, dedicated employees are needed to meet all of these challenges. Skills provision is a strategic issue for the City's operations in securing expertise and human resources in both planning and implementation.

In order to achieve greater social sustainability, segregation must decrease. Gothenburg is currently a strongly segregated city, and this is an increasing tendency. The whole housing market is not financially accessible to everyone, particularly in terms of new production. Further gentrification (the crowding out of financially vulnerable groups in particular) is changing city districts that have previously been relatively mixed. In urban planning this is largely about reducing housing segregation by enabling mixed development and greater access to/use of public spaces and meeting-places where people with different circumstances can and want to come together and learn to understand each other's way of life.

The sustainability of processes, collaboration and citizen dialogue are important prerequisites for achieving these goals – particularly as new construction increases and more and more Gothenburgers find that large amounts of housing and infrastructure are taking up space in the city, both during construction and when they are complete. The physical environment's layout and the city's spatial structure provide a framework for development opportunities in the city, and are very important to people's enjoyment, health and well-being, and thus also to the city's and the region's economic development. Laying the spatial foundation for social meetings and an attractive city environment strengthens Gothenburg's attractiveness both nationally and internationally.

Road traffic

The planning and implementation of a series of major infrastructure projects continued at a high rate in 2015. Implementation of the West Sweden Package continued. Planning for a new main line for high-speed trains between Stockholm and Gothenburg made fresh progress with the National Negotiation on Housing and Infrastructure. Sustainable travel has increased during the mandate period, but the trend was bucked in the past year with a new increase in car traffic. New modes of transport such as electric buses and cableways are being examined. Shipping in the Port of Gothenburg did not increase due to economic fluctuations. Cruise ship traffic decreased following the record figures of 2014. West

Sweden Package moved forward

During the year construction began on several major projects in the West Sweden Package. Construction of the Marieholm Tunnel and the new railway bridge at Marieholm is now under way.

There was a major step forward for the Hising Bridge with the Environmental Court's decision to approve the project, but the verdict was appealed. A further two processes, the railway plan and local plan, remain to be decided before construction can begin.

Project planning has continued for the West Link Project and the E45 highway in Gullbergsvass, and a number of implementation agreements have been agreed between the City and the Swedish Transport Administration. The local plans for the West Link Project have now been decided by the City Council. Some trees have been uprooted at Station Haga, in a trial to find out whether they can be moved when the West Link Project is built.

A functioning city during the construction period

KomFram Göteborg is the joint organisation formed by the City alongside the Swedish Transport Administration and Västtrafik to coordinate infrastructure and urban development projects in time and space during the intensive construction and urban development period.

Negotiation on rail initiatives

Through the National Negotiation on Housing and Infrastructure, the state and municipalities along the future high-speed Stockholm–Gothenburg route aim to reach a consensus on the extension of main lines and infrastructure in the city regions.

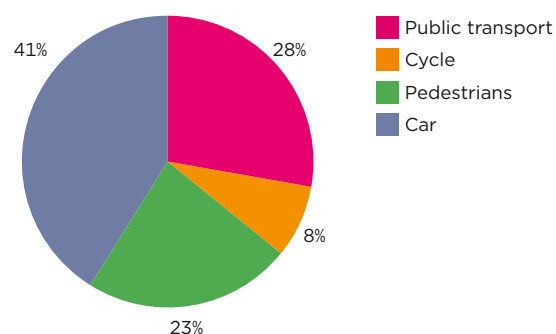
For the City of Gothenburg, this entails the expansion of infrastructure to increase accessibility within the city and increase the benefit of the newly extended mainline railways. The Municipality has therefore produced information material about what an improved railway could entail and what kind of housebuilding it may lead to. Work on an analysis and fact phase was carried out in 2015.

Increased travel

Travel by public transport and cycling have increased in the last few years, while car travel has decreased. In 2015, however, the trend was bucked and despite the high congestion charge at the end of the year, travel by car increased during the year. Car travel did, however, remain below the levels in the years prior to the introduction of the congestion charge.

In 2015, car traffic therefore increased by 2.3% and public transport by 1.5%, while cycle traffic decreased by 3%. The increase for car traffic follows the national trend and is linked to better economic conditions and cheaper fuel.

Travel by type



Car traffic now accounts for 41% compared with 44% in 2011.

Approximately a quarter of all light vehicles in Gothenburg's traffic were green vehicles. Almost 95% of the City's own fleet of light vehicles were green vehicles. Renova's fleet became completely fossil-free in 2015, mainly through the biogas initiative.

Good progress on cycling programme

During the year, a new cycling programme was agreed for Gothenburg. As the city becomes denser, more destinations will be within walking and cycling distance. In an interconnected city it should be quick, simple and safe to cycle.



The new Stenpiren hub has brought together bus, ferry and tram services. As a result, boats crossing the river no longer called at Rosenlund.

It has become easier to commute by bike between central Gothenburg and the outskirts of the city. Four expanded cycle and pedestrian paths were completed: Säve, Mysterna, Hovås and Billdal.

Electric bike pools were in service at Lindholmen and Chalmers Johanneberg as part of the Elmob collaboration. The bikes were available for private use, and supplemented the electric car pools already in the areas. In Kvillebäcken, a pool of electric cargo bikes will be tested.

The use of Styr & Ställ cycle stations increased steadily. A total of 727,000 cycles were borrowed in 2015, an increase of 9%.

This year the City has been awarded two international accolades for its cycling initiatives. Forty-nine per cent of Gothenburgers regarded Gothenburg as a cycle-friendly city.

Children en route

Measures to make it easier for children to walk to and from school have been carried out in a partnership between pupils and staff from schools and representatives from the city district administrations. This year physical measures were implemented at Gunnestorp school in Norra Hisingen and Kålltorp school in Örgryte-Härlanda. At the same time work has begun at another two schools in the city: Lilla Samskolan in Centrum and Bräckeskolan in Lundby.

Trams linked up

The new tram connection from Järntorget to Lilla torget via Skeppsbron came into service in August. Two tramlines use the route and the journey has been reduced by several minutes. The new Stenpiren hub has brought together bus, ferry and tram services. As a result, boats crossing the river no longer called at Rosenlund.

Tram delays

The supplier of the M32 tram has not rectified its delivery shortcomings and a decision was therefore made during the year to start legal proceedings. Since the M32 tram could not be put into service to a sufficient extent, renovation of the old M28/29 trams has continued. Procurement of a new M33 tram began in spring 2015.

Work is under way to create a joint set of goals for the city's core transport network in the population centre encompassing Gothenburg, Mölndal and Partille. The work, which is a collaboration between Region Västra Götaland and the three municipalities, took its starting point from the former K2020 public transport plan and other plans, such as outline plans, the transport strategy and the housing supply programme. The set of goals for public transport aims to ensure that urban development and public transport support each other. The city's core transport network will be the foundation for future reviews of the regional transport provision programme, in which city traffic is viewed from an overall perspective for Västra Götaland.

Localisation studies are under way for public transport depots, which is important bearing in mind the new M33 tram, for example.

Shuttle ferry services and cableways

The two new ferry shuttle services, Älveli and Älvfrida, began in 2015. The ferries are designed for rapid boarding and disembarkation for passengers both with and without bicycles. The possibility of converting the ferries to electrically powered plugin-hybrid shuttles is now being studied.

The City of Gothenburg has been looking into the possibility of introducing cableways as part of Gothenburg's public transport system. In 2015, the investigation into cableways progressed further. The project aims to have the first cableway, between Wieselgrensplatsen and Järntorget, ready in 2021.

ElectriCity operates silent bus indoors

Gothenburg is now home to the ElectriCity project – an exciting collaboration in which industry, academic research and the community develop and test new solutions for the public transport of the future. On the new route 55 passengers can travel by silent, exhaust-free buses that pick up passengers indoors at the terminals and run on renewable energy. The bus operates between Chalmers and Lindholmen. ElectriCity has attracted a tremendous amount of attention (Silent Bus Sessions have more than 2.6 million YouTube views).



Buses on the new route 55 pick up passengers indoors and run on renewable energy. Photo: Volvo

Gothenburg to Asia direct

Shipping is important to Gothenburg. Container volumes decreased by 2% in 2015. During the second half of the year, the Port of Gothenburg went from one to two direct services to Asia. The increased service offering did not have the expected impact on volumes, but it is expected to do so in 2016.

Volumes for ro-ro were generally on a par with the previous year. The number of vehicles transported increased by 29%. The Port of Gothenburg's takeover of a large proportion of the Volvo traffic, which previously went via Walhamn, has contributed to the strong increase in volume. Traffic in the energy ports increased by 10%.

The number of visits by cruise ships was 50 in 2015, which is a decrease of 31% on the previous year. The decrease can partly be explained by the bankruptcy of a shipping line. Since the vessels that call at the Port of Gothenburg are becoming increasingly large, the corresponding decrease in passengers is just 11%.

Closure of Söve airport

The runway was not suitable for the increasingly large aircraft, so Söve airport has been closed and the services have been moved to Landvetter airport. The number of passengers at Landvetter therefore increased by a full 18%. Rescue helicopters and civil aviation still use Söve.

Increased travel with mobility service

In 2015, a total of 1,349,000 journeys were made by the mobility service. Approximately 35% of them were journeys carried out for the City's administrations, surrounding municipalities and Region Västra Götaland. 612,000 of the journeys were service trips. This was 32,000 more than in 2014. The increase is largely the result of greater opportunities for more leisure-related journeys in the basic mobility allowance, and to apply for more extra leisure-related journeys. 216,000 journeys were made using Flexline services, a decrease of 21,000 on 2014.

During the year the City Council decided to transfer the Special Transportation Services Committee's operations to the Road Traffic Committee.

Future issues

One challenge for the future is to limit car traffic as the region's population increases. The Transport Strategy aims to reduce car travel by 25% in the long term, to create a close city with a sustainable traffic situation. This requires major investments in both existing public transport and improved conditions for cyclists. Major investments will be needed to create these conditions for public transport. There is no shortage of ideas. The cableway is a new element of future travel that is in the pipeline. Several new tram links, such as a tunnel under the river at Lindholmen, are being investigated. Discussions on how transport will be resolved in the future look set to continue for many years to come.

Culture and recreation

A common theme in the culture and recreation sector in 2015 was the perspective on children and young people. Children have and should have a place in the city environment, and this is something the Green Strategy considered in urban planning. The culture and recreation sector got involved in receiving newly arrived children and young people by quickly giving them a library card, interviewing them about their earlier life and informing them about culture and recreation activities in their new country.

There are many committees and several companies that meet residents in culture and recreation. The sector includes club activities, play and general sports, activities for children and young people in their local area, libraries, green spaces in a variety of forms, theatre, music and entertainment experiences.

Culture and recreation sector strengthened its role in urban development

The culture and recreation sector intensified its involvement in urban development so that it could influence layout, outdoor spaces and public premises at an early stage. The result was better holistic solutions, shared use and a more efficient planning process. The Parks and Landscape Committee and the Cultural Affairs Committee were involved in the anniversary initiative with planning for 7,000 new homes, planning of Älvstaden and the major infrastructure projects. The policy document “Green Strategy for a Dense, Green City” contributed to a structured working method in the process, from planning and building to development and maintenance planning. The Green Strategy includes guide values for distances between housing and a playground or local park, which is essential when condensing a city. A library planning process was initiated to include these meeting-places in hubs.

The availability of culture and recreation increased

Two sports centres and three artificial pitches under City auspices came into use during the year. The newly built Torslanda school gained a sports hall, and Backa district now has a temporary hall pending a full-size one. The football and athletics arena Rambergsvallen, built in 1935, was demolished and replaced by the Bravida Arena for Swedish league football. In the early summer the Prioritet Serneke Arena, the biggest multi-purpose arena in the Nordic region, was opened in Kviberg Park. The Sports and Associations Committee signed a hire contract for sports halls at the arena for evening and weekend club activities. A square was laid down as a new entrance to Kviberg Park.

Gothenburgers' visits to different facilities remained largely unchanged. Hall hire fell by almost 5,000 hours (–1.9%). The Cultural Affairs Committee's institutions had a total of 2.4 million visitors, an increase of 15%, due to the refurbished City Library being open all year. 176,600 (+3.5%) children and young people visited and took part in cultural activities.

The summer entertainment organised by the Cultural Affairs Committee attracted a record 46,700 people. The Culture Festival attracted 1.5 million people and was awarded the Equalisers' prize for its firm conviction in welcoming everybody in an equal and inclusive society, where culture is a door-opener for new meetings.

The year also saw the Göteborg International Biennial for Contemporary Art (GIBCA), a recurring international event over 10 weeks that attracts 45,000 visitors, including 6,600 children. The theme of this year's Biennial was “A story within a story...”.

The libraries not only lent out media, but were also responsible for measures to stimulate reading among children. Bokstart (Bookstart), a scheme funded partly by the Swedish Arts Council, was run as a pilot project in two city districts that have a high percentage of people of non-Swedish origin. It entailed librarians visiting new parents to talk about how important it is for children to read. All pupils in year 3 were given the book *Legenden om Sally Jones* (The Legend of Sally Jones) during the year. These and other projects were linked together with the mobilisation and focus area Gothenburg – the city where we read to our children as part of ‘An Equal Gothenburg’. For adults there was also a technology drop-in at libraries to help bridge the digital gap.

Refurbishment and extension issues were in focus for the major cultural institutions, which in some cases are old, inaccessible and in need of extensive modernisation. Several pilot studies were conducted, and the results will be presented throughout 2015–2016. Physical accessibility, making exhibitions accessible to people with any disability, and greater accessibility on websites were progressively resolved. The Funktec project entered its second year with workshops for exhibitors. The Funktec pilots have a range of disabilities, and were thus able to convey various advice and comments to exhibitors.

Kammarkollegiet decided that the Foundation Board of Gothenburg Maritime Museum could alter its bylaws. Consequently, the Foundation could sell the museum to the municipally owned Hgab as it did not have the funds itself for refurbishment and extension work.

The Maritime Museum conducted a summer campaign to reach visiting families with children. The American Dream exhibition, about the Swedish American Line, and the Summer Lab – marine scientist for a day were popular, and visitor numbers increased considerably. Gothenburg Maritime Museum continued its We hear what we see

project under the guidance of Skånes dövas distriktsförbund (the Skåne regional hearing impairment association), mapping and rectifying simply remedied obstacles to reach the target group. Some programme activities were given in sign language as well.

Culture School focused on making room for more pupils, partly by recruiting more teachers, increasing groups sizes, and adapting and improving the premises. Cooperation between pre-schools and schools increased. New activities and drop-in try-out activities were established in several districts, in order to reach new target groups. Side by Side by El Sistema has the aim of being the world's biggest music camp for children and young people by 2021, when Gothenburg celebrates its 400th birthday. In summer 2015, 3,000 children and young people from 16 countries took part in the camp. Through music, art and culture, bridges were built between people, cultures and continents.

Svetlana Alexiévich, a former 'sanctuary author' in Gothenburg, won the Nobel Prize in Literature

In 1996, Gothenburg was the first city in Sweden to become a sanctuary for a persecuted writer/artist. Svetlana Alexiévich, a 'sanctuary author' in 2006–2008, received the Nobel Prize in Literature during the year. Her Nobel Prize entailed publicity for Gothenburg as a sanctuary for persecuted writers and artists.

Club activities and culture and recreation in the districts took responsibility for new arrivals

The culture and recreation operations in districts and clubs took responsibility for creating meaningful leisure time and social integration for new arrivals. Government funds helped to enable extra efforts for this group. There were different approaches, with some districts extending their existing activities and others carrying out targeted activities.

The latter included the EFS project Making an Impact Together (MAIT), which developed a model for giving newly arriving children and young people aged 6–16 a good introduction to school, recreation and everyday life. Three city districts took part in the project. The model entailed interviewing children and young people about their interests and experiences. Recreational services in the districts assisted in finding corresponding activities in Swedish society. Other districts focused on extending El Sistema in Culture School, language café, and strengthened their cooperation with Välkomsten (the welcome service for new pupils at schools) to provide information about different recreation activities. Some clubs and societies received funds for activities intended for newly arriving young people. Culture guides/linguists were recruited to ensure productive meetings. Language-promoting activities became part of the libraries' activities. Children and young people had an opportunity to talk about fleeing their home and coming to Sweden. The libraries also handed out library cards to those without a Swedish social security number.

Guests/visitors

Thousands	2013	2014	2015
Letting of sports facilities (pitches and halls, hours)	449	475	462
Guest nights at sports tournaments	225	214	238
Swimming baths	1,009	1,099	1,111
Theatre	195	204	237
– of whom children	26	17	34
Libraries	3,423	4,247	4,165
Museums	882	803	775
– of whom children	208	170	177
Pleasure boat berths let	7,200	7,300	7,200

2013 City Library closed.

2014 City Library open May–December.

2015 Two City Libraries fully and partly closed.

A common theme in the culture and recreation sector in 2015 was the perspective on children and young people. Children have and should have a place in the city environment, and this is something the Green Strategy considered in urban planning.



Industry and tourism

The business climate in Gothenburg has improved, but the City is not achieving its goals.

The business climate in Gothenburg is crucial to growth. For several years now, the City of Gothenburg has therefore been making goal-conscious efforts to improve Gothenburg's business climate. Customer satisfaction has risen slightly in the past year, but this is not sufficient as the City is aiming to achieve higher scores than Stockholm and Malmö, and this has not been accomplished. In fact, in the latest survey the City's score is below Sweden's national average.

Extensive investment in the container terminal contributed to production disruption and falling cargo volumes

Container volumes in the Port of Gothenburg fell by 2% during the year. An intensive investment programme was implemented in the first half of 2015, and this has had an adverse effect on accessibility and service. During the second half of the year, the container terminal added another transoceanic direct service. The container terminal is now regularly used by two transoceanic shipping lines. Since the autumn the port has been used by the world's biggest container vessel, for example. Completed investments combined with an increase in transoceanic traffic is expected to bring higher volumes in 2016. Transported ro-ro units fell during the year by 5%.

Positive development for hospitality industry

The number of guest nights at Gothenburg's hotels increased dramatically in 2015. A forecast for the year as a whole indicated 4.5 million guest nights, an increase of almost 11% on 2014. Private tourism benefited from low interest rates and stronger exchange rates for the euro and pound sterling. The number of foreign visitors increased more rapidly than the number of Swedish visitors.

The Swedish Exhibition & Congress Centre and Liseberg have had a considerable impact on the hotel industry in Gothenburg. Liseberg estimated that its operation has generated almost a million guest nights (20–25% of the total market). The Swedish Exhibition & Congress Centre's meeting operation has developed positively in the past year. This resulted in 136,000 delegate days, an increase of 36%. The Centre's dramatic increase in hotel capacity has been instrumental in attracting more and more congresses.

The finishing line of the Volvo Ocean Race was the single biggest event carried out during the year. Göteborg & Co estimated visitor numbers of 335,000.

Liseberg attracted record numbers, despite a rainy end to the year

Liseberg attracted 3.1 million visitors, which was on a par with the record year of 2014. The year's big new feature was Halloween at Liseberg. The concept attracted 200,000 visitors, twice as many as expected. Liseberg rounded off the year with Christmas at Liseberg. Poor weather was a factor in a 22% decrease in visitor numbers.

Future issues

Business Region Göteborg (BRG), which is responsible for the City's business goals at the process level, believes that the improvement work relating to the business climate needs to be intensified moving forward.

Demand for global transportation has fallen. To address this, it is vital that the Port of Gothenburg is proactive, finds new cargo types and develops efficient new logistical solutions in the shape of new warehouse and logistics buildings close to the port terminals. In the slightly longer term, the port must make extensive investments to develop the terminals' competitiveness.

If Liseberg is to continue to compete on the international market and attract large visitor numbers, Liseberg believes that the theme park must expand dramatically over the next five years. An expansion plan is currently being drafted and will be presented to the City Council during 2016.

Thousands	2012	2013	2014	2015
Containers – TEU	900	858	837	820
Ro-ro – units	534	557	549	532
Guest nights – Hotels	3,600	3,800	4,100	4,500
Visitors Liseberg Park	2,800	2,800	3,100	3,100
Visitors Old Ullevi	318	341	303	407
Visitors Scandinavium	680	607	660	601

Climate and the environment

2015 has been described as a fateful year when it comes to mankind's chance to take measures to slow climate change and restrict global warming to a maximum of two degrees Celsius. Cities are clear drivers in this process, and the City of Gothenburg took part in seminars and a large mayors' meeting at the Paris climate summit organised by the UN, which focused on reducing greenhouse gas emissions. Gothenburg's work on green bonds and climate programmes was highlighted. In September the UN established 17 global sustainability goals, which aim to reduce poverty and climate change and strive towards a world that is economically, ecologically and socially sustainable.

Tools in the City's environmental work

Although a lot of work is being carried out in the field of climate and the environment, there is still some way to go before we reach the City's environmental quality goals. The City has adopted a strategic climate programme to meet the climate challenge. This makes the environmental objective of 'Limited climate impact' more concrete. The document sets out ambitious objectives for transitioning to a low-carbon society. The environmental programme's action plan contains measures to help achieve the City's environmental objectives. The stimulus funds set aside in 2015 have helped many projects become a reality. Activity in accordance with the Chemicals Action Plan has begun, and within the framework of this process a Chemicals Advisory Board has been formed in the City, while work on registering chemicals within our operations is in progress.

Environmentally aware employees are an important foundation in the City's environmental work. During the year an online environmental objectives course was launched to make it easier for the City's operations to train their employees. The course has had 2,300 unique visitors. The City has produced a film about the City of Gothenburg's environmental work which forms part of the course. Supplementary training led by environmental educators has also been offered and just over 500 employees have taken part.

2015 was a jubilee year for the City's environmental diploma, which celebrated 20 years. This year's environmental diploma work has resulted in 197 operations and 10 events receiving a diploma. The environmental diploma is an environmental management system in accordance with Swedish Environmental Base's environmental standard.

Energetic energy efforts and energy efficiency

2015 went down in history as a very warm year, and there was a general decrease in demand for energy for heating. Göteborg Energi's demonstration plant GoBiGas ended its start phase and is now in continuous operation. In December 2015, this biogas production plant delivered enough renewable fuel to run over 14,000 average cars for a month. During the same month the plant also delivered renewable district heating equivalent to consumption in 1,000 detached houses. District heating deliveries at Renova's

waste-to-energy plant reached a record high, and electricity production was slightly below the previous record. Energy recovery per tonne of waste averaged 3.3 MWh/tonne, which was also a new record.

Göteborg Energi's production of renewable electricity rose to 140 GWh during the year, compared with 124 GWh in 2014. The company's total biogas production increased strongly and ended up at 210 GWh in total, compared with 137 GWh the previous year. During the year, the Land and Environment Court of Appeal decided not to issue a trial licence, which means that the Land and Environment Court's decision to reject Göteborg Energi's application to establish the Vindplats Göteborg wind farm in Hakefjord still stands.

The Commercial Premises Committee, which manages and builds premises and homes for the City's operations, has adopted an energy efficiency plan to meet the City's objective of raising energy efficiency. Accordingly, all new construction of schools, pre-schools and housing for elderly during the year has been built as low-energy buildings, and the running of the City Premises Administration's properties has been optimised. Gothenburg is the municipality in Sweden that builds the most low-energy buildings. The City's housing group Framtiden reduced energy consumption on heating by just over 2% during the year, which exceeds the company's objective of an annual reduction of 1%.

In 2015 the City's Energy and Climate Advisory Board was dominated by a major investment in advice for companies. The number of advisors increased during the year, and 84 companies and associations were visited. The visits were appreciated by the companies and associations, and the climate advisors felt that their tips and advice were significant in the organisations' ongoing energy and climate work.

Per cent	Target value	2011	2012	2013	2014	2015
Percentage of completed housing in land allocations under the programme for environmentally sound construction	100	0	21	53	77	80

The programme for environmentally sound construction is a tool driving development towards a more sustainable society, with the aim of issuing guidelines for environmentally adapted construction. The proportion of environmentally adapted new housing has gradually increased since the programme was adopted in 2009.

Gothenburg inspires Europe

Gothenburg is one of the leaders in Europe and the rest of the world when it comes to district heating. The expanded district heating network has given Gothenburg a major environmental boost through the efficient use of energy. The City of Gothenburg and Göteborg Energi are leading the EU project Celsius, and during the year work continued to join 50 cities to the project. The potential for utilising unused waste heat in Europe is immense. Gothenburg is giving European cities the knowledge and reference projects to support them as they expand district heating and cooling.

Waste is also useful

Gothenburgers carry out environmental work every day by separating their hazardous waste, electronic waste, food waste and packaging. The volumes of waste need to be lower, but what we throw away can also be a resource if it is separated and treated in the right way.

Återbruket's sales of second-hand construction materials increased compared with the previous year. The number of customers also increased. During the year Återbruket has been entered as a supplier in Winst, the City's purchasing system. This makes it possible for the City's operations to re-use items instead of making new purchases, by buying second-hand construction materials for example. Återbruket can be found at Alelyckan Recycle Park. The opening hours at the four recycling centres were extended during the year to improve service.

The total collected weight of mixed and residual waste from households decreased by 1% compared with the previous year, which is in line with the goal that volumes of waste should not increase. Combustible waste is used for district heating and electricity, and food waste becomes biofertiliser and biogas for vehicles. The collected volume of food waste sent for biological treatment increased by 5% in 2015. The amount of bulky waste also continues to increase.

Gryaab's biogas production has worked well and reached the highest figure since the biogas plant came online in 1990. During the year Gryaab produced 24,450 tonnes of sludge, which has been approved in accordance with the REVAQ certification, and can therefore be used to reintroduce nutrients to agricultural land. In total Gryaab has produced approximately 58,000 tonnes of sludge. Biogas is extracted from the sludge and then upgraded by Göteborg Energi into approximately 70 GWh of vehicle gas.

A pilot project with onsite collection of textiles in apartments blocks has been a success. A study is now under way into whether this kind of collection can be extended to the entire city. To reduce the amount of garden

waste dumped in the city's green areas and to offer good service to Gothenburgers, an on-site collection service has been started up for garden waste in Askim, Högsbo and Frölunda.

Green and blue

In the 'educational gardens' project, pupils and education-ists work together to make school playgrounds green, and thereby create a pleasure-filled, educational environment. During the summer the City presented the project at the World Environment Education Congress. In 2015 five new schools started gardening – in total 16 schools in the city now have educational school gardens. With the aim of reaching out to more schools, pupils and teachers were given seeds as a reward for cleaning work in connection with the spring clean campaign run by the 'Trygg och vacker stad' ('Safe and beautiful city') collaboration.

The amount of drinking water sold to properties in Gothenburg during the year was 43.6 million cubic metres. Water production and distribution worked well during the year, with few deviations. The Lackarebäck water treatment plant introduced measures for increased treatment and higher production capacity during the year. The first ultra-filtered water was delivered to parts of Gothenburg during the year, even though the plant is not yet fully complete and open.

During the year a so-called 'tap label' was launched for events that serve pure tap water rather than bottled water. The Gothenburg Culture Festival and the Gothenburg Award for Sustainable Development were two events awarded the label in 2015. Förvaltnings AB Framtidens water consumption has decreased, mainly due to an expansion of individual metering and charging.

Gryaab treats wastewater from the owner municipalities and where possible makes use of what is valuable in the water. The treatment operation at the Rya works has exceeded expectations, despite ongoing refurbishment and extension work.

The SECA directive regulating sulphur emissions from shipping was significantly tightened in 2015. The Port of Gothenburg encourages ships with a high environmental performance through environmental discounts in the port tariff. The discount is based on two different environmental indices. This has encouraged some vessels with regular services within the SECA area to adapt their vessels regarding treatment and the choice of fuel.

Our lifestyle is of great importance

One of the climate programme's strategies is called 'Climate-smart Gothenburgers' and one of the initiatives is GreenhackGBG, which was started up in 2015 to help residents make sustainable choices. As part of the initiative the City has set up a digital platform for communication. The aim is to be inspired by cutting-edge innovators and to accept challenges for a sustainable every day, while also sharing and discussing ideas. All this takes place on the initiative's website, Facebook, Instagram and Twitter. GreenhackGBG has attracted just over 6,100 followers in total in 2015. GreenhackGBG was judged to be a highly

credible opinion-leader in the field of sustainability when two analysis companies mapped digital conversations on Twitter over the past year.

The game Future Happiness Challenge is one of the results of the Wellbeing in Sustainable Cities project, WISE, which drew to a close in 2015. It is a digital game designed for young people and adults, to make research into sustainable development in cities accessible. The content of the game is scientifically anchored in the report entitled “Low-carbon Gothenburg”.

The City continued to monitor the development of the collaborative economy and began to review the Municipality’s role. Collaboration with associations, implementation of Global Sharing Week and several exchange activities, along with mass media attention on the issue have resulted in Gothenburg being put on the map as a city that promotes a sharing, circular and collaborative economy.

Environmental focus in procurement

The City’s percentage of organic food is 45%. The high proportion is largely due to a new wholesale agreement signed by the City in November 2014, which means that conventional food is gradually being phased out and organic food phased in. It is particularly worth noting that organic meat increased from 34% in 2014 to almost 73% in 2015. Training courses to provide inspiration in vegetarian cooking have been offered to operations that offer meals, and this year’s training has been the most popular to date with 106 participants.

The proportion of Fairtrade coffee bought within the City’s framework agreements was 92% compared with 62% the previous year. Another example of environmental focus during procurement is that the City Premises Administration increased its proportion of environmentally approved flooring.

Work in accordance with the City’s Chemicals Action Plan started during the year. Efforts are ongoing to apply the requirements set out in the Chemical Action Plan



Gothenburg was named Swedish Climate City of the Year 2015 in the WWF climate challenge between cities. Photography: Martin Jacobsson, WWF

and to meet the Swedish Competition Authority’s criteria for non-toxic pre-schools when procuring furniture and fittings.

Accolades and commitments

Gothenburg was named Swedish Climate City of the Year 2015 in the WWF climate challenge between cities. The competition is a global affair. The City’s strategic climate programme was a strong card in the competition. The programme stands out because it includes the consumption perspective. The City’s work on green bonds also played a major role in the City winning the award.

Gothenburg is the third best at environmental work in Sweden according to the ranking of best environmental municipalities 2015 by Miljöaktuell magazine. The City climbed from seventh place, and third place is its best ranking to date. The Miljöaktuell ranking is based on the magazine’s own survey for the municipalities, and on actual data from a number of government agencies and interest organisations.

The City joined the Compact of Mayors initiative in 2015, a commitment for cities to jointly reduce greenhouse gas emissions. Three networks for cities – C40, ICLEI and UCGL – launched the Compact of Mayors supported by the UN at the UN climate summit in New York in December 2014.

The City signed the Green Digital Charter in 2015. Under the charter, European cities shall work together and use ICT to achieve the EU’s climate objectives.

Prior to the COP21 climate talks in Paris in December, the City registered for the Fossil Free Sweden initiative. The government set up Fossil Free Sweden with the aim of highlighting players that help resolve the climate issue and achieve the goal of a fossil free society through their operations.

Managing environmental noise

Work to condense the city while also managing environmental noise is a challenge. Work on measures in the Noise Action Plan made progress in 2015 – for both pre-schools and parks. The City’s noise map for road and tram traffic has been divided into city districts, and has a resolution which enables users to zoom in and find out the noise level at building facades. A new Guide for Traffic Noise has been part of the planning process since late 2015. The aim of the guide is to achieve a better overall view of the noise issue and enable planning of good housing environments.

Future issues

A lot of work has been carried out in the area of climate and environment during the year, and a lot is under way. There is still some way to go before we achieve the City’s environmental quality goals and budget goals. There are many challenges, and this requires focus and persistence. The City is well equipped with programmes, strategies and plans to show the way.



Human rights

The City's human rights work has come to the fore particularly in light of the efforts being made for refugees coming to Gothenburg. However, initiatives for residents and employees in the city have also continued during the year, as have ongoing meetings with the councils with which the City has a dialogue.

Record numbers at West Pride and 'Human Rights Days'

The City of Gothenburg took part in West Pride, which set a new record with 14,300 parade participants and 20,000 spectators in the closing Rainbow Parade. The 'Human Rights Days' conference, co-arranged by the City, also set a new record with more than 4,000 participants. In connection with the conference, 400 people from the City's management groups received training in human rights.

More initiatives for participation and influence

Initiatives for increased knowledge for executing the City's principles on citizen dialogue have been conducted in administrations and companies. There has also been dialogue with users in e.g. social services to increase participation and influence. Many activities have been carried out in the education, culture and recreation sectors to increase participation and influence among children and young people.

Minority issues in sharper focus

The levels of ambition and awareness of the Municipality's obligations regarding national minorities have increased. Several operations appointed contact persons during the year, and a systematic work approach is now being implemented.

A Roma information and education centre, part of the Committee for Consumer and Citizen Services, was started during the year, and this will make it possible to incorporate experiences from pilot projects for Roma inclusion into the City's day-to-day work.

The regulations of the Sweden-Finnish Council have been revised to streamline consultation between the City and the Sweden-Finnish minority. A process administrator for Finnish elderly care has been recruited to support the operations, and more activities in Finnish have been offered. Guidelines for information material in Finnish have also been produced, as has some material.

The Council for Integration and Social Community

The Council has previously submitted a report containing proposals for how the City can improve its integra-

tion work. The City Executive Board has decided that the Council's suggestions should be dealt with as part of the City's work for 'An Equal Gothenburg'. The council has now completed its assignment.

The toughest refugee situation of the modern age

The current refugee situation has demanded extra efforts of the City during the year. Meanwhile, the City has also continued working on measures that help to create a more even distribution of arrivals across Gothenburg.

The acute refugee situation during the autumn meant that the City had to work alongside agencies and voluntary organisations to staff the city centre area and ferry terminals, for example, and to organise temporary overnight accommodation for families with children. The City also assisted the Swedish Migration Agency with arrival places when its own spaces for asylum seekers proved insufficient.

The large number of lone children arriving has also called for special measures to arrange accommodation. Cooperation with voluntary organisations and other municipalities in the Gothenburg region has been absolutely essential. Alongside the City of Mölndal, the City has also been responsible for transit accommodation for lone children being moved on to other municipalities.

Gothenburg received around 2,500 new arrivals in 2015. Strategic issues the City is working on are housing, education for children and young people, and more efficient establishment initiatives for adults. Proposals for both temporary and longer-term housing solutions have been formulated. The City has also adopted policies to promote a more even distribution of newly arrived pupils between different schools.

Future issues

Pivotal issues for enabling new arrivals to become established are housing solutions, work, and effective support to facilitate schooling for children and young people. Stronger cooperation with external players and civil society is also crucial to increased integration.

Commitment and innovative thinking are required to strengthen Gothenburg as a city for everyone, where differences are an asset. Co-creation and participation are absolutely necessary to an open, inclusive Gothenburg that can utilise everybody's resources.

Equal opportunity

Systematic work for equal service has been enhanced, and new operations have been included in the process.

As in previous years, the systematic approach of integrating the gender equality perspective in day-to-day work and operational planning, budgeting and follow-up has been most widespread among operations in the city districts. These are followed by several specialist administrations and individual companies. Several districts have worked broadly, further developing the methods and systematic approach of many operations and sectors. One district and two specialist administrations have chosen a similar approach and have begun the process of equality integration in each sector and operation. Another district has chosen to focus on just a few sectors, and these have begun or continued to integrate/budget for gender equality in their operations during the year.

The budget is an important instrument in allocating resources equally between the sexes.

A mapping process took place in 2015 to see how resources are allocated; carried out by the Real Estate Administration, it entailed studying grant applications for housing adaptation. It showed that more women than men had applied for and been awarded grants, but that men had both applied for and been awarded adaptations that were more extensive and cost more on average. The study will now continue by looking at why this was so.

There are differences in how men and women get around. The Traffic & Public Transport Authority, which is responsible for a functioning transport system, therefore conducted a gender equality assessment of its investment plans. It showed that women will benefit slightly more than men from the City's future plans.

Many activities in the City to promote gender equality

There follows a selection of initiatives taken during the year in various operational areas.

Several schools have used conscious marketing and recruitment to encourage pupils of the underrepresented gender to apply for programmes that have a very uneven gender distribution. There has also been a focus on systematically working against harassment and offensive treatment.

The Labour Market and Adult Education Committee, along with one city district, have particularly focused on initiatives for women born outside of Sweden, since this is the group that finds it hardest to get established on the labour market, and has been long-term dependent on income support.

In individual and family care, procedures and assistance decisions have begun being overhauled to ensure that offered measures are comparable and gender equal. Local work in the city districts has begun within the framework of the plan for domestic violence.

Women perceive a greater sense of insecurity than men when moving around in the public environment. Specialist administrations and companies responsible for urban development have equipped neglected spaces, squares and environments close to car parks to increase security.

Companies in the culture and events sphere have been working on making the stage programmes gender equal, and on a repertoire that attracts both sexes. In theatre, gender equality aspects are being monitored in the artistic work on what is being told from the stage.

Future issues

Gender equal education and health have been recently highlighted as important areas to work on. Preventive efforts on violence, abuse and harassment, focusing on masculinity norms, are also featuring more strongly in the gender equality debate. These are important areas, and ones that need strengthening in the City's gender equality work in the years to come.

Another trend in the City's gender equality work is that other perspectives, such as age and ethnicity, need to be introduced into the equality process to a greater extent. There are challenges in dealing with several perspectives simultaneously as this risks minimising the issues that are specific to gender equality. To offer different groups of men and women a good service, the whole approach needs to be developed.

Public health

The City of Gothenburg budget for 2015 included two prioritised goals for work on public health: “Gothenburgers’ health shall improve and differences between socio-economic groups shall decrease”, and “Children’s physical environment shall improve”. The focus during the year has been on children and young people and their families, to improve mental health and reduce the differences in living standards.

Both of the goals were very long-term. The general view was that the goals ought to be achievable within a generation. A number of activities were initiated and implemented during the year with the aim of achieving the prioritised goals.

More counsellors at adolescent health clinics

In the 2015 budget, the City Council earmarked SEK 4 million which was used to recruit more counsellors at the six adolescent health clinics in Gothenburg. The aim was to meet the needs of young people and improve mental health. The initiative has been implemented in the new agreements for adolescent health clinics in Gothenburg, which came into force on 1 January 2016.

Families in focus

Part of the City’s work on differences in health and living standards involves family-centred working methods and family centres. In 2015, the city districts jointly formulated a coordinated strategic plan for family-centred working methods. Since both the methods and the centres are a collaboration between the City and Region

Västra Götaland, a joint steering committee was formed including representatives from both principals.

Education in public health and public health work

In autumn 2015, the City and University West conducted a course worth 7.5 ECTS, entitled “Public health and public health work focusing on health promotion”. The course included eight teacher-led lessons, group work and a project. The 15 course participants were politicians and civil servants from various sectors such as home support, adolescent health clinics and elderly care.

Future issues

One challenge for the future is to reduce the differences in health and living standards in Gothenburg. For this to succeed, there must be collaboration both within the City and with other principals. One example of future collaboration is the government stimulus funds which will be paid out in 2016 to municipalities and county councils that work together on developing adolescent health clinics.



One challenge for the future is to reduce the differences in health and living standards in Gothenburg.

Children

Article 6 of the Convention on the Rights of the Child emphasises every child's right to survive and develop. For Gothenburg Municipality, this means helping to ensure that children grow up in safe circumstances, are protected from injury, have opportunities to play, learn and think independently.

Children's development

It is important that parents, pre-school, school, social services and the healthcare system work together in a positive way. Work on An Equal Gothenburg – the whole city socially sustainable – established that a family-centred working method should be prioritised. This is being done partly by setting up what are known as family centres. At family centres, open pre-school, children's health centres, midwife clinics and social services are brought together under one roof. There were six family centres in Gothenburg last year, and six more were planned. There was also skills development during the year related to the Västbus (Westbus) collaboration project, guidelines for children in foster care and the use of the Samordnad individuell plan (Coordinated Individual Plan) tool.

Almost all children (86%) aged between 1 and 5 had a place in pre-school, and school was available to everyone from age 7. Eighty-three per cent of the pupils who finished compulsory education in 2015 were qualified to apply for one of the upper secondary school national programmes, while others could apply for an introductory programme. Virtually all the children began an upper secondary education.

The increased migration put tremendous pressure on compulsory and upper secondary schools – especially the latter, as more than half the children seeking asylum were of upper secondary school age. The reception of new pupils was unevenly distributed between the schools. The City Executive Board decided on policies to send newly arrived pupils to a wider range of schools so as to improve the conditions for integration. With regard to lone children arriving in Sweden, the municipal authority is responsible for housing, care and medical care. In 2015 almost 1,700 lone children arrived in Gothenburg, an increase of more than 400% on the previous year.

All the city districts had youth councils, but there is great disparity on how each one was able to work and have an influence. The councils agreed on the observation that 'adult' structures continued to obstruct young people's ability to have an influence, and that greater openness and knowledge were needed to bring about change.

The anniversary plan for Gothenburg's 400th year designated 2015 as the year "By and with young people". There were more dialogues and more projects. These were both concrete tasks carried out by children and adults such as the water slide during the Culture Festival, and also the anniversary conference "Youth Influence 2021".

Protection against injuries

Road traffic accidents and suicide are the most common causes of death among Swedish children who die as the result of an injury.



The City of Gothenburg shall help to ensure that children grow up in safe circumstances, and have opportunities to play, learn and think independently.

The Traffic & Public Transport Authority, city districts and schools have been working actively on the issue of making school routes safe. There has been mapping at schools, and this has led to actions such as marking of pedestrian crossings, speed limit reductions, speed bumps, rebuilding turning spaces, and targeted information and communication activities. As part of Gothenburg's involvement in European Mobility Week, there was also a youth dialogue to capture the opinions of young people. Around 350 young people shared their thoughts with the City. Safety at bus and tram stops, access to public transport, and separated pedestrian and cycle paths were high up on the list.

Targeted initiatives to prevent suicide among young people were prioritised. The adolescent health clinics were tasked with working proactively on suicide prevention and adolescent mental health.

Future issues

Reinforcing children's dreams and faith in the future is everybody's concern. Children's ability to practise democracy needs to be strengthened. Reducing rifts and improving public health are also important. An attractive alternative to parallel societies is needed. We could for instance do this by building a strong sense of inclusion with open doors.

Foundations

The City of Gothenburg manages 100 foundations and seven donations for various purposes. The SEK 900 million fortune produces a yield, which is shared out every year according to the donors' specific instructions. In 2015 the foundations awarded a total of SEK 24.7 million to individual Gothenburgers, teachers and pupils, societies, cultural institutions and other public interest purposes.

The philanthropic attitude of Gothenburgers in times past has made a distinct impression in society today. The fortunes of several Gothenburg families laid the foundation for institutions and operations that live on still today. Sahlgren, Röhss, Chalmers, Dickson, Wijk and Lindberg are just some of all these families, who have founded hospitals, museums, schools, homes and parks.

Administering the foundations

The City of Gothenburg only administers yield foundations, which means that the City is responsible for the foundations' capital and that the yield is shared out according to the donors' specific instructions. The main aim of the foundations is to assist people with disabilities or in financial need (social foundations), to award scholarships and the like to pupils and students (education foundations), and to promote art and culture for the people of Gothenburg (cultural foundations). In addition there are foundations that award money to other organisations for various public interest and charitable causes.



The Maritime Museum was one of the museums to receive foundation funds during the year.

Photo: Olle Andersson

The foundations' capital is kept in a jointly managed fund, of which each foundation has a share. Each foundation is, however, a separate legal entity with its own accounts. The vast majority of the foundations are tax exempt since the causes are in the public interest. In December 2015, the total market value of the foundations' capital amounted to approximately SEK 930 million. The asset management service was procured in competition during the year, and the money has now been invested in three funds with risk diversification in line with official government guidelines.

Awards from the foundation funds

The main awards in culture were to the Museum of Gothenburg, Gothenburg Museum of Art, the Röhsska Museum and the Maritime Museum. The money was used to buy artworks in the form of paintings, sculptures and other objects. It was also used for conservation work, exhibitions, research and so on, and to buy decorations for public spaces. A total of SEK 7.7 million was awarded from foundations focusing on culture.

In the field of education, funds were awarded in the form of scholarships and travel subsidies for pupils and teachers, primarily in the municipal compulsory and upper secondary schools. Pupils were also awarded prizes for good schoolwork, and other progress and schools have been granted financial support for carrying out various class activities. A total of SEK 6.7 million was awarded. Approximately 700 pupils received money directly, while more than 1,000 pupils have taken part in different activities made possible by the foundation payments. Just over 200 teachers were awarded travel subsidies for various kinds of skills development.

In the social area, payments were made to families with children, elderly people and adults in financial need, and to individuals with disabilities or their families. A total of SEK 8.3 million in financial support was awarded to around 1,500 people, mostly in amounts between SEK 3,000 and 6,000. The proportion of women totals 57% and men 43%.

During the year 23 societies and voluntary organisations active in public interest areas were awarded SEK 2 million for various projects and activities.

The foundations will be of benefit to the people of Gothenburg for many years to come.



3

GOTHENBURG MUNICIPALITY FINANCIAL ANALYSIS AND ACCOUNTS

The term Gothenburg Municipality refers to the committees and other items within the tax-funded operation. In this block, the financial position and development of the Municipality are analysed from a number of perspectives. The statutory financial statements and supplementary disclosures can also be found here.

GOTHENBURG MUNICIPALITY

FINANCIAL ANALYSIS AND ACCOUNTS

63 Financial analysis of Gothenburg Municipality

A financial analysis of Gothenburg Municipality has been carried out in which development, trends and an overall perspective play an important role. The analysis should make it possible to assess the organisation's ability to finance a high-quality operation in both the short and long term.

68 Good financial management, the balanced budget requirement and the earnings equalisation reserve

This section provides an analysis of the Municipality's financial development in relation to the term good financial management and the guidelines adopted by the City Council. This is followed by a description and analysis of the balanced budget requirement. The section concludes with a report on the Municipality's earnings equalisation reserve (EER).

70 Financial key figures – the Municipality

A number of financial key figures are reported here for a five-year period. The municipal tax rate can also be found here.

72 Sponsorship

Through sponsorship, the City of Gothenburg contributes to activities that are outside of the City's municipal mission, but are still expected to have positive effects in the form of a good social climate, good living conditions for citizens and a stronger image for the city.

73 Financial operations and risk management

Gothenburg Municipality has major financial commitments in the form of significant borrowing for the municipality's own needs and to cover the needs of the companies. This section reports various risks concerning the City's commitments, among other things.

76 The Municipality's income statement, balance sheet and cash flow statement

The Municipality's financial statements are presented here over three pages.

79 Notes – the Municipality

This section contains notes to the Municipality's income statement, balance sheet and cash flow statement.

84 Accounting principles applied

Ensuring that different accounting principles are reported in an open and informative way is an important part in living up to the task of accounting, of compiling relevant assessment and decision data.

88 District committees – financial performance

Analysis of the district committees' financial performance for the year.

89 Departmental committees – financial performance

A brief analysis of the financial performance of the larger departmental committees is presented here.

90 Operational and investment accounts

Operational and investment accounts must be included in the Annual Report by law.

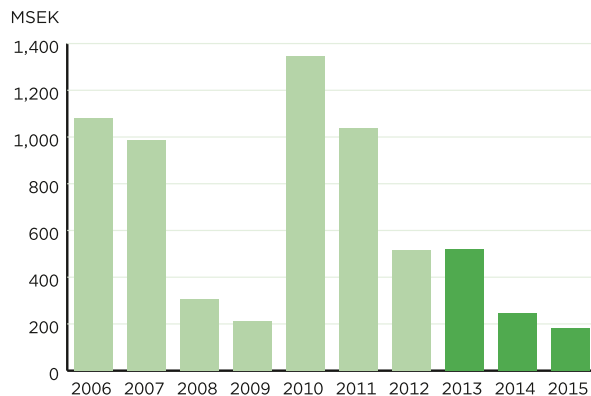
Financial analysis of Gothenburg Municipality

Gothenburg Municipality reported structural earnings of SEK 180 million for 2015. The financial margins for net costs compared with tax revenue therefore decreased further and are expected to continue to be low, taking into account the financial challenges faced by the City of Gothenburg. Bottom-line earnings amounted to SEK 824 million, which includes non-recurring items. The volume of investment was on a par with the previous year but there has been a slight increase in recent years as a result of the start of large-scale urban development projects.

This section presents a financial analysis of Gothenburg Municipality. The term Gothenburg Municipality refers to the committees and other items within the tax-funded operation. The diagrams below show the results over a 10-year period in order to present a picture of development over time and enable an approximate trend assessment. The analysis however focuses on development during the past financial year, and the years immediately prior to that.

Net earnings for the year and earnings trend

Structural earnings



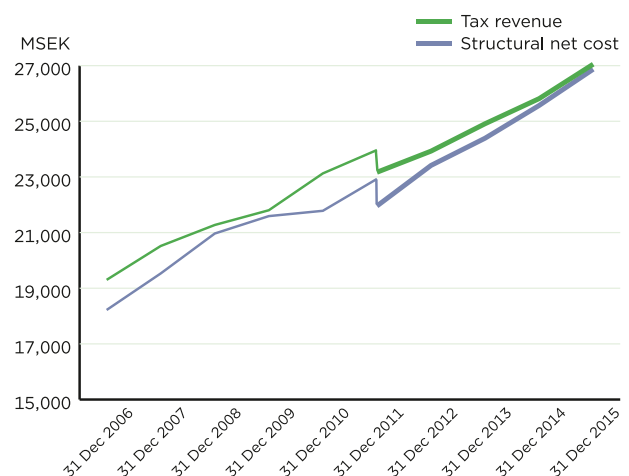
Gothenburg Municipality reported bottom-line earnings of SEK 824 million for 2015. However, in order to analyse what the earnings mean in the longer term and compared to previous years, it is important to eliminate various non-recurring items. So-called extraordinary items and items affecting comparability, such as capital gains from property sales and dividends from companies, are therefore excluded from the underlying operating earnings.

The above diagram, which excludes the above-mentioned non-recurring items, shows that Gothenburg Municipality has reported positive operating earnings over a long period. Structural earnings for the year amounted

to SEK 180 million, which is somewhat lower than the figure for the previous year. Earnings equate to 0.7% of the combined tax revenue and municipal financial equalisation. Over the past five years, this figure has averaged 2.0% with a downward trend.

Development of tax and net costs

Development of financing and net costs



The surplus in the income statement means that the combined net operating costs are lower than tax revenue. Tax revenue increased by 4.8% in 2015, which is somewhat higher than in the years immediately prior to that when the rate of increase was 3–4%. Structural net costs during the corresponding period increased by 4–6% a year. The increase in 2015 was 5.1%. The diagram above shows that the difference between tax revenue and net operating costs has decreased in recent years. An analysis of the structural earnings shows that the financial margins are low bearing in mind the challenges the City of Gothenburg is facing in terms of urban development, with large investment requirements and increased costs due to demographic developments.

Bases for analysis

	2013	2014	2015
1. Net earnings for the year (MSEK)	9,595	392	824
less extraordinary items (MSEK)	8,697	254	0
2. Net earnings for the year excl. extraordinary items (MSEK)	898	138	824
less items affecting comparability (MSEK)	170	-472	-199
3. Net earnings for the year excl. items affecting comparability and extraordinary items (MSEK)	728	610	625
Net earnings for the year excl. items affecting comparability and extraordinary items in relation to tax revenue and municipal financial equalisation (%)	2.9	2.4	2.3
less capital gains and any dividend (MSEK)	209	364	445
4. Structural earnings (MSEK)	519	246	180

The term extraordinary items is rarely used, but in 2013 and 2014 the technical effects of the restructuring of the company sector have been defined as extraordinary events.

Any dividend from companies is recognised in the earnings excluding extraordinary items. 2014 is the only year in the 21st century in which the opportunity to use dividends from companies (SEK 226 million) has been utilised.

In 2015, the Municipality received SEK 171 million in repaid insurance premiums from AFA, which was recognised as an item affecting comparability. The provision for the infrastructure project to lower the E45 highway has been adjusted by SEK 28 million in total through dissolution and indexation. Within the framework of the development fund created in the annual accounts for 2012, special measures were carried out in 2015 to the extent of SEK 120 million. The fund was decreased by the corresponding amount, which means that earnings for 2015 were not affected by these measures.

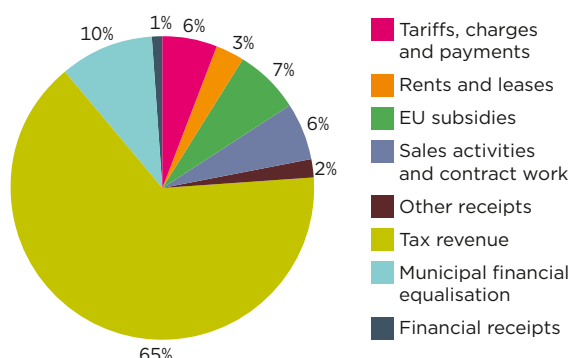
In 2014, an item affecting comparability amounting to SEK -472 million was recognised for provisions for co-financing national infrastructure measures. Within the framework of the above-mentioned development fund, special measures were carried out in 2014 in the amount of SEK 103 million.

Earnings were also affected by items affecting comparability in 2013, but then with a positive net effect corresponding to SEK 170 million. The Municipality received SEK 355 million in insurance premium repayments from AFA, and a change in the discount interest resulted in an adjustment of the Municipality's pension obligations that burdened earnings by SEK 185 million including employer's contribution.

Capital gains for the year for property transactions amounted to SEK 445 million. Capital gains for the previous year were SEK 138 million and the corresponding figure for 2013 was SEK 209 million. An average of just over SEK 100 million a year was reported for previous years in this century.

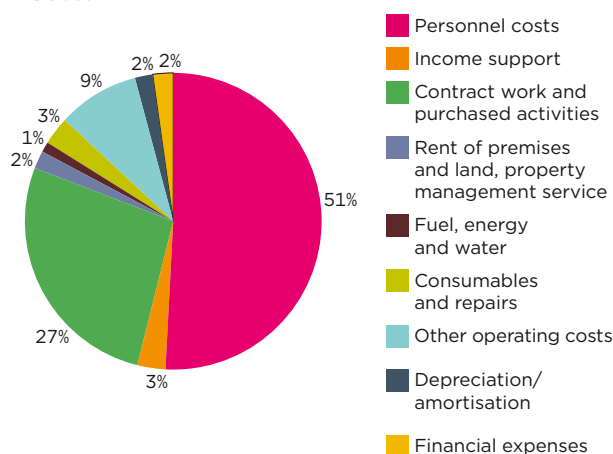
Receipts and expenses for the year

Receipts



The Municipality's receipts totalled SEK 36.7 billion in 2015, which is an increase of SEK 5.1 billion on 2014. Tax revenue and the municipal financial equalisation jointly form the largest receipts item of SEK 27.0 billion, and this figure increased by SEK 1.2 billion (4.8%) between the two years. The operation's other receipts increased by almost 4% and comprise tariffs and charges, rents and leases, and subsidies, for example. The change can partly be attributed to increased tariffs, charges and payments, but also in part to an increase in the volume of activity.

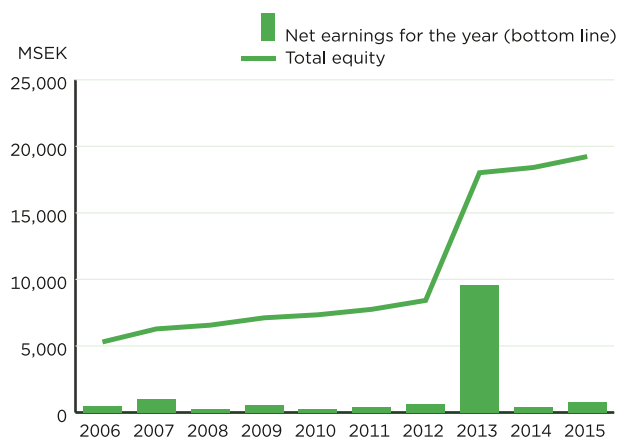
Costs



Gross costs for the year amounted to SEK 35.9 billion, an increase of 3.9%. Personnel costs, which constitute the single largest item, increased by 6.5% between the years, which is partly the effect of an increase in employees and partly of wage negotiations during the year. In terms of full-time equivalents, a parameter that states time worked, the increase was 970 full-time equivalents or 2.7%. Operating expenses for the operation, which include costs for premises and the purchase of materials and services, increased by just over 7%. Increased costs are partly the effect of population growth during the year which impacted on the scale of the remit for healthcare, schools and social care. Inflation has generally been virtually zero during the year, but since a high proportion of the Municipality's costs are for purchased activities, price rises account for part of the increase in costs.

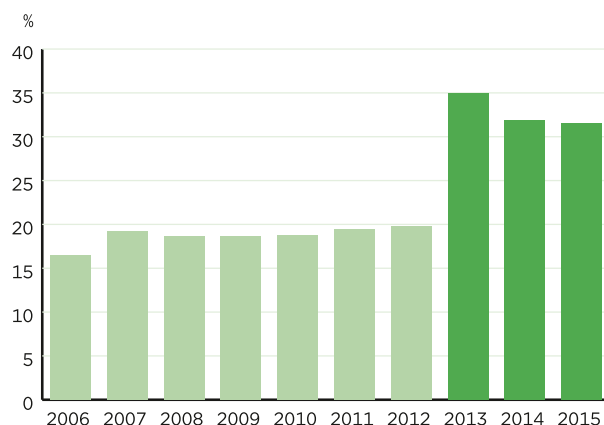
Development of equity and the equity-assets ratio

Development of equity



Gothenburg Municipality's equity was strengthened by net earnings for the year of SEK 824 million and amounted to SEK 19,234 million at the end of the year. Equity doubled in 2013 due to the effects on earnings of restructuring the company sector (extraordinary item totalling SEK 8,697 million). The transfer of the companies to Göteborgs Stadshus AB was a pure intra-group transaction and is therefore eliminated from the City of Gothenburg's combined accounts.

Equity-assets ratio as per the balance sheet

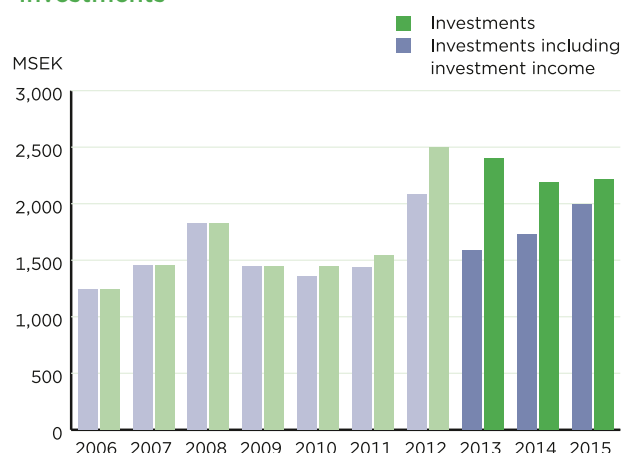


The equity-assets ratio is a measure of the Municipality's long-term financial manoeuvrability. It shows what percentage of the Municipality's assets have been financed through tax revenue. The above diagram shows the development of the equity-assets ratio using the so-called mixed model, in which certain pension obligations are recognised outside of the balance sheet. The equity-assets ratio increased strongly in 2013 as a result of the above-mentioned effects on earnings of restructuring the company sector, and amounted to approximately 32% at the end of 2015.

The ratio has decreased somewhat since 2013 due to an increase in total assets arising from increasing non-current assets and current receivables and on the liability side from increased current and long-term liabilities.

Investments

Investments

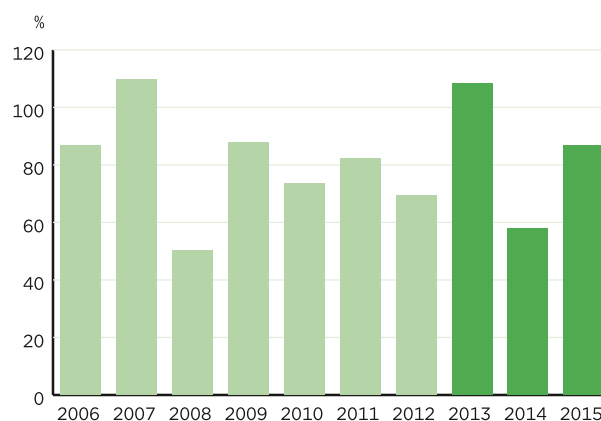


Gothenburg Municipality's total volume of investment during the year amounted to SEK 2.2 billion. This was approximately SEK 1.4 billion lower than planned for in the budget, mainly due to the postponement of projects. Some of the volume of investment is financed through investment income which totals SEK 0.2 billion. This means that approximately SEK 2.0 billion of the volume of investment has to be financed through the City's own funds. The above diagram illustrates how the investments have increased over time, with some slowing in connection with the economic downturn which began in late 2008. To date the extensive urban development the City of Gothenburg is facing has only partially impacted on the reported volume of investment.

Investments for the year, including investment income, amounted to 6% of the Municipality's gross costs. This is an increase on the corresponding figure for the previous year, which was 5%, and Gothenburg has therefore moved closer to the average for Swedish municipalities, which has been 6–7% in recent years.

The majority of investments for the year, approximately 45%, were in premises and housing, of which pre-schools and schools accounted for 27%. Investments in infrastructure accounted for around 35%, water/sewage-related activities accounted for 14% and sports and leisure facilities for 4%.

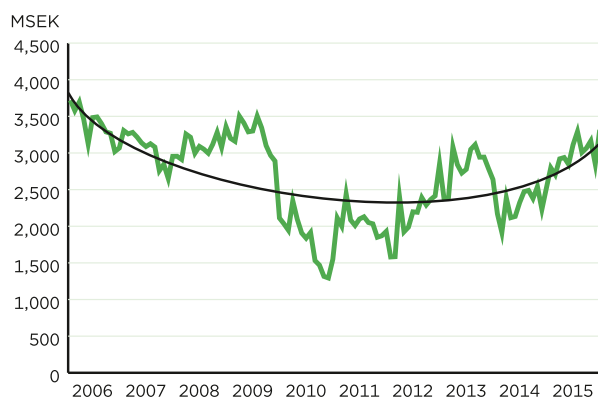
Degree of self-financing of the year's net investments



The degree of self-financing of investments during the year measures what percentage of the investments can be financed through the tax revenue remaining after the ongoing operations have been financed. Despite an increase in net investments compared with the previous year, the degree of self-financing increased to 87%. The reason for the increase was higher net earnings for 2015 (excluding extraordinary items) than in 2014. However, it is important to note that capital gains account for almost half of this earnings figure.

Development of net borrowing

Development of net borrowing



The above diagram illustrates how net borrowing has changed over a 10-year period. Net borrowing is defined as the internal bank's borrowing less lending to the companies and liquidity temporarily invested in the market. Borrowing reveals the Municipality's flow of liquidity and constantly fluctuates depending on events in the operation. It is strongly affected by operating earnings in the operation, volume of investment and non-recurring items. Property sales, the receipt of large state subsidies and payments for pension agreements are some of the items responsible for major, swift changes. Changes in the scope of the operation and in the volume of investment do not have an immediate impact on liquidity, rather they gradually become visible in the accounts. The trend curve gives a general idea of how net borrowing fell in 2009 and 2010, and then increased slightly in recent years. During the year borrowing increased by SEK 800 million from SEK 2.5 billion to SEK 3.3 billion, mainly due to the lower financial margins.

Pension obligations

MSEK	2013	2014	2015
Defined-contribution pension incl. employer's contribution	649	681	744
Long-term pension provision (note 13)	1,700	1,816	1,940
Contingent liabilities, previous pension scheme (pre 1998) etc. (note 18)	10,001	9,604	9,313
Pension obligations	11,701	11,420	11,253
Special employer's contribution	2,839	2,770	2,729
Pension obligations and employer's contribution	14,540	14,190	13,982

The Municipality's total pension obligations including employer's contribution amounted to SEK 14,726 million

in 2015, of which SEK 11,572 million (SEK 9,313 million + employer's contribution) refers to obligations that date back further than 1998, so-called pension obligations in contingent liabilities. This part of the pension obligation is not reported in the balance sheet in accordance with the Swedish Municipal Accounting Act.

Pension costs including employer's contribution amounted to SEK 1,576 million in 2015, which is an increase of SEK 80 million on 2014. The costs include pension payments from the pension obligations in contingent liabilities of SEK 430 million, defined-contribution pensions saving of SEK 618 million and a provision for a defined-benefit pension scheme of SEK 188 million. In addition there is an employer's contribution which equals SEK 306 million.

The Municipality's guarantee commitments

Purpose (MSEK)	2013	2014	2015
Other City companies	1,674	2,846	3,067
Private houses, tenant-owner dwellings	6	4	3
Foundations	603	560	503
Associations	186	190	178
Other	2	—	—
Pension obligations	830	810	817
Total guarantee commitments	3,301	4,410	4,568

In some cases the Municipality issues guarantees for loans to the municipality-owned companies, and for other external operations such as associations and foundations. The Municipality's total guarantee commitments amounted to SEK 4,568 million on 31 December 2015, which is an increase of SEK 158 million on 2014. This increase can primarily be attributed to the City's municipal companies. Guarantees for associations decreased by SEK 12 million during the year. The guarantee framework for the Sports and Associations Committee amounts to SEK 250 million.

The Municipality's guarantee for pension obligations in certain municipal companies, joint statutory authorities and foundations amounted to SEK 817 million at the end of the year, which is an increase of SEK 7 million on 2014. Gothenburg Municipality did not need to redeem any guarantee commitments in 2015.

Municipal tax

In 2015 the primary municipal tax was 21.12%, while the county council tax to Region Västra Götaland was 11.13%. The average municipal tax was 21.25% in the region and 20.70% in Sweden.

Budget performance

MSEK	Budget for 2015	2015 annual accounts
Earnings, committees	-61	178
Earnings, central municipal items	-209	2
Earnings before non-recurring items	-270	180
Items affecting comparability	0	199
Capital gains	0	445
Dividends from companies	670	0
Net earnings	400	824

The City Council budgeted for a surplus of SEK 400 million in 2015. One condition for achieving this result was a dividend of SEK 670 million from company profits. The committees that had budgeted for a deficit of SEK 61 million ultimately reported a surplus of SEK 178 million, which resulted in a deviation from budget of SEK +239 million. If this result is set against the committees' total costs of SEK 40.5 billion (including intra-municipal items) the deviation was 0.4%. The deviation is considered to be moderate in relation to the scope of the committees' assignments.

Net earnings for the year, which totalled SEK 824 million, included one-off income from AFA insurance of SEK 171 million and capital gains of SEK 445 million which were not budgeted for. These positive items, which are recognised centrally, mean that no dividend from company profits had to be made.

On the whole the forecast accuracy during the year was relatively good, which is an important parameter for the City's governance and control. The interim accounts in August forecast earnings of SEK 600–650 million, which was a deviation of SEK +150–200 million on the budgeted earnings of SEK 400 million. Net earnings for the year, which amounted to SEK 824 million, were in turn around SEK 200 million higher than the estimated earnings forecast in the interim accounts. One reason for the difference compared with the August figure was that the combined earnings for the committees were approximately SEK 80 million higher than forecast. Furthermore, approximately SEK 100 million more income was reported centrally due, for example, to state subsidies for the refugee situation and increased staffing in elderly care were reported, and capital gains for property transactions were higher than previously expected.

Concluding analysis

Gothenburg Municipality is in the beginning of an expansive phase. The city is growing with more residents, homes and workplaces, and extensive infrastructure projects are

essential to growth. A higher number of residents also increases the size of the municipal operation in the long term, which means for example more employees and investment in new business premises.

Bottom-line earnings for Gothenburg Municipality were above budget and earnings have been stable in recent years. This level of earnings, however, has largely been achieved through an increase in capital gains. The structural earnings trend has been falling and it appears low in relation to the challenges the City faces. The margin between net operating expenses and tax revenue has decreased since 2011 and is on a level that allows limited opportunities to meet increased costs or fund investments to the same extent as before.

The financial challenge for the future is to meet the high investment requirements of urban development and increased costs due to demographic developments. The impact of the planned volume of investment on finances is not yet fully visible, as a relatively large proportion of the projects has been postponed. The volume of investment is planned to increase sharply in the next few years. An unchanged level of earnings entails a risk of requiring a high level of borrowing to finance future investments, which in turn may result in higher efficiency demands in the ongoing operation.

From this forward-looking perspective, it would appear that today's already tight financial situation has limited margins. The desired level of earnings in relation to tax revenue, and thereby the scope of the operation, needs to be evaluated to ensure continued good financial management.

Control over cost development and the ability to run an efficient operation are the crucial factors in ensuring the financial situation remains sustainable. Good long-term planning, careful monitoring and in-depth analysis along with control, supervision and governance of the operation will become increasingly important.

A few financial parameters are summarised below, along with an assessment of whether the trend for that parameter is constant, increasing or decreasing.

		Comments
✓ ⇒	Net earnings	Gothenburg Municipality has recognised positive earnings for a number of years, but the significance of capital gains on earnings has increased in recent years. To date the Municipality has met the balanced budget requirement every year.
✓ ↘	Development of tax and net costs	The financial margin between structural net costs and tax revenue has decreased. The margin is considered to be tight taking into account the extensive financial challenges the City of Gothenburg is facing.
✓ ⇒	Degree of financing of investments	The volume of net investment has gradually increased in recent years but strong net earnings for the year mean that despite this the degree of investment financing through tax has increased.
✓ ⇒	Equity-assets ratio	The Municipality's equity-assets ratio is its equity as a percentage of total assets. This parameter is relatively stable and is approximately 30%. If increased borrowing is required to finance the extensive investment requirement in future, the ratio may decrease.

✓ Acceptable value ✗ Low value/risk

⇒ Constant/varying trend ↗ Increasing trend ↘ Decreasing trend

Good financial management, the balanced budget requirement and the earnings equalisation reserve

This section provides an analysis of the Municipality's development in relation to the term good financial management in accordance with the guidelines adopted by the City Council. This is followed by an analysis of the balanced budget requirement and a report on the Municipality's conditions regarding provisions for the earnings equalisation reserve (EER).

The Municipality has decided on 'Guidelines for good financial management and the application of the earnings equalisation reserve'. These guidelines state that the City Council must take account of six focus areas linked to the City's financial situation in its annual budget decisions. Here is an overview of the how these six focus areas have developed.

1. Earnings shall amount to at least 2% of tax revenue
In the long term, the City shall strive for an earnings surplus corresponding to at least 2% of the Municipality's tax revenue and municipal financial equalisation. Earnings shall be compatible with the City's risk exposure.

Net earnings for the year (bottom-line earnings) equalled 3.0% of the Municipality's tax revenue and municipal financial equalisation. The corresponding comparison based on net earnings excluding items affecting comparability and extraordinary items was 2.3%. The average for the latter over a five-year period is 3.0%. Generally speaking, earnings of 2–3% are considered good financial management because this level of earnings provides scope to finance the majority of the normal investment volume in a municipality over a long period.

As a result of the net earnings for 2015, no dividend was required from Göteborgs Stadshus AB, which had been budgeted. The focus area of surplus earnings of at least 2% is considered to be achieved both for 2015 and over time.

2. Volumes of investment shall be compatible with the City's long-term financing capacity.
In the long term the City shall ensure that volumes of investment are compatible with the City's long-term financing capability. The goal is a high degree of self-financing.

Gothenburg Municipality's net investments totalled SEK 2.0 billion in 2015. It should, however, be noted that several investments were postponed and will instead burden 2016 and subsequent years. The earnings parameters under point 1 were within the interval of 2–3%, which generally provides a foundation to finance investments through tax to an adequate extent. Thanks to strong earnings, the increased volume of investment for the year resulted in an increase in

the degree of self-financing of investments to 87%. It can therefore be said that the objective of a high degree of self-financing has been achieved.

3. Development within the framework of good financial management

In the long term the City shall conduct urban development within the framework of good financial management.

The goal that the City's development activities should be conducted within the framework of good financial management should be viewed over time. Development activities in 2015 yielded a positive outcome of SEK 6 million, but a negative outcome of approximately SEK 65 million a year has been reported on average for the period from 2010 onwards. Earnings from development activities have, however, been included within the framework of other parameters which form the basis for analysing good financial management.

In its budget for 2015, the City Council identified a series of focus areas to strengthen the City's investment and development finances, such as the need for the City to conduct urban development in way that is sustainable in the long term so that the overall operation does not create financial problems over time. In connection with the budget, the City Council also decided to commission the City Management Office to develop a strategy/action plan together with the relevant administrations to ensure the City's development activities finance themselves better. Work on this has begun, the aim being to strengthen opportunities for control in connection with development finances in order to secure the intentions of the focus area in the long term.

4. Governance over City companies

In the long term the City shall measure and secure the financial commitments associated with owning the City companies.

The structure of the City's Group companies has recently been the subject of a review. As part of the review, Göteborgs Stadshus AB with seven underlying clusters was formed with the aim of increasing political governance over the City of Gothenburg's companies. The City's borrowing is

brought together in a central finance function, which means that all new borrowing from the City's companies, and for the Municipality, is handled via the City's central finance function. The City Council has an upper limit in its budget for the City of Gothenburg's volume of liability. The ongoing volume of liability is under this limit by a fair margin. Decisions on the volume of liability and the established working method for measuring it on an ongoing basis ensure good oversight of changes, which strengthens governance. Göteborgs Stadshus AB works actively to develop procedures for times when company decisions, of a fundamental nature or of great importance, have to be subordinate to the City Council in accordance with provision 3:17 of Sweden's Local Government Act.

5. Assessing financial consequences

When making important decisions on entering long-term commitments in any form or disposing of property, the City shall assess the financial consequences on the City's ability to maintain good financial management.

In its budget for 2015, the City Council states that all decisions to change the City's operations and commitments must be based on data that shows the financial consequences for the City in the longer term. The aim of this is to ensure financial development that is sustainable in the long term. Work is underway within the City's organisations to strengthen decision data in order to secure the intentions of the focus area.

6. Earnings equalisation reserve

In accordance with special legislation, the City may use the earnings equalisation reserve to offset changes in external conditions due primarily to economic fluctuations.

Based on previous earnings, Gothenburg Municipality's calculated balance for the earnings equalisation reserve is SEK 549 million. Net earnings for the year entail a further provision of SEK 108 million, making a total of SEK 657 million. The provision enables the City to handle quickly arising losses of income resulting from external changes in order to meet the balanced budget requirement. This increases the time available for the City Council to restore financial balance if the situation occurs. The intention of this focus area has been met.

Concluding assessment of good financial management

The development of the six focus areas for good financial management must be assessed as a whole. Furthermore, the assessment should take place over a period of time as an individual year can give too narrow a picture in relation to the intentions of the focus areas. Most of the focus areas can be measured against a desired level, or target, while two of them depend more on responsibility issues and good rules of procedure (focus areas four and five).

Good financial management is deemed to prevail in Gothenburg Municipality, based on considerations of the interaction between the focus areas and their results over time.

Balanced budget requirement analysis

MSEK	2013	2014	2015
Net earnings for the year	9,595	392	824
Less all capital gains	-8,905	-392	-445
Certain capital gains applying exception options	0	0	0
Certain capital losses applying exception options	0	0	0
Unrealised losses on securities	0	0	0
Reversal of unrealised losses on securities	0	0	0
Net earnings for the year after balanced budget requirement analysis, before allocation to EER	690	0	379
Funds to earnings equalisation reserve (EER)	-549	—	-108
Funds from earnings equalisation reserve (EER)	0	0	0
Balanced budget requirement result for the year after allocation to EER	141	0	271

A total of SEK 549 million was allocated to the earnings equalisation reserve in 2013, partly for 2013 (SEK 441 million) and partly in accordance with the option in the law to make retrospective provisions from the years 2010–2012 (SEK 108 million). This year's provision amounted to SEK 108 million, which means the total provision amounts to SEK 657 million.

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. According to the analysis, the Municipality fulfilled the statutory balanced budget requirement with net earnings excluding capital gains of SEK 379 million in 2015.

Earnings equalisation reserve (EER)

In accordance with special legislation, the Municipality can use the earnings equalisation reserve to offset changes in external conditions due primarily to economic fluctuations. The legislation came into effect at the beginning of 2013. One prerequisite for when it may be relevant to make a provision or use the reserve thus involves analysing the current economic situation. The City Council sets out the conditions for provisions and for using the reserve in its guidelines for good financial management.

A total of SEK 549 million has been allocated to this reserve in previous years. The Municipality achieved the balanced budget requirement in 2015, with net earnings excluding capital gains of SEK 379 million. These earnings, set against 1% of the tax revenue and municipal financial equalisation, resulted in a surplus of SEK 108 million which thereby increased the reserve to SEK 657 million at the end of the year. The balanced budget result for the year after allocation to EER amounted to SEK 271 million, which means Gothenburg Municipality has met the balanced budget requirement every year since its introduction in 2000.

Financial key figures – the Municipality

	Annual accounts 2011	Annual accounts 2012	Annual accounts 2013	Annual accounts 2014	Annual accounts 2015
EARNINGS – CAPACITY					
Tax revenue trend	3.6 %	3.3 %	4.1 %	3.6 %	4.8 %
Net cost trend excl. items affecting comparability	5.2 %	6.3 %	3.7 %	4.2 %	4.8 %
Proportion of running costs	98.3 %	97.2 %	96.4 %	99.5 %	97.0 %
of which operating income and expenses (net)	90.9 %	93.9 %	93.5 %	94.8 %	94.0 %
of which planned depreciation/amortisation	3.2 %	3.2 %	3.3 %	3.4 %	3.3 %
of which net financial items	0.9 %	0.3 %	0.3 %	-0.5 %	0.3 %
of which one-off items affecting comparability	3.3 %	-0.3 %	-0.7 %	1.8 %	-0.7 %
Net earnings for the year excl. items affecting comparability and extraordinary items/tax revenue and municipal financial equalisation	5.0 %	2.5 %	2.9 %	2.4 %	2.3 %
Net earnings for the year excl. extraordinary items/tax revenue and municipal financial equalisation	1.7 %	2.8 %	3.6 %	0.5 %	3.0 %
Net earnings for the year/tax revenue and municipal financial equalisation	1.7 %	2.8 %	38.5 %	1.5 %	3.0 %
Degree of self-financing of the year's gross investments	76 %	58 %	72 %	46 %	78 %
Gross investments/gross costs	5 %	8 %	8 %	7 %	6 %
Degree of self-financing of the year's net investments	82 %	69 %	108 %	58 %	87 %
Net investments/gross costs	5 %	7 %	5 %	5 %	6 %
Net investments/depreciation and amortisation	187 %	269 %	193 %	200 %	221 %
Equity-assets ratio as per the balance sheet	19 %	20 %	35 %	32 %	32 %
Equity-assets ratio incl. all pension obligations	-10 %	-8 %	11 %	11 %	13 %
Total debt-equity ratio and degree of provision	81 %	80 %	65 %	68 %	68 %
of which degree of provision	9 %	8 %	6 %	6 %	6 %
of which short-term debt-equity ratio	20 %	25 %	24 %	27 %	25 %
of which long-term debt-equity ratio	51 %	47 %	35 %	35 %	38 %
Primary municipal tax rate (%)	21.55	21.12	21.12	21.12	21.12
RISK AND CONTROL					
Acid-test ratio	129 %	108 %	66 %	70 %	81 %
Net financial assets (MSEK)	-4,329	-5,366	-5,367	-6,074	-7,092
Net borrowing (Municipality's interest-bearing debt) (MSEK)	-1 929	-2 854	-2 638	-2 518	-3 315

Definitions

Tax revenue trend

Development of tax revenue and municipal financial equalisation.

Net cost trend excl. items affecting comparability

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

Proportion of running costs

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

Degree of financing of investments

(Earnings before extraordinary items + depreciation or amortisation)/gross investment, or (Earnings before extraordinary items + depreciation or amortisation)/net investment.

Investment/gross costs

Gross investment/operating expenses, or Net investment/operating expenses.

Equity-assets ratio as per the balance sheet

Equity/total assets.

Total debt-equity ratio and degree of provision

Provisions/total assets, or current liabilities/total assets, or long-term liabilities/total assets.

Acid-test ratio

(Current receivables + current investments + cash and bank)/current liabilities.

Net financial assets

(Financial assets excl. shares and participations + current assets) - (current + long-term liabilities).

Sponsorship

Through sponsorship, the City of Gothenburg contributes to activities that are outside of the City's municipal mission, but are still expected to have positive effects in the form of a good social climate, good living conditions for citizens and a stronger image for the city.

Review of the City's sponsorship commitments

To ensure uniform definition and application of sponsorship rules within the City, the City Council adopted a policy and guidelines for sponsorship within the City of Gothenburg in March 2013. To obtain a comprehensive picture of the City's sponsorship activities and to improve opportunities for coordination and control, the decision was made at the same time that every committee and board of directors should draw up an annual list of all sponsorship commitments decided at the committee/board level. The information below is based on the information reported by the committees and companies regarding sponsorship commitments for all or part of 2015. In 2015, the finishing line for the Volvo Ocean Race was in Gothenburg. The City of Gothenburg decided to sponsor this event. As a result the sponsorship sum has increased significantly for certain companies compared with the previous year.

What is sponsorship?

The City of Gothenburg's policy defines sponsorship as a voluntary commercial agreement of mutual benefit between two or more parties, where one party (the sponsor) agrees to provide compensation in the form of cash, goods and/or services and where the other party (the sponsored party) in return provides exposure of the company name, trademark or services for the benefit of the sponsor in its business. If there is no return benefit, then it is not sponsorship. The principal objective of the sponsorship must not be to financially support a particular company or organisation. There is also an important difference between sponsorship and commercial marketing, i.e. advertising. To be considered sponsorship, the exposure must only contain information about who is behind the sponsorship, e.g. the sponsor's name, trademark or services.

Companies

Lisebergs AB has sponsorship commitments totalling SEK 11.6 million, mainly for sports events. Gothenburg Port Authority has sponsored Volvo Ocean Race for SEK 8.4 million as a one-off sum. In addition the company has issued a further SEK 3.1 million in sponsorship which brings the company's total sponsorship commitments for 2015 to SEK 11.5 million.

Älvstranden Utveckling AB reported a sponsorship sum of SEK 8.6 million for the finishing line of Volvo Ocean Race. The company also had SEK 0.5 million in other sponsorship commitments, which brings the company's total sponsorship for 2015 to a total of SEK 9.1 million. Göteborg Energi AB has commitments amounting to SEK 3.2 million, divided over 11 agreements. Higab AB has five sponsorship commitments amounting to SEK 1.3 million. Förvaltnings AB Framtiden took part in sponsorship of the Volvo Ocean Race to the sum of SEK 1.0 million. Göteborgs Spårvägar AB reports a commitment of SEK 0.6 million. Renova AB has four sponsorship commitments which total SEK 0.6 million. Got Event AB has commitments of approximately SEK 0.1 million, while GREFAB has two commitments which total SEK 60,000. Förvaltnings AB Göteborgslokaler has reported SEK 45,000 in sponsorship divided between two sponsorship agreements.

Committees

The City of Gothenburg's district committees do not have any sponsorship commitments.

When it comes to the departmental committees, the Parks and Landscape Committee has a five-year sponsorship agreement established in 2013 with Göteborg Energi AB, related to an electric boat for cleaning the canals. The Cultural Affairs Committee is the recipient of sponsorship for the Music Scene Gothenburg 1955–2018 exhibition.

Summary

The City's companies still account for the majority of sponsorship commitments. Sponsorship commitments have increased since last year, which can be attributed to the Volvo Ocean Race. Other commitments are largely unchanged and are mainly for purposes related to young people, sport or culture and major public events, such as the GöteborgsVarvet half marathon and Christmas City Gothenburg. Awareness of the existing policy is high. The total reported sponsorship commitments for the City amounted to SEK 39 million in 2015, compared to just under SEK 25 million in 2014.

Financial monitoring and risk management

Total borrowing for the entire Group was SEK 38.4 billion at the end of the year, an increase of SEK 0.1 billion compared to the same period the previous year. The average term for capital tied up in combined external borrowing amounted to 3.2 years at the end of the year, and the average fixed interest term was 3.4 years.

Four major bonds were issued in 2015 and the City's long-term new borrowing totalled SEK 8.0 billion. Green bonds issued on behalf of the City continued to attract investors when the City issued its third green bond of SEK 1.0 billion. The credit rating has been maintained at the same high level as before.

Investor relations

Investor relations has been a constant feature of the City's work on its large debt portfolio. During the year meetings were held with several major investors with the aim of providing information about the City's market activities. The City of Gothenburg has represented and marketed the City in several domestic and international contexts, including COP21 in Paris. The City's website for financial information and investor relations has seen increased visitor traffic from all parts of the world. The website provides financial information such as rating reports.

Finance policy for the City of Gothenburg

The City's finance policy, which is decided by the City Council, establishes guidelines and risk limits for the financial activities of the City and its wholly owned companies. The risks that are regulated include financing risk, interest risk and counterparty risk. The finance policy is updated as required, most recently in December 2015.

The financial infrastructure

The Group obtains its financing on the open capital market via issues of municipal bonds and commercial papers. The foundation for this is to have established borrowing capital market programmes. Credit rating is one of the factors that determines what prices are ultimately paid for issued bonds.

High credit rating

Credit rating institutes Moody's and Standard & Poor's confirmed the Municipality's strong credit rating during the year. The Municipality's credit rating from Moody's has been the highest possible, Aaa, since 2006 and its rating from Standard & Poor's has been the second highest, AA+, since 2007. The outlook for both ratings is stable.

Capital market programmes

In its borrowing the Municipality uses its Euro Medium Term Note programme, which has a limit of EUR 6 billion, its commercial paper programme, which has a limit of SEK 6 billion, and its ECP programme, which has a limit of USD 500 million. The Group currently has bilateral loans amounting to SEK 5.1 billion. These loans are not included in the capital market programmes.

The City arranged credit facilities with the European Investment Bank totalling SEK 4.9 billion, of which SEK 4.2 billion has been utilised to date.

Capital market programmes

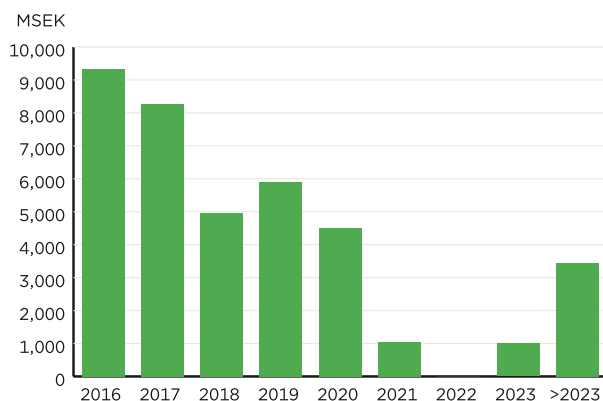
Programme	Loan limit	Degree of utilisation
EMTN	EUR 6 bn	SEK 21.3 bn
KCP	SEK 6 bn	SEK 0.3 bn
ECP	USD 500 m	SEK 3.0 bn
Kommuninvest		SEK 2.9 bn
Bilateral loans		SEK 5.1 bn

Debt portfolio

The Group's external borrowing was SEK 38.4 billion at the end of the year, an increase of SEK 0.1 billion compared to 2014. The average remaining term for total external borrowing amounted to 3.2 years at the end of the year, and the average fixed interest term was 3.4 years. Total borrowing can be divided into borrowing via the City (SEK 29.6 billion), Förvaltnings AB Framtiden (SEK 5.8 billion), and loans raised by companies outside of the internal bank (SEK 3.0 billion). The tax-supported part of the debt, net borrowing, amounted to SEK 3.3 billion, approximately 8.6% of total borrowing. Borrowing via Kommuninvest i Sverige AB mainly took place in the company sector and amounted to SEK 2.9 billion at the end of the year. In 2015 the Municipality began to work on repurchasing and redeeming its own bonds that have only a short time until they mature. The figure for this amounted to just over SEK 1 billion in 2015.

The repo rate has been negative since February 2015, which meant the Municipality was able to borrow funds with negative interest on the short-term programmes. There is, however, an interest floor for EMTN loans, which means that interest can never be less than 0%.

Maturity structure of borrowings



Derivatives portfolio

Derivatives are used to hedge interest and currencies on underlying loans. The nominal value of the derivative portfolio amounted to SEK 19.4 billion. At the end of the year, the Municipality had a negative market value of SEK 171 million on its derivative positions relating to hedging interest on net borrowing.

Effectiveness of hedging instruments

The instruments used to hedge liabilities in foreign currencies correspond entirely in terms of amounts, terms and day count conventions. As regards interest risk, the liabilities and hedges do not correspond entirely in terms of amounts and terms, but since the deviation between the hedged debt portfolio and hedging instruments is less than 20%, we consider the hedging to be effective.

Counterparty risk

The Municipality is exposed through derivative agreements to the risk that a counterparty is unable to fulfil its obligations. The counterparties are Swedish and international banks. In terms of business volume, 76% of the counterparty risk lies with counterparties with a rating of at least AA and 24% of the risk lies with counterparties rated A1 to A3. Due to the sharp decrease in market rates of interest, which resulted in large negative values for the Group's derivative positions, the counterparty risk is deemed to be very low at the end of the year.

Financing risk

SEK 7.6 billion of the Municipality's loans will mature during the coming year. To meet these obligations, the Municipality has binding loan commitments totalling SEK 9 billion. The loan commitments and the liquidity reserve of SEK 1.4 billion also have to cover the companies' external maturing debts, which amount to SEK 1.8 billion in 2016.

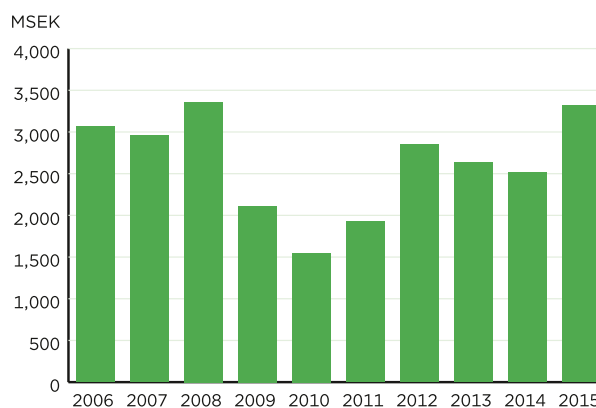
The City's risk management

Type of risk	Policy	Outcome
Interest rate risk	2-6 years	3.4 years
Financing risk	2-6 years (long external loans)	4.1 years
Counterparty risk	Max 30% volume/counterparty	Within the policy framework
Currency risk	None	None

Development of net borrowing

Net borrowing is hedged against interest rate rises through interest rate swaps. The rates for the fixed interest rate swaps are between 0.1 and 2.9%. Net borrowing amounted to SEK 3.3 billion on 31 December 2015, which is an increase of SEK 0.8 billion.

Development of net borrowing



Green bonds

As part of its environmental programme, the City of Gothenburg issues bonds to finance various environmental projects in areas such as renewable energy, public transport, water treatment, energy efficiency, smart grids, city planning and waste management. The City of Gothenburg has issued a green bond for the third consecutive year. The City returned to the green bond market on 23 June 2015 and borrowed SEK 1.0 billion, with maturity in 2021. A total of SEK 3.4 billion in green bonds have been issued by the City of Gothenburg over the past three years. Proceeds from the green bonds are earmarked for green projects in accordance with the City's framework for green bonds. The market has shown a lot of interest in the bonds and the phenomenon of green bonds continues to grow. In 2015 the City of Gothenburg had the honour of opening trading on the London Stock Exchange to mark the City being the first issuer to list all of its green bonds on the exchange's newly created segment for green bonds. The green segment is a step in further developing interest in green investments and facilitates trade in green bonds. Today green bonds account for SEK 3.4 billion of the total of SEK 38.4 billion the City of Gothenburg has in loans.

Long-term, transparent climate work

The City of Gothenburg's work on green bonds has been scrutinised during the year by Cicero, an independent environmental and climate research institute at the University of Oslo. Cicero has provided what is termed a 'second opinion' on the City's framework for green bonds. Cicero's second opinion establishes that the City of Gothenburg is carrying out important work to reduce its carbon and environmental footprint. The City's environmental policy and framework for green bonds is described by Cicero as transparent, comprehensive, long-term and robust.

Green bonds by project

Project (MSEK)	Administration/Company	Area	2013	2014	2015
Ultrafilter	Eco-cycle and water	Water treatment	150	420	0
GoBiGas	Göteborg Energi AB	Biofuel	300	0	620
Electric cars	Gatubolaget AB	Energy efficiency and sustainable transport	30	19	14
Denitrification	Gryaab	Environment		47	123
Tree planting	Parks and Landscape Administration	Environment		8	6
Celsius	Göteborg Energi AB	Energy efficiency and renewable energy		5	0
Pedestrian-friendly city	Traffic & Public Transport Authority	Sustainable communication			50
Cycle-friendly city	Traffic & Public Transport Authority	Sustainable communication			60
Energy efficiency of road lighting	Traffic & Public Transport Authority	Energy efficiency and sustainable communication			49
Sustainable construction - low energy premises	City Premises Administration	Sustainable construction		382	314
Energy-efficient housing	Förvaltnings AB Framtiden	Sustainable construction			388

DEFINITIONS

Issue

When we offer new municipal bonds for sale.

Derivative instrument

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

Counterparty risk

The counterparty risk refers to the risk that the counterparty in a transaction is unable to fulfil its payment obligations or obligations to deliver other securities.

Interest rate swap

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

Income statement – the Municipality

Amounts in MSEK	2013	2014	2015
Operating income, note 1	7,442	7,768	8,995
Operating expenses, note 2	-30,733	-32,230	-34,428
Operating items affecting comparability, note 3	170	-472	199
Depreciation/amortisation and write-downs, note 4	-825	-866	-904
Net operating expenses	-23,946	-25,800	-26,138
Tax revenue, note 6	21,806	22,524	23,635
Municipal financial equalisation etc., note 6	3,106	3,290	3,416
Financial receipts, note 7	1,118	1,121	480
Financial expenses, note 7	-1,186	-997	-569
Earnings before extraordinary items	898	138	824
Extraordinary receipts, note 8	8,697	254	—
Extraordinary costs	—	—	—
Net earnings for the year	9,595	392	824

Balanced budget requirement analysis	2013	2014	2015
Net earnings for the year	9,595	392	824
Less all capital gains	-8,905	-392	-445
Certain capital gains applying exception options	—	—	—
Certain capital losses applying exception options	—	—	—
Unrealised losses on securities	—	—	—
Reversal of unrealised losses on securities	—	—	—
Net earnings for the year after balanced budget requirement analysis, before allocation to EER	690	0	379
Funds to earnings equalisation reserve (EER)	-549*	0	-108
Funds from earnings equalisation reserve (EER)	—	—	—
Balanced budget requirement result for the year after allocation to EER	141	0	271

* A total of SEK 549 million was allocated to the earnings equalisation reserve in 2013, partly for 2013 (SEK 441 million) and partly through retrospective provisions from the years 2010–2012 (SEK 108 million).

Balance sheet – the Municipality

Amounts in MSEK	2013	2014	2015
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, note 5	21	9	10
Property, plant and equipment, note 5	17,040	18,459	19,984
Financial assets, note 9	25,919	27,935	28,077
Total non-current assets	42,980	46,403	48,071
CURRENT ASSETS			
Inventories etc., note 10	229	313	507
Current receivables, note 11	6,181	9,906	11,075
Cash and bank	2,070	1,110	1,388
Total current assets	8,480	11,329	12,970
Total assets	51,460	57,732	61,041
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY, note 12	18,018	18,410	19,234
of which net earnings for the year	9,595	392	824
PROVISIONS			
Provisions for pensions and similar obligations, note 13	2,114	2,256	2,410
Other provisions, note 14	900	1,212	1,057
Total provisions	3,014	3,468	3,467
LIABILITIES			
Long-term liabilities, note 15	17,898	20,148	23,046
Current liabilities, note 16	12,530	15,706	15,294
Total liabilities	30,428	35,854	38,340
Total equity, provisions and liabilities	51,460	57,732	61,041
TOTAL PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Guarantees, note 17	3,301	4,409	4,568
Contingent pension obligations, note 18	10,001	9,604	9,313
Special employer's contribution, note 18	2,426	2,330	2,259
Future leasing expenses, note 19	2,015	849	941

Cash flow statement – the Municipality

Amounts in MSEK	2013	2014	2015
OPERATING ACTIVITIES			
Net earnings for the year	9,595	392	824
Adjustment for items not affecting liquidity	1,144	1,591	1,134
Cash flow from activities before change in working capital	10,739	1,983	1,958
Increase (-)/decrease (+) in current receivables	4,822	-3,725	-1,169
Increase (-)/decrease (+) in inventories	-210	-84	-2
Increase (+)/decrease (-) in current liabilities	1,885	3,176	-413
Cash flow from operating activities	17,236	1,350	374
INVESTING ACTIVITIES			
Investment in intangible assets	-24	-17	-6
Sale of intangible assets	20	30	0
Investment in property, plant and equipment	-2,388	-2,190	-2,456
Sale of property, plant and equipment	58	20	59
Investment income	744	437	305
Investment in financial assets	-8,700	-147	-318
Sale of financial assets	500	2	11
Cash flow from investing activities	-9,790	-1,865	-2,405
DEVELOPMENT ACTIVITIES			
Investment in development	-130	-178	-233
Cash flow from development activities	-130	-178	-233
FINANCING ACTIVITIES			
Newly raised loans	7,390	5,840	7,955
Repayment of long-term liabilities	-9,456	-3,993	-5,347
Increase (-)/decrease (+) in long-term receivables	-2,902	-1,871	174
Reduction in provisions due to payments	-120	-195	-207
Cash flow from financing activities	-5,088	-219	2,575
Increase (-)/decrease (+) in long-term receivables			
DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES			
Disbursement of state infrastructure subsidies	-700	-48	-33
Cash flow for the year	1,528	-960	278
Liquid funds at beginning of year	542	2,070	1,110
Liquid funds at the end of the year	2,070	1,110	1,388
ITEMISATION FOR CASH FLOW STATEMENT			
Itemisation of items not affecting liquidity (MSEK)			
Adjustment for depreciation/amortisation and write-downs	825	866	904
Adjustment for provisions made	3	312	7
Adjustment for provisions made – pensions	380	142	232
Adjustment for other items not affecting liquidity and capital gains/losses	-64	271	-9
Total items not affecting liquidity	1,144	1,591	1,134

Notes – the Municipality

1. Operating income

MSEK	2014	2015
Charges	2,125	2,273
Rents and leases	1,188	1,213
State subsidies*	1,643	2,264
EU grants	41	15
Other subsidies	232	233
Work set up as an asset	89	103
Sales activities and contract work	1,930	2,098
Development income	175	441
Capital gains	36	59
Other receipts	309	296
Total operating income	7,768	8,995

* Includes one-thirteenth, MSEK 28, of the SEK 368 million state subsidy for the refugee situation.

2. Operating expenses

MSEK	2014	2015
Wages and social security contributions	-15,606	-16,638
Pension costs	-1,496	-1,576
Financial assistance	-1,182	-1,146
Rent of premises and land, property management service	-1,138	-1,223
Contract work and purchased activities	-8,331	-9,251
Fuel, energy, water, etc.	-377	-378
Consumables and repairs	-889	-949
Development expenses	-70	-55
Leasing expenses	-504	-524
Capital losses and disposals	-14	-6
Other operating expenses	-2,623	-2,682
Total operating expenses	-32,230	-34,428

3. Items affecting comparability

MSEK	2014	2015
Receipts		
Repayment of AFA Fora	—	171
Dissolution, provision and repayment of infrastructure	—	28
Reversal, development fund	103	120
Total receipts affecting comparability	103	319
Costs		
Costs for state infrastructure subsidies	-418	—
Indexation for state infrastructure subsidies	-54	—
Development fund utilised	-103	-120
Total costs affecting comparability	-575	-120
Total items affecting comparability	-472	199

4. Depreciation/amortisation and write-downs

MSEK	2014	2015
Amortisation, intangible assets	-5	-5
Depreciation, buildings and structures	-820	-859
Depreciation, machinery and equipment	-41	-38
Write-downs	-	-2
Total depreciation/amortisation and write-downs	-866	-904

5. Properties, plant, machinery and equipment

MSEK	Intangible fixed assets	Operational properties	Properties for business activities	Public properties	Land reserves and other properties	Construction in progress	Plant, machinery, equip., vehicles, art	Total
Cost	73	15,420	3,574	6,214	2,166	2,555	1,657	31,659
Acc. depreciation/amortisation	-35	-6,123	-1,868	-3,311	-453	—	-1,344	-13,134
Acc. write-downs	-29	-26	—	-2	—	—	—	-57
Opening book value	9	9,271	1,706	2,901	1,713	2,555	313	18,468
Net investments for the year	6	646	437	147	5	1,176	45	2,462
Sales/disposals for the year	—	-6	—	—	-4	—	—	-10
Depreciation/amortisation for the year	-5	-565	-91	-180	-23	0	-38	-902
Write-downs for the year	—	—	—	-2	—	—	—	-2
Reclassifications/transfers	—	-7	—	-6	-11	-1	3	-22
Closing book value	10	9,339	2,052	2,860	1,680	3,730	323	19,994

6. Tax revenue, municipal financial equalisation, etc.

MSEK	2014	2015
a) Municipal tax revenue		
Preliminary tax revenue, current year	22,578	22,578
Preliminary final settlement, current year	3	23
Final settlement, previous year	-57	-41
Total municipal tax revenue	22,524	23,635
b) Municipal financial equalisation, etc.		
Income equalisation	2,640	2,842
Structural subsidy	55	56
Cost equalisation	-322	-323
Settlement subsidy/charge	124	-21
LSS equalisation	72	81
General subsidies	—	41
Municipal property charge	721	740
Total municipal financial equalisation, etc.	3,290	3,416
Total tax and municipal financial equalisation	25,814	27,051

7. Financial receipts and expenses

a) Financial receipts and expenses

MSEK	2014	2015
Financial receipts		
Interest income	258	9
Interest income from subsidiaries	619	429
Earnings from shares and participations (incl. dividend)	229	9
Other financial receipts	15	33
Total financial receipts	1,121	480
Financial expenses		
Interest expenses	-945	-513
Interest on pension provisions	-26	-28
Other financial expenses	-26	-28
Total financial expenses	-997	-569
Net financial items	124	-89

b) Market value of interest rate swaps

MSEK	2014	2015
Secured debt	2,868	3,808
Market value of interest rate swaps	-229	-171
Secured debt in foreign currency	3,178	3,865
Cross currency swaps*	-78	-232

* Regards the entire liability.

8. Extraordinary items

MSEK	2014	2015
Extraordinary receipts		
Earnings from sale of wholly owned subsidiaries	254	—
Total extraordinary receipts	254	—

9. Financial assets

MSEK	2014	2015
Shares and participations	9,484	9,800
Other long-term receivables	18,451	18,277
Total financial assets	27,935	28,077
Shares and participations		
Göteborgs Stadshus AB	9,451	9,451
Associated companies	1	1
Kommuninvest	17	336
Other companies, tenant-owner dwellings and basic fund capital trusts	15	12
Total shares and participations	9,484	9,800

10. Inventories and development properties

MSEK	2014	2015
Inventories	20	21
Development properties	293	486
Total inventories and development properties	313	507
Development properties		
Opening value	210	293
Expenses for the year	154	171
Withdrawal of book value	-71	-10
Reclassification/revaluation	0	32
Total development properties	293	486

11. Current receivables

MSEK	2014	2015
Short-term receivables, Group companies	7,245	8,521
Accounts receivable	534	536
Prepaid expenses/accrued income	1,101	1,087
VAT receivable	238	262
Receivables from the state	358	194
Other current receivables	430	475
Total current receivables	9,906	11,075

12. Equity

MSEK	2014	2015
Equity brought forward	18,018	18,410
Net earnings for the year	392	824
Closing equity	18,410	19,234
Distribution of equity		
Earnings equalisation reserve	549	657
Other equity	17,861	18,577
Closing equity	18,410	19,234

13. Provisions for pensions

MSEK	2014	2015
Defined-benefit pension scheme	1,780	1,780
Collective agreement occupational pension, fixed-term pension, etc.	36	36
Employer's contribution	440	470
Total provision for pensions	2,256	2,410
Change in provision over the year		
Opening provision	2,114	2,256
New commitments during the year	192	202
of which newly earned pension	169	170
of which interest and base amount indexation	23	31
of which change in actuarial bases	1	-1
of which pension to survivors	6	5
of which miscellaneous	-6	-3
Payouts for the year	-79	-78
Change in special employer's contribution for the year	28	30
Total provision for pensions	2,256	2,410
Degree of updating (%)	100	100

14. Other provisions

MSEK	2014	2015
Provision for restoration of landfill (1)		
Carrying amount at beginning of year	34	32
Provisions for the period	—	—
Provisions utilised	-2	-6
Unused amounts reversed	—	—
Closing provision	32	26
Provision for West Sweden Package (2)		
Carrying amount at beginning of year	32	5
Provisions for the period	—	—
Provisions utilised	-27	—
Unused amounts reversed	—	—
Closing provision	5	5
Provision for West Sweden Package: land use (3)		
Carrying amount at beginning of year	421	420
Provisions for the period	—	—
Provisions utilised	-1	—
Unused amounts reversed	—	—
Closing provision	420	420
Provision for expansion of E20 highway, co-financing (4)		
Carrying amount at beginning of year	—	40
Provisions for the period	40	—
Provisions utilised	—	—
Unused amounts reversed	—	-2
Closing provision	40	38
Provision for lowering of E45, co-financing (5)		
Carrying amount at beginning of year	—	394
Provisions for the period	413	—
Provisions utilised	-19	-14
Unused amounts reversed	—	-34
Closing provision	394	346

Provision for Götalandsbanan, co-financing (6)		
Carrying amount at beginning of year	—	19
Provisions for the period	20	—
Provisions utilised	-1	-19
Unused amounts reversed	—	—
Closing provision	19	0
Provision for other infrastructure measures (7)		
Carrying amount at beginning of year	22	12
Provisions for the period	—	—
Provisions utilised	-10	—
Unused amounts reversed	—	—
Closing provision	12	12
Provision for development fund (8)		
Carrying amount at beginning of year	373	270
Provisions for the period	—	—
Provisions utilised	-3	-120
Unused amounts reversed	—	—
Closing provision	270	150
Other provisions (9)		
Carrying amount at beginning of year	18	20
Provisions for the period	5	53
Provisions utilised	-1	-3
Unused amounts reversed	-2	-10
Closing provision	20	60
Total opening balance	900	1,212
Total provisions for the period	478	53
Total utilised	-164	-162
Total unused amounts reversed	-2	-46
Total closing balance	1,212	1,057

(1) The Eco-cycle and Water Committee is responsible for measures to protect the environment at closed landfills within the City of Gothenburg. The provision refers to a total of 17 closed landfill sites, of which the provision for Brudaremossen accounts for approximately 50%. Brudaremossen lies in the Delsjö Lakes water protection area and some of the other closed landfill sites also lie in areas of great natural value. At some of the landfill sites there is a risk that individual drinking water supplies may be affected. A new analysis and estimate of the Brudaremossen provision was conducted in 2010, showing among other things that the preventive measures taken have appreciably reduced the risks. 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 indicates that permanent measures will be needed to treat the leachate. Improvement work is currently in progress at all landfill sites.

(2) In 2010 the Municipality signed an agreement on the co-financing of infrastructure measures as part of the West Sweden Package. The amount has been index adjusted by SEK 0 (0) million.

- (3) 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. The amount has been index adjusted by SEK 0 (0) million.
- (4) In 2014, the Municipality entered into a co-financing agreement for the expansion of the E20 highway. The amount has been index adjusted. The agreement is a sub-agreement between the Göteborg Region Association of Local Authorities and the City of Gothenburg. In the main agreement, the City of Gothenburg is represented by the Göteborg Region Association of Local Authorities. The change in 2015 was due to negative indexation.
- (5) In 2014, the Municipality entered into a co-financing agreement regarding the lowering of the E45 highway and a new bridge over Götaleden, for example. The amount has been index adjusted upwards by SEK 54 (-6) million. The change in 2015 was due to negative indexation and a SEK 28.6 million adjustment to the calculated basic provision.
- (6) In 2014, the Municipality entered into a co-financing agreement regarding an investigation into the expansion of Götalandsbanan. The amount has been index adjusted. The provision was used in its entirety in 2015 and only a small amount of the indexation remains.
- (7) Refers to remaining commitments for the Göta Tunnel and the moving forward of certain investments to improve public transport in parts of the City of Gothenburg.
- (8) On 6 December 2012, the City Council decided to set up a development fund of SEK 400 million for future initiatives, in particular social initiatives. The fund's assets will not replace the committees' ordinary responsibility, but will mainly be used to deal with joint problems that the committees cannot reasonably manage in the ordinary budget. According to the City Council decision, dissolution of the fund will be recognised as items affecting comparability in the respective year's income statement. The fund has been recognised in the balance sheet as a provision. It does not meet the criteria for a provision set out in recommendation RKR 10.2 Provisions.
- (9) Other provisions refer to expected damages and to unpaid investment subsidies to associations and foundations.

15. Long-term liabilities

MSEK	2014	2015
Liabilities to banks, credit institutes, etc.	19,420	22,046
Deferred income	642	932
Other long-term liabilities	86	86
Total long-term liabilities	20,148	23,046
Change in long-term liabilities over the year		
Opening borrowing	17,898	20,148
Repayments for the year	0	-1,137
Newly raised loans	5,839	7,955
Current portion of long-term liabilities	-3,998	-4,192
Change in deferred income	403	290
Change in other long-term liabilities	6	-18
Total long-term liabilities	20,148	23,046
Deferred income, regulated over several years		
Connection charges	100	140
Investment subsidies	507	652
Payments for street costs	35	140
Total deferred income	642	932
Information on loans from banks and credit institutions		
Average interest %	0.97	0.48
Average fixed interest period (days)	259	358
Loans due within 1 year	3,998	4,192
Loans due within 1-2 years	5,079	3,379
Loans due within 2-5 years	10,331	13,167
Loans due within 5 or more years	4,010	5,500

16. Current liabilities

MSEK	2014	2015
Liabilities to banks, credit institutes, etc.	8,166	7,525
Liabilities to the Group companies	1,726	1,952
Accounts payable	1,598	1,802
Accrued expenses/deferred income*	3,848	3,601
Employee taxes	234	260
Other current liabilities	134	154
Total current liabilities	15,706	15,294

* Includes twelve-thirteenths, MSEK 340, of the SEK 368 million state subsidy for the refugee situation.

17. Guarantees

MSEK	2014	2015
(Regarding loans and pension obligations)		
Gothenburg Port Authority	777	527
Göteborg Energi AB	234	236
Higab AB	1,197	1,197
Göteborgs Stadshus AB	1,050	1,526
Other companies	352	345
Total guarantees City companies	3,610	3,831
Other guarantees		
Private houses – government home loans	4	3
Foundations	560	503
Associations	190	178
Other	45	53
Total external guarantees	799	737
Total guarantees	4,409	4,568

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 280 municipalities that were members of Kommuninvest Cooperative Society on 31 December 2015 have entered into identical guarantee commitments.

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 recourse 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.

From an estimate of the financial effect of the City of Gothenburg's responsibility for the above-mentioned guarantee commitment, it may be noted that as of 31 December 2015 Kommuninvest i Sverige AB's total obligations amounted to SEK 325,621 million and its total assets to SEK 319,574 million. The Municipality's share of the total obligations was SEK 7,249 million and its share of total assets was SEK 7,063 million.

18. Pension obligations not recognised as liabilities or provisions

MSEK	2014	2015
PA-KL pension obligations, active	4,435	4,111
PA-KL pension obligations, retired	4,726	4,784
Pension obligations, annuity	412	392
Total PA-KL pension obligations	9,573	9,287
Pension obligations, managers' agreements	21	14
Other pension obligations	10	12
Total pension obligations	9,604	9,313
Special employer's contribution	2,330	2,259
Total pension obligations and special employer's contribution	11,934	11,572

Pension obligations in contingent liabilities total-ling SEK 680 million were redeemed (SEK 420 million in 2001 and SEK 260 million in 2002). The City of Gothenburg's surplus funds in insurance amounted to SEK 37 (6) million on 31 December 2015.

19. Future leasing expenses

MSEK	2014	2015
Operational lease agreements		
Lease fees paid for the year	504	524
Contracted future lease fees		
Fall due within 1 year	268	268
Fall due within 1–5 years	447	534
Fall due in more than 5 years	134	139

Accounting principles

– the Municipality and combined accounts

One of the most important tasks of accounting is to provide relevant information for making assessments and decisions. For this to be possible, the various accounting principles must be described in an open and informative manner. This section serves to describe the accounting principles used by the City of Gothenburg, in both the Municipality and in the combined accounts.

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

The City of Gothenburg follows the recommendations issued by the Municipal Accounting Standards Council, except for certain parts of the following recommendations: RKR 10.2 Provisions and Contingent Liabilities, RKR 11.4 Property, Plant and Equipment, RKR 13.2 Accounting of Rental/Leasing Agreements, RKR 18.1 Receipts from Fees, Subsidies and Sales and RKR 8.2 Combined Accounts.

RKR 18.1 Receipts from Fees, Subsidies and Sales, RKR 19 Value Adjustments and parts of RKR 10.2 Provisions and Contingent Liabilities have not been applied to the combined accounts. During the year, the cash flow statement for the combined accounts has been adapted to the Municipal Accounting Standards Council's recommendation 16.2 Accounting of Cash Flows. The figures for 2014 have been adjusted to enable comparison. 2013 is excluded as a comparison year.

The current application of recommendations is deemed to provide a good picture of the results and position. Work on examining the conditions and consequences of applying the rules to an even greater extent will begin during the year. A more detailed description of deviations from the recommendations is given under each heading.

Changes to accounting principles

A review of development accounting began in 2015 and will continue in 2016. In 2014, the Municipality began work to implement component depreciation as of 2017. This work is proceeding to plan.

INCOME STATEMENT

Accounting of 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' December forecast, in accordance with recommendation RKR 4.2 Accounting of Tax Revenue.

Other receipts

As of 2012, utility and connection charges in the Municipality are recognised as deferred income among long-term liabilities and distributed over the useful life of the facility. The connection charges were previously entered as a receipt in their entirety. Income in the Municipality for 2015 was SEK 43 (42) million, of which SEK 3 (2) million was entered as a receipt during the year.

Göteborgs Energi AB enters its connection charges as receipts when delivery of the connection begins, which is not adjusted in the combined accounts. Connection charges entered as receipts in the combined accounts totalled SEK 91 (67) million in 2015.

Items affecting comparability

Items affecting comparability are shown recognised on their own line in the income statement. For an item to be regarded as affecting comparability, the item must amount to a considerable sum and be of such a nature that it is not expected to occur often or regularly. In 2014, a provision of SEK 418 million was made for co-financing government projects for the E20 and E45 highways and Götalandsbanan, as well as for upward index adjustment of the West Sweden Package in the amount of SEK 55 million. The provision for the development fund was dissolved in the amount of SEK 103 million. This means that the items affecting comparability amounted to SEK –472 million net. In 2015, the Municipality received SEK 171 million in repaid insurance premiums from AFA and the provisions for infrastructure measures were dissolved in the amount of SEK 28 million. The provision for the development fund was dissolved in the amount of SEK 120 million. This means that the items affecting comparability amounted to SEK 199 million net.



Extraordinary items

An item is classified as extraordinary if the following three criteria are fulfilled simultaneously:

1. The event or transaction giving rise to the item lacks a clear connection to regular activities.
2. The event or transaction is of such a nature that it cannot be expected to occur often or regularly.
3. The item totals a significant amount.

In 2013 and 2014 the City of Gothenburg carried out a major restructuring of its company sector, which resulted in a transfer of the companies to the parent company Göteborg Stadshus AB. The sale meant that the Municipality reported an extraordinary receipt of SEK 8,697 million in 2013 and SEK 254 million in 2014. At the same time, the Municipality made a shareholder contribution to Göteborgs Stadshus AB which corresponded to the extraordinary income. For the balance sheet, the effect of the transaction is that the Municipality's financial assets in the form of shares increased by SEK 8,697 million for 2013 and SEK 254 million for 2014. This affected the equity-assets ratio level, for example, which increased significantly in 2013. The transfer of the companies to Göteborgs Stadshus AB is a pure intra-group transaction and has therefore been eliminated from the combined accounts.

Loan expenses in connection with investments

Loan expenses in connection with investments can be reported according to both the main rule and the alternative rule in accordance with recommendation RKR 15.1 Accounting of Loan Expenses. The main rule means that the loan expenses are charged to earnings and the alternative rule means that the loan expenses, under certain conditions, may be charged to the acquisition cost of the asset. In 2015, the City of Gothenburg's committees set up loan expenses of SEK 0 (1) million as non-current assets. In the combined accounts, loan expenses of SEK 18 (28) million were set up as an asset.

Leasing

A decision by the City Council stipulates that as of 2007 the Municipality's investments in movable property shall be financed through leasing, with the municipal company Kommunleasing i Göteborg AB as the leasing company. Leasing agreements signed before 2003 and leasing agreements with a term of three years or less are considered operational agreements in accordance with RKR 13.2 Accounting of Rental/Leasing Agreements and are reported as rental agreements. In accordance with RKR 13.2 Accounting of Rental/Leasing Agree-

ments, financial leasing of non-current assets shall be recognised as a non-current asset and the liability to the lessor shall be recognised in the balance sheet. Since the present value of financial leasing agreements accounts for only a small proportion in relation to the value of total assets, all leasing agreements are recognised as rental agreements. Thus the City of Gothenburg does not comply with RKR 13.2 Accounting of Rental/Leasing Agreements with regard to reporting of financial leasing objects (non-current assets and liabilities in the balance sheet). An overview of the Municipality's handling of financial leasing will be carried out in 2016.

BALANCE SHEET

Intangible fixed assets

Intangible fixed assets are recognised at cost less amortisation 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, or alternatively the assets and liabilities at the time of acquisition. In all cases, the investments are regarded as strategic.

Property, plant and equipment

In the City of Gothenburg an asset is regarded as a non-current asset if its useful life exceeds three years and the cost exceeds half a basic amount. Non-current assets are valued at cost with an addition for value-raising investments and a deduction for planned depreciation and any write-downs.

As of 2013, income does not reduce the cost but is instead distributed as income over the useful life. Agreements entered into regarding subsidies from the state or other legal entities for investments in non-current assets that the City of Gothenburg is not going to own or have recourse to, are recognised as a cost in the income statement and a provision in the balance sheet when the agreement is signed.

Depreciation of 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.

The useful life undergoes a review if there are circumstances that make this necessary, such as operational changes and changes to technology. An asset's useful life is not usually reviewed if the depreciation period is 10 years or less. No depreciation is carried out for assets in the form of land, art and work in progress.

The Municipality does not comply with RKR 11.4 on the assets' division into components. Component accounting will be introduced as planned as of 2017.

The Municipality's recommended depreciation periods

	Years
Capitalised expenditure for development and similar	5
Goodwill	5–10
Land improvements	20–50
Buildings	20–50
Kiosks, pavilions, barracks	10
Plant, machinery and equipment	5–10
Personal computers and IT equipment	3

Development properties

As of 2013, new development assets are reported as current assets. Work to review the reporting and classification of such properties will continue in 2016.

Financial assets and liabilities

Financial assets and liabilities are recognised as long-term or current items depending on their character. Reclassification to a current item occurs when an item changes character or when the financial item is not extended.

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. Pension benefits earned in pension schemes from 1998 onwards are recognised 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.

The City of Gothenburg calculates the current pension liability as specified in the RIPS 07 guidelines. A total of SEK 680 million of pension obligations in contingent liabilities have been redeemed (SEK 420 million in 2001 and SEK 260 million in 2002). The degree of updating of the pensions was 100% (100%) in 2015.

Provisions

A provision is a liability that is uncertain with regard to the time of maturity or the amount and according to RKR 10.2 Provisions and Contingent Liabilities refers only to formal obligations.

Provisions for landfill sites have been entered at amounts assessed to be necessary to settle the obligation on the balance sheet day. The amount is based on a projection made in 2010, which has been consolidated by an analysis of leach water in 2015. The calculation is continually updated. No present value has been calculated.

ed for landfill sites in the City of Gothenburg, and the change in the provision is recognised directly in the income statement instead of as a contingent liability. Thus the City of Gothenburg does not comply with RKR 10.2 Provisions and Contingent Liabilities in these sections.

In 2012, the City Council decided to set up a development fund of SEK 400 million for future initiatives, in particular social initiatives. The fund's assets will not replace the committees' ordinary responsibility, but will mainly be used to deal with joint problems that the committees cannot reasonably manage in the ordinary budget. According to the City Council decision, use of the fund will be recognised as items affecting comparability in the respective year's income statement. The fund has been recognised in the balance sheet as a provision. It does not therefore meet the criteria for a provision set out in recommendation RKR 10.2 Provisions.

According to RKR 10.2, informal obligations recognised as provisions in Group companies should be reclassified as contingent liabilities in the combined accounts. No provisions have been specified as informal by the Group companies, which is why there has been no reclassification in the combined accounts. No further analysis has been carried out.

MEMORANDUM ITEMS

Memorandum items is an accounting concept that means that pledged assets and contingent liabilities are not included as liabilities or provisions in the balance sheet, but are shown directly under.

Contingent liabilities

Possible commitments where there is uncertainty as to the size of the sum and/or degree of realisation are reported as contingent liabilities. The Municipality's guarantee commitments and the portion of pension commitments dating back further than 1998 are recognised under contingent liabilities.

COMBINED ACCOUNTS

The combined accounts are prepared in accordance with RKR 8.2 Combined Accounts, with certain deviations as regards RKR 10.2 Provisions and Contingent Liabilities, RKR 18.1 Receipts from Fees, Subsidies and Sales, and RKR 19 Value Adjustments. The cash flow statement in the combined accounts is based on the reported cash flow statements for the underlying units with eliminations for internal transactions. The City of Gothenburg conducts extensive activities, primarily through wholly or partly owned limited companies, though also through joint statutory authorities, in which the Municipality, directly or indirectly has more than half of the votes or in some other way has significant influence.

The companies' accounts are prepared in accordance with Sweden's Annual Accounts Act and the general recommendations of the Accounting Standards Board (BFNAR 2012:1). For joint statutory authorities, the Municipal Accounting Act applies with attached recommendations.

Differences in accounting principles between the companies and the Municipality may occur because different recommendations are applied for the Municipality and the companies respectively. This is the case for leasing and accounting of projects in progress, for example.

Consolidation principles

The combined accounts are prepared in accordance with acquisition accounting rather than proportional consolidation. This means that the parent company indirectly acquires the subsidiary's assets and liabilities, measured at fair value. In the combined balance sheet, the parent company's book value of its share in the subsidiary is eliminated against the acquired share of the subsidiary's equity. Equity in the combined accounts is, therefore, only that part of the subsidiaries' equity that has been added after the acquisition, together with the parent company's equity. The minority share of net earnings for the year is recognised in the income statement. The minority share of the subsidiary's capital is recognised as a separate item in the balance sheet. Sold subsidiaries are included in the earnings until the time of the sale. On acquisition of a subsidiary, earnings are included from the time of acquisition.

The annual accounts of the Group are used as the basis for the combined accounts. Internal dealings and internal profits of material importance have been eliminated.

Associated companies

Associated companies are recognised in accordance with the equity method. Companies that are not subsidiaries, but where there is a long-term direct or indirect holding of at least 20% and not more than 50% (usually the share of voting power), are reported as associated companies. Participations in associated companies are recognised in the parent company at cost. In the combined accounts, participations in associated companies are shown at cost adjusted by the Group's share of the associated company's equity and 78% of untaxed reserves. In the combined income statement, the owned share of the associated company's earnings before tax is included as financial receipts. The owned share of the associated company's tax is recognised as a tax expense.

Untaxed reserves

Untaxed reserves in individual companies are divided into an equity part, reported as restricted equity, and a deferred tax liability part. In part-owned joint statutory authorities and subsidiaries, external stakeholders'/ shareholders' shares of equity and untaxed reserves are recognised as a minority interest. The minority share of earnings after tax is recognised in the income statement.

District committees

– financial performance

During the year the district committees carried out financial investments in schools and elderly care. The committees also had additional costs for receiving refugees and asylum seekers. Nevertheless, on the whole the committees have managed to carry out their activities within budget.

Since 2011, Gothenburg has been divided into 10 district committees. The committees' activities are almost entirely financed through municipal subsidies. Municipal subsidies to the district committees, which are based on the size and composition of the population in each district, finance the district's net costs for pre-school, compulsory school, elderly care, services for people with disabilities and income support, etc.

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

Financial performance

The difference between the municipal subsidies and net costs is the committees' earnings. A committee can finance a deficit by using a surplus from previous years. The committees can use up to the equivalent of half a per cent of the municipal subsidy without the City Executive Board's approval.

In 2015, the district committees reported net earnings of just over SEK 10 million, which was almost SEK 40 million higher than budgeted by the committees. Five committees reported positive earnings and five committees reported a negative result. In two districts, Östra Göteborg and Norra Hisingen, earnings were also far lower than budgeted by the committees. The number of children and young people in both districts turned out to be far higher than estimated and far higher than the committees had been allocated resources for. The main reason was a large number of newly arrived refugees.

Increased costs for social housing and foster care

The net cost for income support decreased by just over SEK 40 million in 2015, which equates to a decrease of just under 4% compared with 2014. Increases for other individual and family care, however, increased by SEK 180 million. In particular, costs for social housing and placements of children and young people in foster care increased.

Costs for schooling and elderly care also increased more than in previous years. The main reasons for this was a sharp increase in pupils and investments in increased staffing in both areas.

Assessment of the future

The refugee situation has made the planning situation far more difficult for the district committees. The number of refugees Gothenburg will take is uncertain, as is the allocation between the city districts. Clearly this will place further major demands on housing and the supply of premises and skills.

Net earnings 2015

Committee (MSEK)	Net cost	City subsidies	Net earnings for the year
District committees' population frame	-20,861	20,873	11
Resource committee assignments	-192	197	5
Total DCs	-21,054	21,070	16

Cost and staff volume trend for the population frame

Change in per cent	2013	2014	2015
Net cost	4.3	4.9	6.3
Payroll expense	3.7	5.1	5.1
Volume of staff, no. of hours worked	1.2	2.5	1.3

Change in net cost per operation

Change in per cent	2013	2014	2015
Pre-school	6.6	6.1	3.9
Compulsory school, special needs school, childcare	6.8	5.3	9.0
Elderly care	1.0	3.3	6.1
Individual and family care	1.5	6.5	4.2
Disabilities	5.1	4.1	6.4

Departmental committees

– financial performance

Overall, the departmental committees reported earnings for 2015 that deviated positively from both the budget and the previous year's accounts. The majority of the committees have assignments in the area of urban development, where the rate of work has increased in 2015 but not fully to the planned extent, which has resulted in surpluses.

The 20 or so departmental committees of the City of Gothenburg operate in several different areas that vary in nature. They handle matters such as urban development, construction, eco-cycle and transport as well as culture, education, citizen services and various types of internal support functions.

Financial performance

In total, the departmental committees reported net earnings for 2015 of SEK 162 million, which is SEK 213 million better than budgeted for the year. Net earnings for the year were also a positive deviation compared to the 2014 accounts, when the combined net earnings amounted to SEK 31 million. The departmental committees' equity at the end of the year was SEK 500 million.

In total the departmental committees reported costs of SEK 15.5 billion for 2015, which means the earnings of SEK 162 million equate to approximately 1% of total costs. Two-thirds of the departmental committees were financed through receipts from within the Municipality and external receipts, SEK 10.8 billion. One-third of receipts come from municipal subsidies, which equate to SEK 4.8 billion. The Road Traffic Committee, Property Management Committee, Eco-cycle and Water Committee and the Planning and Building Committee reported relatively strong positive earnings. These committees are also important players in the urban development work and, as detailed below, the planned volumes of investment have not been carried out, which has also had an impact on the committees' ongoing running costs.

Committees' investments

The committees' investment budget for 2015 was SEK 3.6 million. The committees' outcome for 2015 was SEK 2.2 billion, representing a generally unchanged investment level compared to the previous year. Thus 62% of the planned investment was carried out during the year. Several major investments, such as the Hising Bridge, were postponed and will instead burden 2016 onwards. The year saw major investments such as the construction of pre-schools, investments related to the West Sweden Package, and investments related to water and sewage.

Decision to transfer the Special Transportation Services Committee and review of the departmental committee organisation

At the end of the year the City Council decided to transfer the Special Transportation Services Committee to the Road Traffic Committee as of 2016. During the year the City Council also decided that a review of the overall departmental committee organisation needs to be carried out. The aim of the review is to create a more efficient, transparent organisation with a focus on benefiting residents. Furthermore, mergers and the size of the committees will also be looked into. Progress reports will be made at various stages during the progress, along with a final report which is expected to be ready by summer 2017. During the course of the review further specifications will be made, which may in turn result in additional assignments from the City Executive Board and require adjustments to the schedule.

Assessment of the future

The City's visions and goals for urban development, housing supply and transport development are extensive. Achievement of these poses major challenges for both the organisation and the City's finances— both in terms of planning and execution.

Operational accounts – committees

MSEK	Receipts	Costs	Net costs	Municipal subsidies	Net earnings for the year	Closing equity
DISTRICT COMMITTEES						
Angered	313.4	-3,107.5	-2,794.1	2,796.1	2.0	95.0
Askim Frölunda Högsbo	479.4	-2,865.0	-2,385.5	2,410.0	24.5	38.9
Centrum	333.6	-1,779.5	-1,445.9	1,475.7	29.7	53.0
Lundby	366.0	-1,841.1	-1,475.1	1,472.9	-2.2	36.4
Majorna Linné	487.1	-2,367.6	-1,880.5	1,877.2	-3.3	31.6
Norra Hisingen	410.2	-2,431.4	-2,021.2	1,999.4	-21.8	25.7
Västra Göteborg	457.7	-2,618.9	-2,161.1	2,155.4	-5.7	55.4
Västra Hisingen	379.2	-2,754.4	-2,375.2	2,379.9	4.6	78.8
Örgryte Härlanda	511.3	-2,366.4	-1,855.1	1,862.5	7.3	41.2
Östra Göteborg	326.4	-2,794.0	-2,467.6	2,443.7	-23.8	13.5
Resource committee assignments	52.5	-244.7	-192.2	196.8	4.6	18.6
TOTAL DISTRICT COMMITTEES	4,116.8	-25,170.5	-21,053.7	21,069.7	16.0	488.2
DEPARTMENTAL COMMITTEES WITH A SPECIAL FOCUS						
Planning and Building Committee	184.3	-288.2	-103.9	122.1	18.1	30.9
Property Management Committee	1,219.9	-526.7	693.2	-670.7	22.6	40.1
Special Transportation Services Committee	151.9	-340.7	-188.8	190.5	1.7	19.2
Sports and Associations Committee	137.3	-502.5	-365.2	374.9	9.7	27.2
Municipality Management	238.7	-519.3	-280.6	288.7	8.1	17.7
Committee for Consumer and Citizen Services	48.9	-79.2	-30.3	37.6	7.3	11.8
Cultural Affairs Committee	118.7	-494.1	-375.4	378.4	3.0	20.5
Supply of Premises Committee	2,710.8	-2,501.2	209.5	-209.2	0.3	58.6
Environmental Committee	57.8	-109.8	-52.0	52.5	0.5	5.0
Committee for Intraservice	663.2	-683.2	-20.0	24.1	4.1	19.2
Parks and Landscape Committee	394.3	-607.5	-213.2	215.3	2.1	27.1
Committee for Allocation of Social Welfare	808.6	-1,303.2	-494.6	498.7	4.1	34.1
Road Traffic Committee	1,692.1	-2,178.8	-486.8	528.7	41.9	69.6
Education Committee	892.4	-2,446.0	-1,553.6	1,568.9	15.3	63.9
Electoral Committee	0.0	-1.5	-1.5	1.3	-0.2	0.5
Adult Education Committee	181.8	-680.3	-498.4	510.7	12.3	37.3
Chief Guardians' Committee	2.5	-16.9	-14.4	14.6	0.2	1.4
DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS						
Eco-cycle and Water Committee	1,321.5	-1,302.4	19.1	0.0	19.1	21.6

MSEK	Receipts	Costs	Net costs	Municipal subsidies	Net earnings for the year	Closing equity
OTHER DEPARTMENTAL COMMITTEES AND ALLOCATIONS						
Archives Committee	37.0	-51.9	-14.9	18.6	3.7	3.9
Business Region Göteborg AB	0.0	-18.2	-18.2	18.2	0.0	0.0
Prop. Man. Comm. transfer payments	0.1	-68.8	-68.8	61.5	-7.3	-7.3
GBG & Co Träffpunkt AB	0.0	-118.9	-118.9	118.9	0.0	0.0
Sports and Associations Committee: Adult Education Associations	0.0	-31.2	-31.2	31.2	0.0	0.0
Auditors' Office	5.3	-36.8	-31.5	31.7	0.2	3.1
Greater Gothenburg Fire and Rescue Services	0.0	-312.1	-312.1	312.1	0.0	0.0
Safe Beautiful City	0.0	-38.7	-38.7	38.8	0.1	0.1
Chief Guardians' Committee fees	12.0	-31.0	-19.0	14.1	-4.9	-4.9
TOTAL DEPARTMENTAL COMMITTEES	10,878.8	-15,288.8	-4,410.0	4,572.0	162.0	500.5
TOTAL COMMITTEES	14,995.6	-40,459.4	-25,463.7	25,641.7	177.9	988.7

The table includes financial receipts and expenses within the Municipality.

MSEK	Receipts	Costs	Net costs	Municipal subsidies	Net earnings for the year	Closing equity
JOINT STATUTORY AUTHORITIES						
Greater Gothenburg Rescue Services	591.6	-589.6	2.0	—	2.0	101.8
Acquisition company Gothenburg joint statutory authorities	0.7	—	0.7	—	0.7	6.6
Minority interest	—	-0.6	-0.6	—	-0.6	-30.8
TOTAL JOINT STATUTORY AUTHORITIES	592.3	-590.2	2.1	—	2.1	77.6

Investment and development accounts

MSEK	Property Management Committee	Commercial Premises Committee	Parks and Landscape Committee	Sports and Associations Committee	Road Traffic Committee	Eco-cycle and Water Committee	Total
INVESTMENTS							
Expenditure/purchases*	-90	-879	-46	-95	-766	-338	-2,214
Subsidies, state and EU	—	—	—	—	179	—	179
Income excl. sales*	17	2	1	0	20	—	40
NET INVESTMENT	-73	-878	-45	-95	-566	-338	-1,995
DEVELOPMENT							
Development-related investment							
Expenditure/purchases	-156	—	-1	—	-306	-89	-552
Income excl. sales	6	—	—	—	237	—	243
Net development-related investment excl. sales*	-150	—	-1	—	-69	-89	-309
Development							
Expenditure/purchases	-264	—	—	—	—	—	-264
Income excl. sales	138	—	—	—	—	—	138
Net development excl. sales	-126	—	—	—	—	—	-126
Income, sales	441	—	—	—	—	—	441
Total sales	441	—	—	—	—	—	441
NET DEVELOPMENT	165	—	-1	—	-69	-89	6
<i>Adjusted for the effects of net accounting*</i>	—	—	—	—	22	—	22
<i>Investments in non-current assets (* above gives total for this row)</i>	-223	-877	-46	-95	-794	-427	-2,462
NET INVESTMENTS AND DEVELOPMENT	92	-877	-46	-95	-636	-427	-1,989



4

COMBINED ACCOUNTS FINANCIAL ANALYSIS AND ACCOUNTS

In the municipal sector, Group accounts are referred to as combined accounts. In this block, the financial position and development of the combined accounts are analysed from a number of perspectives. The statutory financial statements and supplementary disclosures can also be found here.

COMBINED ACCOUNTS

FINANCIAL ANALYSIS AND ACCOUNTS

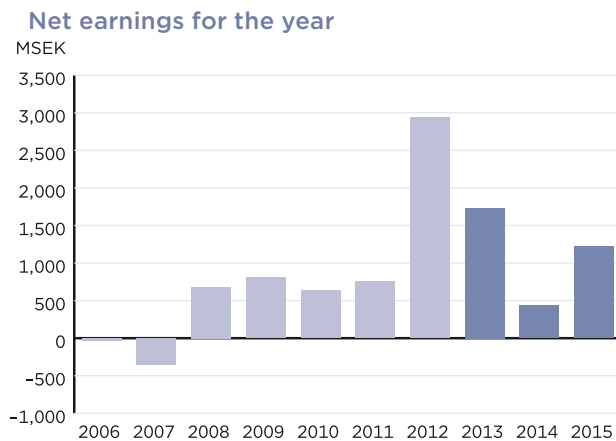
- 95 Financial analysis of the combined accounts**
A financial analysis of the combined accounts is presented in this section. Trends and overall perspectives are important elements of the analysis. The analysis should make it possible to assess whether the organisation's control of the inflow and outflow of cash in the short and long term is kept at a level that allows a high-quality operation.
- 100 Income statement, balance sheet and cash flow statement**
The financial statements of the combined accounts are presented here.
- 103 Notes - combined accounts**
The notes to the financial statements can be found here.
- 106 Internal transactions**
There are a number of internal transactions between the various accounting units in the combined accounts. A comprehensive report of these transactions is presented in this section.
- 107 Analysis of Göteborgs Stadshus AB and its clusters**
These pages provide a brief financial description of the parent Göteborgs Stadshus AB, the seven 'clusters' and internal and regional companies.
- 111 Göteborgs Stadshus AB and its clusters in figures**
A number of financial key figures are shown in tabular form for each group or company. These key figures relate to operating income, earnings after financial items, net earnings for the year, investments, total assets, equity and the equity-assets ratio.

Financial analysis – combined accounts

The Group's operating income totalled SEK 1,219 million, which is an increase of approximately SEK 800 million on the previous year. The volume of investment decreased by just under SEK 300 million to SEK 6.0 billion in 2015. Financial parameters that describe the short, medium and long-term financial manoeuvrability strengthened during the year.

This section provides a financial analysis of the City of Gothenburg's combined accounts, or consolidated accounts as they are called in the private sector. The objective is to identify any financial opportunities and problems and thereby clarify whether the Municipality has delivered good financial management, as stipulated in Sweden's Local Government Act.

Net earnings for the year



Net earnings for the year for the combined accounts totalled SEK 1,219 million, of which the Municipality accounted for SEK 824 million, the companies SEK 363 million and the joint statutory authorities SEK 2 million. Adjustments for handling internal transactions, relating to the Municipality and the companies, amounted to SEK 30 million, and mainly comprised external resales of previously realised internal property sales. In 2014 some major items were eliminated at Group level, the extraordinary income of SEK 254 million from the transfer of the remaining companies from the company review to Göteborgs Stadshus AB, and dividends of SEK 226 million from Göteborgs Stadshus AB. This year's net earnings include write-downs of SEK 1,027 million, which relate to GoBiGas, wind power plants, other biogas plants and district cooling centres.

Turnover for the operation

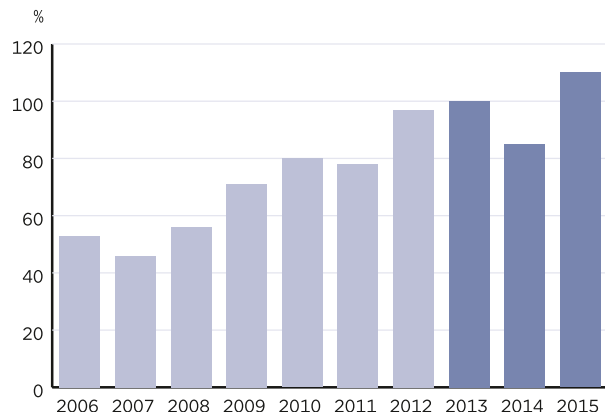
The City of Gothenburg Group reported income of just under SEK 51 billion in 2015, of which just over half comprised tax revenue and municipal financial equali-

sation. Income increased by SEK 2.5 billion compared with 2014 and tax revenue accounted for the majority of this increase. Within the Municipality, income increased by just over 5%, or SEK 1.8 billion. In the company sector operating income rose by just over 2% compared with the previous year, primarily due to higher capital gains from the sale of participations in Group companies.

Investments

The City of Gothenburg faces major investment challenges, with extensive urban development and growth in the form of a larger population and the expansion of operations. The Group's gross investment amounted to SEK 6.0 billion, a decrease of SEK 0.3 billion on the previous year. The total volume of investment was approximately SEK 2.3 billion under budget, the main reason for this being the postponement of projects. Approximately SEK 1.4 billion of the deviation can be attributed to the Municipality and SEK 0.9 billion to the companies. Förvaltnings AB Framtiden and Göteborg Energi AB accounted for SEK 2.0 billion of the company sector's volume of investment, making up 54% of the companies' total volume of investments of SEK 3.8 billion. Other companies with a large volume of investment in 2015 were Kommunleasing i Göteborg AB, Higab AB and Gothenburg Port Authority, which together made investments totalling just over SEK 1.1 billion.

Degree of self-financing of the year's investments



The Group managed to finance all of the year's investments through its own resources, which is an increase from 85% last year. The increase can mainly be attributed to higher depreciation reported in the company sector compared with the previous year, which enabled greater financial manoeuvrability, and to stronger earnings in the municipal sector compared with 2014.

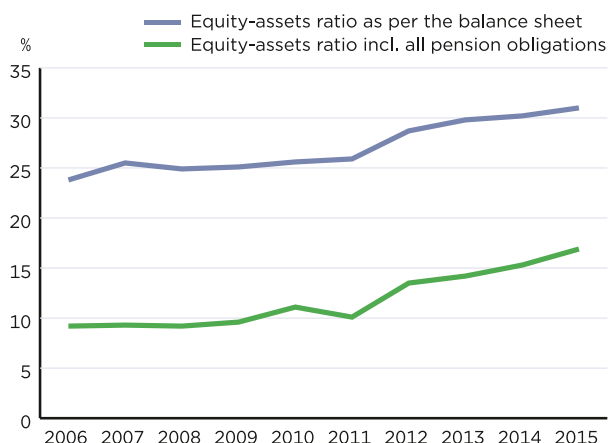
Total assets

The Group's total assets were SEK 83.1 billion, of which the Municipality accounted for SEK 61.0 billion and the companies for SEK 60.8 billion. Internal transactions within the Group amounted to SEK 39.5 billion. The City of Gothenburg's total assets in participations in joint statutory authorities totalled SEK 0.8 billion. The Group's total assets increased modestly by just under 6% and mainly comprised an increase in non-current assets and long-term liabilities. In the company sector the Energy, Housing and Commercial Premises clusters account for the majority of the assets, and these clusters account for over half of the total assets. Total assets decreased by 2% compared with 2014, which can mainly be attributed to heavy write-downs within Energy.

Return on equity and assets are examples of profitability measures, which describe the earnings in relation to capital investment. Return on equity for the Group increased to 5% (2%) in 2015. Return on assets for the Group also showed a small increase to 3%. The average over a five-year period was just over 3% (2%). In this context, it is important to note that these parameters should only be considered an indicator over time, as the key figures are not used in the management of the Group.

Equity-assets ratio

Equity-assets ratio

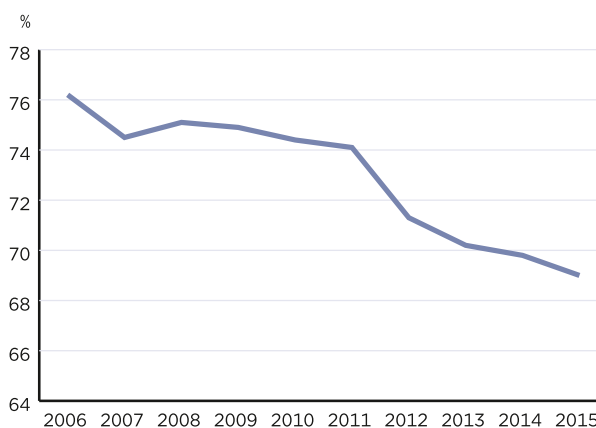


The equity-assets ratio is a measure of long-term financial manoeuvrability. The equity-assets ratio trend depends on the change in equity and assets. The equity-assets ratio for 2015 was 31%, which was a marginal improvement compared to the previous year. The equity-assets ratio according to the fully funded model, which includes all pension obligations, increased by 2% and was 17% in 2015.

There is no general level for how high the equity-assets ratio should be for a Group the size of the City of Gothenburg, but a high ratio means greater manoeuvrability and a greater ability to handle fluctuations in the earnings trend. It is even more important that the individual groups and companies included in the combined accounts have a good equity-assets ratio, otherwise the Municipality, as the owner, runs the risk of having to make up funds if the companies get into financial difficulties. Most City of Gothenburg companies report good equity-assets ratio levels and in many of the companies the ratio has improved or remained at unchanged levels in recent years.

Indebtedness

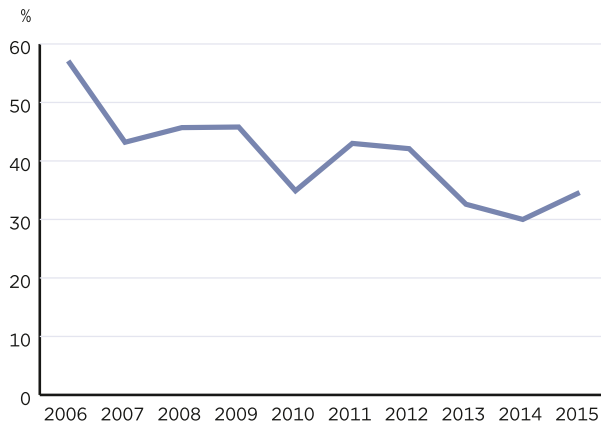
Total debt-equity ratio and degree of provision



The total debt-equity ratio amounted to 69%, a further, yet marginal, reduction compared to the previous year. This was positive for the Group's net financial items, while the reduced indebtedness signifies reduced financial risk for the Group. Total borrowing for the Group was SEK 38.4 billion at the end of the year, which is virtually on a par with the previous year. The improved debt-equity ratio can mainly be attributed to a decrease in long-term loans in the company sector and short-term loans within the Municipality. The Municipality's provisions decreased somewhat during the year, which is primarily due to utilising funds from the development fund.

Liquidity

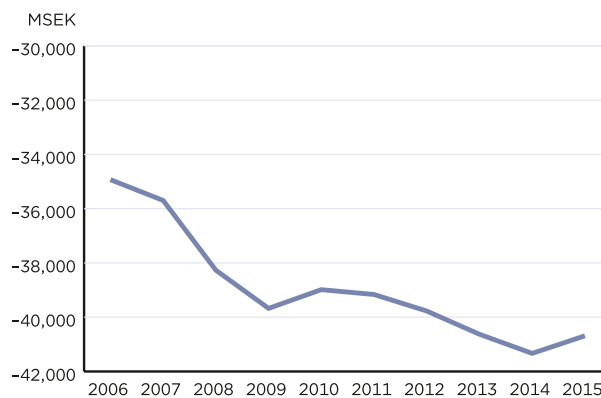
Acid-test ratio



Short-term manoeuvrability for the year in the form of the acid-test ratio increased by 5% compared with the previous year to 35% in 2015. The Municipality's acid-test ratio increased to 81% (70%), while the companies' fell by 5% to 30%. The Municipality serves as an internal bank for the majority of the municipal companies. In recent years, the Municipality has had an acid-test ratio level whereby the Municipality, from a short and medium-term financial perspective, does not need to take drastic measures to meet financial payments.

Net financial assets

Net financial assets



The net financial assets parameter includes all financial assets and liabilities in the balance sheet that the Municipality expects to convert in the next 10-20 years, namely financial assets, current assets, and current and

long-term 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 parameter has weakened over a long period but reversed during the year because financial net assets were boosted by SEK 0.6 billion, from SEK -41.3 billion to SEK -40.7 billion. The improvement in the company sector was the strongest influence on the parameter.

Pension obligations

The City of Gothenburg Group's total pension obligations for 2015 amounted to SEK 15,6 billion, a decrease of SEK 0.2 billion compared to the previous year. The main reason for the decrease was pension payments for the year from contingent liabilities. Of the total pension obligation, SEK 11.8 billion related to pension obligations and special employer's contribution that date back further than 1998. These commitments are not recognised as a provision in the balance sheet, but as a contingent liability in accordance with Sweden's Municipal Accounting Act.

Concluding analysis

The City of Gothenburg Group reported positive earnings of just over SEK 1,200 million in 2015. A number of financial key figures indicate positive development during the year. Earnings contributed strongly to enabling the Group to fully finance its volume of investment for the year through its own resources. A longer period of positive earnings has strengthened equity and increased the Group's equity-assets ratio, which improves its ability to handle any future fluctuations in the earnings trend. The debt-equity ratio has decreased over a longer period, which contributes to lower financial risk. The parameters for short and medium-term financial manoeuvrability improved after a period of gradual weakening.

There is great uncertainty surrounding the development of the global economy and how this could affect finances in Sweden and the City of Gothenburg. This means it is even more important for the Group to monitor its own financial development and carry out active governance to minimise the risks related to factors such as market downturns. A future challenge will be controlling the large investments needed both in the Municipality and in individual companies.

FINANCIAL ANALYSIS OF THE COMBINED ACCOUNTS

Income statement for the Municipality, joint statutory authorities and companies

MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	Combined accounts
Operating income	8,995	591	17,774	-4,105	23,255
Operating expenses	-34,428	-559	-12,856	4,133	-43,710
Items affecting comparability	199	5	0	1	205
Depreciation/amortisation and write-downs	-904	-29	-4,081	24	-4,990
Net operating expenses	-26,138	8	837	53	-25,240
Tax revenue	23,635	0	0	0	23,635
Municipal financial equalisation	3,416	0	0	0	3,416
Financial receipts	480	1	459	-453	486
Financial expenses	-569	-7	-913	446	-1,042
Earnings after financial items	824	2	383	46	1,255
Current and deferred tax	0	0	-44	-16	-60
Minority share	0	0	24		24
Net earnings for the year	824	2	363	30	1,219

Balance sheet for the Municipality, joint statutory authorities and companies

MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	Combined accounts
Non-current assets	48,071	244	55,598	-28,374	75,539
Current assets	12,970	551	5,176	-11,115	7,582
Total assets	61,041	795	60,774	-39,489	83,121
Equity	19,234	108	16,390	-9,932	25,800
Provisions	3,467	504	4,721	-144	8,549
Long-term liabilities	23,046	1	24,661	-17,621	30,087
Current liabilities	15,294	182	15,002	-11,792	18,685
Total liabilities and equity	61,041	795	60,774	-39,489	83,121

Financial key figures

	2013	2014	2015
Turnover for the Municipality and companies (MSEK)	48,230	48,470	50,792
of which the Municipality	33,472	34,703	36,526
of which companies	18,670	17,747	18,232
Net earnings for the Municipality and companies			
Earnings after financial items (MSEK)	1,922	561	1,255
of which the Municipality	898	138	824
of which companies	1,033	157	383
Net earnings for the year (MSEK)	1,733	433	1,219
of which the Municipality	9,595	392	824
of which companies*	847	39	363
Net earnings for the year excl. items affecting comparability and extraordinary items (MSEK)	1,563	905	1,014
of which the Municipality	728	610	625
of which companies	847	39	363
Some key figures from the balance sheet			
Total assets (MSEK)	81,074	81,468	83,121
of which the Municipality	51,460	57,732	61,041
of which companies	61,900	62,041	60,774
Return on equity (%)	7.2	1.8	4.7
Return on assets (%)	4.4	2.4	2.8
Acid-test ratio (%)	33	30	35
Investments			
Volume of investment (MSEK)	6,647	6,248	5,955
of which the Municipality	2,394	2,190	2,214
of which companies	4,217	4,118	3,761
Investments including income (MSEK)	5,805	5,530	5,699
Volume of investment/gross costs (%)	14	13	13
of which the Municipality	8	7	6
of which companies	31	32	29
Degree of financing of investments (%)	100	85	110
of which the Municipality	108	58	87
of which companies	97	89	117
Equity-assets ratio (%)			
(mixed model)	30	30	31
full funding	14	15	17
Debt-equity ratio (%)	70	70	69
of which degree of provision	10	10	10
of which short-term debt-equity ratio	28	24	22
of which long-term debt-equity ratio	33	35	36
of which the Municipality	65	68	68
of which companies	74	74	73
Net financial assets (MSEK)	-40,629	-41,333	-40,686

* Net earnings for 2014 include SEK 226 million in dividends to the Municipality and the elimination of internal capital gains amounting to SEK 254 million, which corresponds to net earnings of approximately SEK 500 million for the corporate Group.

Income statement – combined accounts

Amounts in MSEK	2013	2014	2015
Operating income, note 20	22,554	22,191	23,255
Operating expenses, notes 21, 36	-40,984	-41,895	-43,710
Operating items affecting comparability, note 22	170	-472	205
Depreciation/amortisation and write-downs, note 23	-3,871	-4,128	-4,990
Net operating expenses	-22,131	-24,304	-25,240
Tax revenue, note 6	21,806	22,524	23,635
Municipal financial equalisation etc., note 6	3,106	3,290	3,416
Financial receipts, note 25	764	465	486
Financial expenses, note 25	-1,623	-1,414	-1,042
Financial items affecting comparability	—	—	0
Earnings after financial items	1,922	561	1,255
Current and deferred tax	-193	-137	-60
Minority share	4	9	24
Net earnings for the year	1,733	433	1,219

Balance sheet - combined accounts

Amounts in MSEK	2013	2014	2015
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, note 24	459	371	333
Property, plant and equipment, note 24	72,178	74,082	74,703
Financial assets, note 26	424	215	503
Total non-current assets	73,061	74,668	75,539
CURRENT ASSETS			
Inventories etc., note 27	720	861	1,125
Current receivables, note 28	4,729	4,507	4,728
Investments in securities etc.	174	167	0
Cash and bank	2,390	1,265	1,729
Total current assets	8,013	6,800	7,582
Total assets	81,074	81,468	83,121
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY, note 29	23,896	24,344	25,548
of which net earnings for the year	1,733	433	1,219
MINORITY INTEREST	267	251	253
PROVISIONS			
Provisions for pensions and similar obligations, note 30	3,477	3,620	3,793
Deferred tax liability	3,034	3,101	3,116
Other provisions, note 31	1,334	1,804	1,640
Total provisions	7,845	8,525	8,549
LIABILITIES			
Long-term liabilities, note 32	26,681	28,568	30,086
Current liabilities, note 33	22,384	19,780	18,685
Total liabilities	49,065	48,348	48,771
Total equity, provisions and liabilities	81,074	81,468	83,121
Guarantees and pension obligations recognised as liabilities or provisions, notes 34 and 35	20,013	16,422	14,771

Cash flow statement – combined accounts

Amounts in MSEK	2014	2015
OPERATING ACTIVITIES		
Earnings before financial items	1,510	1,810
Adjustment for items not affecting liquidity	5,607	5,268
Interest received/paid	-621	-1,007
Income tax paid	-42	-69
Cash flow from operating activities before working capital	6,454	6,002
Increase (-)/decrease (+) in current receivables	428	-855
Increase (-)/decrease (+) in inventories	-142	-72
Increase (+)/decrease (-) in current liabilities	-720	628
Cash flow from operating activities	6,020	5,703
INVESTING ACTIVITIES		
Investment in intangible assets	-56	-57
Sale of intangible assets	30	3
Investment in property, plant and equipment	-5,942	-6,031
Sale of property, plant and equipment	467	578
Investment in financial assets	-410	-324
Sale of financial assets	178	493
Cash flow from investing activities	-5,733	-5,338
FINANCING ACTIVITIES		
Newly raised loans	7,486	8,431
Repayment of long-term liabilities	-12,480	-7,848
Increase (+)/decrease (-) in current liabilities	3,739	-436
Increase (-)/decrease (+) in long-term receivables	83	-3
Dividend/shareholders' contribution	-3	23
Reduction in provisions due to payments	-196	-204
Cash flow from financing activities	-1,371	-37
DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES		
Disbursement of state infrastructure subsidies	-48	-33
Cash flow for the year	-1,132	295
Increase (+)/decrease (-) in current liabilities		
Liquid funds at beginning of year (incl. investments in securities etc.)	2,564	1,432
Liquid funds at the end of the year (incl. investments in securities etc.)	1,432	1,727
SPECIFICATION OF ITEMS NOT AFFECTING LIQUIDITY (MSEK)	2014	2015
Depreciation/amortisation and write-downs	4,421	4,996
Provisions, new and dissolved	615	236
Other items not affecting liquidity	571	36
Total items not affecting liquidity	5,607	5,268

The cash flow statement shows the City's cash flow from operating activities, investing activities and financing activities. The sum of these components is the change in liquid funds during the year.

Cash flow for the year (the increase in the City's liquid funds) is positive and amounts to SEK 295 million. Cash flow from operating activities amounts to SEK 5,703 million. This figure has been calculated using the indirect method whereby net earnings for the year, excluding capital gains/losses, and add-back items not affecting liquidity, such as depreciation/amortisation, provisions etc., are adjusted by the change in working capital (stock, short-term operating receivables and operating liabilities) for the year. The cash flow for investing activities (the impact on liquidity from the acquisition and sale of non-current assets) amounts to SEK -5,338 million. The cash flow for financing activities (net of new loans and repayments by instalment) is SEK -37 million. State infrastructure subsidies totalling SEK 33 million were also disbursed during the year.

Notes – combined accounts

20. Operating income

MSEK	2014	2015
Charges	12,288 *	7,174
Rents and leases	2,426 *	7,403
State subsidies	1,605	2,177
EU subsidies	47	14
Other subsidies	472	453
Work set up as an asset	210	230
Sales activities and contract work	2,074	2,213
Development income	94	412
Capital gains	35	176
Other receipts	2,940	3,003
Total operating income	22,191	23,255

* In 2014, SEK 4,854 million was recognised as a charge rather than rent.

21. Operating expenses

MSEK	2014	2015
Wages and social security contributions	-19,171	-20,298
Pension costs	-1,880	-2,000
Other personnel costs	-97	-107
Financial assistance	-1,182	-1,146
Cost of premises	-787	-635
Contract work and purchased activities	-6,886	-9,074
Fuel, energy, water, etc.	-4,585	-3,446
Consumables and repairs	-1,925	-1,632
Leasing expenses	-187	-181
Development expenses	-70	-51
Capital losses and disposals	-96	-159
Other operating expenses	-5,029	-4,981
Total operating expenses	-41,895	-43,710

22. Items affecting comparability

MSEK	2014	2015
Receipts		
Repayment of AFA FORA	—	176
Dissolution, provision and repayment infrastructure	—	29
Reversal, development fund	103	120
Total receipts affecting comparability	103	325
Costs		
Costs for state infrastructure subsidies	-418	—
Indexation for state infrastructure subsidies	-54	—
Changed discount rate	—	—
Development fund utilised	-103	-120
Total costs affecting comparability	-575	-120
Total items affecting comparability	-472	205

23. Depreciation/amortisation and write-downs

MSEK	2014	2015
Amortisation, intangible assets	-115	-112
Depreciation, buildings and plant	-2,138	-2,217
Depreciation, machinery and equipment	-1,704	-1,671
Write-downs	-171	-990
Total depreciation/amortisation and write-downs	-4,128	-4,990

24. Properties, plant, machinery and equipment

MSEK	Goodwill	Other intangible assets	Buildings and land	Construction in progress	Plant and machinery	Other equipment	Total
Cost	305	854	80,249	4,577	22,855	9,201	118,041
Acc. write-ups	—	—	3,549	—	—	—	3,549
Acc. depreciation/amortisation	-179	-550	-29,574	-3	-10,974	-4,265	-45,545
Acc. write-downs	-54	-5	-968	-45	-392	-129	-1,593
Opening book value	72	299	53,256	4,529	11,489	4,807	74,452
Net investments for the year	—	50	1,242	3,348	46	1,538	6,224
Sales for the year	—	-7	-500	-8	-11	-100	-626
Depreciation/amortisation for the year	-26	-88	-2,203	—	-908	-764	-3,989
Reversed write-downs for the year	—	—	56	24	—	13	93
Write-downs for the year	—	-1	-56	-27	-997	-2	-1,083
Write-ups for the year	—	—	—	—	—	—	0
Reclassifications/transfers	—	33	2,200	-2,465	513	-316	-35
Closing book value	46	286	53,995	5,401	10,132	5,176	75,036

25. Financial receipts and expenses

MSEK	2014	2015
a) Financial receipts and expenses		
Financial receipts		
Interest income	269	30 *
Earnings from shares and participations	181	441
Other financial receipts	15	15
Total financial receipts	465	486
Financial expenses		
Interest expenses	-1,348	-976 *
Interest on pension costs	-38	-33
Other financial expenses	-28	-33
Total financial expenses	-1,414	-1,042
Net financial items	-949	-556
b) Market value of interest rate swaps		
Secured debt	38,314	38,255
Market value of interest rate swaps	-1,930	-1,495
Secured debt in foreign currency	3,178	3,865
Cross currency swaps	-78	232

* As of 2015, reporting is in accordance with recommendation RKR 21. The 2014 figures need to be decreased by SEK 242 million for comparison (equates to receipts of SEK 27 million and expenses of SEK -1,106 million).

26. Financial assets

MSEK	2014	2015
Shares and participations	124	443
Deferred tax asset	—	—
Other long-term receivables	91	60
Total financial assets	215	503
Shares and participations		
Associated companies	99	85
Kommuninvest	17	336
Other companies, tenant-owner dwellings and basic fund capital trusts	8	22
Total shares and participations	124	443

27. Inventories and development properties

MSEK	2014	2015
Inventories	391	418
Development properties	470	707
Total inventories and development properties	861	1,125
Development properties		
Opening value	319	470
Expenses for the year	226	332
Withdrawal of book value	-76	-110
Reclassification/revaluation	1	15
Total development properties	470	707

28. Current receivables

MSEK	2014	2015
Accounts receivable	1,297	1,382
Prepaid expenses/accrued income	1,658	1,660
Receivables from the government	991	912
Other receivables	561	774
Total current receivables	4,507	4,728

29. Equity

MSEK	2014	2015
Opening equity	23,896	24,344
Other adjustments	15	-15
Net earnings for the year	433	1,219
Closing equity	24,344	25,548

2015: Other adjustments include dividends (SEK -6 million) and changed Group structure (SEK -9 million). 2014: KLAB SEK -4 million and Renova AB SEK 20 million. Net earnings for 2014 include SEK 8 million, which represents earnings in Göteborgs Tekniska College and Cityflygplatsen before ownership was transferred to Göteborgs Stadshus AB.

30. Pensions

MSEK	2014	2015
Pension provision		
Defined-benefit pension scheme	3,049	3,189
Collective agreement occupational pension, fixed-term pension, etc.	37	37
Employer's contribution	534	567
Total pensions	3,620	3,793
Change in provision over the year		
Opening provision	3,477	3,620
New commitments during the year	254	279
of which newly earned pension	208	203
of which interest and base amount indexation	49	65
of which change in actuarial bases	1	15
of which pension to survivors	6	5
of which miscellaneous	-10	-2
Payouts for the year	-141	-146
Change in special employer's contribution for the year	30	33
Total pensions	3,620	3,793

31. Other provisions

MSEK	2014	2015
Restoration of landfills 1)	85	81
West Sweden Package and other co-financing 2)	890	821
Development fund 3)	270	150
Future commitments 4)	141	142
Guarantee commitments 5)	50	95
Future environmental measures 6)	70	61
Write-down in projects 7)	230	225
Other 8)	86	65
Total other provisions	1,804	1,640

Change in other provisions over the year

At beginning of year	1,334	1,804
Additional provisions	802	121
Amounts utilised	-303	-223
Reversed unused amounts	-25	-57
Reclassification, etc.	-4	-5
Total other provisions	1,804	1,640

- 1) The provision for restoration of landfill refers in part to the Municipality's closed landfills, of which Bru-daremossen accounts for approximately half of the provision. The provision in Gothenburg Port Authority primarily relates to the restoration of the Torsviken dredging depot, which is expected to be carried out between 2016 and 2019.
- 2) Relates to the Municipality's provision for co-financing infrastructure measures within the West Sweden Package, including land use (SEK 425 million). The remainder of the provision is for co-financing the extension of the E20 highway, lowering the E45 highway and other infrastructure measures (see Municipality note 14).
- 3) The Municipality's development fund is a provision for future initiatives, particularly social initiatives.
- 4) Älvstranden Utveckling AB has a provision for future commitments in relation to the Stora Torp, Kvillebäcken and Västra Göteborg properties.
- 5) The provision for warranty commitments mainly relates to the poorly sealed windows within Förvaltnings AB Framtiden.
- 6) The provision for future environmental measures in Göteborg Energi AB refers to the city gas network. Liseberg AB reports a provision for contaminated land in a subsidiary company. Greater Gothenburg Fire and Rescue Services reports an environment-related provision for the decontamination of the Färjenäs land area.
- 7) The provision relates to future write-down requirements in projects within Higab AB.
- 8) Other provisions mainly comprise provisions made within the Municipality (damages). They also include restructuring within Göteborgs Spårvägar AB.

32. Long-term liabilities

MSEK	2014	2015
Liabilities to banks, credit institutes, etc.	27,851	27,851
Deferred income	643	898
Other long-term liabilities	74	70
Total long-term liabilities	28,568	30,086

Deferred income, regulated over several years

Connection charges	100	140
Investment subsidies	508	653
Payments for street costs	35	105
Total deferred income	643	898

Connection charges, investment subsidies and payments for street costs are distributed linearly over the useful life of the corresponding asset. The remaining number of years as a weighted average is 50.

33. Current liabilities

MSEK	2014	2015
Liabilities to banks, credit institutes, etc.	10,295	9,345
Accounts payable	2,715	2,558
Accrued expenses/deferred income	5,850	5,740
Employee taxes	272	306
Liabilities to the government	55	81
Other current liabilities	593	655
Total current liabilities	19,780	18,685

34. Guarantees

MSEK	2014	2015
Other guarantees		
Private houses – government home loans	4	3
Foundations	560	503
Associations	190	178
Other	45	53
Total guarantees	799	737
Other contingent liabilities*	480	555
Pledged assets	3,012	1,721

* Göteborg Energi AB has bank guarantees for considerable sums.

35. Pension obligations not recognised as liabilities or provisions

MSEK	2014	2015
PA-KL pension obligations, active	4,443	4,119
PA-KL pension obligations, retired	4,909	4,958
Pension obligations, annuity	412	392
Total PA-KL pension obligations	9,764	6,469
Pension obligations, managers' agreements	21	14
Other pension obligations	10	12
Guarantee commitments, FPG/PRI	6	6
Total pension obligations	9,801	9,501
Special employer's contribution	2,330	2,257
Total pension obligations and special employer's contribution	12,131	11,758

36. Leasing expenses

MSEK	2014	2015
Operational lease agreements		
Lease fees paid for the year	187	181
Contracted future lease fees		
Fall due within 1 year	34	36
Fall due within 1-5 years	50	96
Fall due in more than 5 years	5	25

Internal transactions and contractors

The City of Gothenburg Group includes the Municipality, the municipal companies and the joint statutory authorities. A large number of transactions take place between the different units of the City of Gothenburg Group and the table below provides an outline of these transactions.

Extensive internal sales of district heating and electricity take place within the City of Gothenburg Group by the Göteborg Energi Group to other units in the City of Gothenburg. The Eco-cycle Authority also has extensive internal sales to other units. A decision by the City Council stipulates that the Municipality's investments in movable property shall be financed through leasing, with the municipal company Kommunleasing i Göteborg AB as the leasing company. This involves a large

number of transactions with other companies, committees and joint statutory authorities.

Most of the borrowing consists of transactions with the Finance department, which serves as the internal bank function within Gothenburg Municipality. The Finance department has guarantee commitments with the City companies. The Municipality stands surety for loans and for certain pension obligations.

Sales

MSEK	Compa- nies	Munici- pality	Joint statutory authorities	Total
Seller				
Companies	—	3,010	9	3,019
Municipality	674	—	16	690
Joint statutory authorities	3	434	—	437
Total	677	3,444	25	4,146

Interest

MSEK	Compa- nies	Munici- pality	Joint statutory authorities	Total
Interest				
Companies	—	4	—	4
Municipality	429	—	—	429
Joint statutory authorities	—	1	—	1
Total	429	5	—	434

Lending

MSEK	Compa- nies	Munici- pality	Joint statutory authorities	Total
Lender				
Companies	—	1,575	—	1,575
Municipality	26,807	—	—	26,807
Joint statutory authorities	—	444	—	444
Total	26,807	2,019	—	28,826

Surety

MSEK	Compa- nies	Munici- pality	Joint statutory authorities	Total
Surety issuer				
Companies	—	—	—	—
Municipality	3,710	—	121	3,831
Joint statutory authorities	—	—	—	—
Total	3,710	—	121	3,831

Group and shareholders' contributions received/paid by Göteborgs Stadshus AB in 2015

Companies (MSEK)	Shareholders' contribution paid	Group contribution received from	Group contribution paid to
Higab AB	80.8	154.8	—
Göteborgs Stads Upphandlings AB	—	8.8	—
Göteborgs Spårvägar AB	—	—	4
Business Region Göteborg AB	5	—	37.7
Kommunleasing i Göteborg AB	—	—	132.4
Gothenburg Port Authority	33.6	135.6	—
AB Gothenburg European Office	2	—	—
Förvaltnings AB Framtiden	69.4	89	—
Göteborg & Co Kommunintressent AB	952.9	86	280.7
Göteborgs Gatub AB	—	17.5	—
Total	1,143.7	491.7	454.8

Analysis of Göteborgs Stadshus AB and its clusters

Göteborgs Stadshus AB (Stadshus AB) is the parent company of all the wholly and part-owned companies. All shares are owned directly by the City of Gothenburg. The majority of companies are arranged in seven different sub-groups or clusters according to policy areas: Energy, Housing, Commercial Premises, Business, Public Transport, Port, and Tourism, Culture & Events. The regional companies and companies that are internal service providers to the City's companies and administrations are directly subordinate to Stadshus AB and are grouped in two separate clusters. Boplats Göteborg AB has temporarily been placed directly under Stadshus AB pending a review of the operation.

Stadshus AB is responsible for exercising an owner's role over the City's companies by controlling, leading and coordinating the City's operations in company form towards the goals set out in the City Council's ownership directive, budget and other steering focus documents. The goal for the company's operation is to ensure that the operations in the City's companies, along with the City's other operations, create benefit for the city and its inhabitants and help to develop a sustainable Gothenburg community. Within the framework of the City Executive Board's supervisory duty, Stadshus AB shall feed back important strategic information to the City Executive Board with the aim of strengthening the City's governance of the companies.

An important element of Stadshus AB's role is to conduct owner dialogues with the parent companies of the sub-groups and with other companies that are directly owned by Stadshus AB. Owner dialogues were carried out with these companies during the year. The action plans stemming from the owner dialogues will form the basis for the ongoing work. The Board and Managing Director believe that the operation is in line with the Municipality's purpose regarding ownership of the company, and that the company follows the principles set out in the Articles of Association.

Göteborgs Stadshus AB – the Group

The Group's operating income amounted to SEK 17,933 million in 2015 and earnings after financial items totalled SEK 382 (616) million. The earnings were down SEK 234 million compared with the previous year. Net earnings for the year after tax and adjustment for minority interest amounted to SEK 363 million. Housing, Commercial Premises and Port reported an increase on 2014. The deviation in the Commercial Premises cluster can largely be attributed to Älvstranden's sale of properties which yielded a capital gain of SEK 345 million, and to the write-down of the Högväkten neighbourhood within Higab AB which affected earnings by SEK 225 million. Income for Port increased by 7%, primarily through higher volumes in the energy

segment. Depreciation, amortisation and personnel costs were also lower than in the previous year. Energy reported a far worse result than in the previous year as a result of write-downs of biogas and wind power plants totalling SEK –1,027 (–70) million. The largest write-down item relates to the GoBiGas plant. The earnings of other company clusters were generally on a par with the previous year. Public Transport and its internal and external companies reported a surplus, while Business, and Tourism, Culture & Events reported a deficit.

Total assets decreased by 2% or SEK 1,278 million compared with 2014, from SEK 63,132 million to SEK 61,854 million. This can mainly be attributed to heavy write-downs within Energy. As a result of the decrease in total assets and the increase in earnings, the equity-assets ratio has increased by 0.7% to 28%. This also includes the dividend to the owner, the City of Gothenburg, of SEK 226 million which was decided on in the previous year's annual accounts.

Energy

The ownership directive states that the purpose of the operation in the Göteborg Energi AB group is that the City, through its ownership, wants to be able to integrate and develop the energy operation in urban development and contribute to the evolution of a sustainable Gothenburg community. Furthermore, the aim is to secure the reliable provision of affordable energy for the city's residents and companies. Göteborg Energi AB handles the production and distribution of energy, primarily district heating and electricity, in the Gothenburg area. The group's operation also encompasses trading in electricity and natural gas, district cooling, energy services, data and telecommunications, the gas network, and renewable energy and biogas.

The GoBiGas biogas plant came online at the beginning of 2015 and is the world's first demonstration plant for large-scale production of biogas through the gasification of residual products from the forest. In 2015, the GoBiGas non-current asset was written down by approximately SEK 850 million, which affected

earnings during the year. Factors that have influenced the financial conditions include continued falling market prices for fossil fuel and forecasts for politically steered production support.

The value added, contribution margin 1, amounted to SEK 2,811 million and is an improvement of SEK 10 million on the previous year. The operating income of SEK –460 million is SEK 938 million lower and the operating income excluding depreciation, amortisation and write-downs and the effects of divestments, which amounted to SEK 1,392 million, was SEK 12 million better than in the previous year. Net turnover for 2015 was SEK 5,641 (6,036) million. The decrease can be explained by lower volumes in electricity and gas trading and by lower market prices for electricity. The cost of raw materials decreased to SEK 2,830 (3,235) million due to a decrease in volume. Depreciation/amortisation and write-downs of assets amounted to SEK 1,857 (958) million. Write-downs accounted for SEK 1,027 million and relate to GoBiGas, wind power plants, other biogas plants and district cooling centres. The largest write-down item relates to the GoBiGas plant. Costs for consultants increased somewhat and this has mainly been driven by GoBiGas and the procurement of external IT operation suppliers. Other costs are unchanged compared with the previous year.

Housing

The Förvaltnings AB Framtiden group aims to be a strategic player with the goal of strengthening Gothenburg's role as a regional centre and the city's development by creating new housing and increasing the rate of housebuilding, offering attractive accommodation for various types of housing consumer and striving for greater integration and welfare in our residential areas. The Förvaltnings AB Framtiden group is a pure housing group and has the subsidiaries Bostads AB Poseidon, Göteborgs Stads Bostads AB, Familjebostäder i Göteborg, Gärdstensbostäder AB, Göteborgs Egnahems AB, Störningsjouren i Göteborg AB and Rysäsens Fastighets AB. Framtiden Byggtveckling AB has also been added during the year. The focus is on the new production of housing.

The Förvaltnings AB Framtiden group reported an operating income of SEK 799 (715) million for the period, an improvement of SEK 84 million on the previous year. Income increased by SEK 112 million as a result of negotiations on rent. Running costs, for example, were marginally higher, maintenance costs were SEK 39 million higher and depreciation/amortisation was SEK 43 million higher than in 2014. Items affecting comparability, primarily write-downs, were SEK 73 million lower than in the previous year. Write-downs for the year include Göteborgs Egnahems AB's write-down following a judgement passed by the supreme court regarding the construction of plaster facades. The group's properties were valued at SEK 77 billion at the end of the year. This means that the group's adjusted equity-assets ratio is 62%. At the end of the year, the group had borrowing totalling SEK 15 billion.

Commercial Premises

Higab AB is the parent company of the Higab group. The corporate group has four wholly owned subsidiaries: Förvaltnings AB Göteborgslokaler, Göteborgs Stads Parkerings AB, Fastighets AB Rantorget and Älvstranden Utveckling AB and its subsidiaries. Higab AB's task is to actively contribute to the City of Gothenburg's development by being one of the City's strategic tools in the field of real estate. Its remit is also to meet and be receptive to the values that characterise the Gothenburg community. Higab AB owns and manages properties with a rentable area totalling 603,627 (605,923) square metres. The property portfolio mainly comprises commercial premises.

The operating income amounted to SEK 756 (261) million. The increase can primarily be attributed to Älvstranden Utveckling AB's property sales. In 2014 earnings were burdened by the write-down of the Högvaktens neighbourhood. Income amounted to SEK 2,101 million, which is an increase of SEK 365 million on the previous year. The signature of a number of management agreements between Göteborgs Parkerings AB and the Förvaltnings AB Framtiden group boosted income by SEK 12 million. The rest of the increase chiefly relates to the group's net accounting of capital gain. The group's costs were somewhat lower than for 2014, mainly due to a combination of a milder winter and the postponement of maintenance. Financial costs amounted to SEK 175 million, which is an increase of SEK 45 million compared with the previous year. After selling properties, Älvstranden Utveckling AB repaid loans by instalment and Higab AB has benefited from the fall in interest rates.

Business

Business Region Göteborg AB (BRG) is the parent company of this cluster, which otherwise comprises a number of companies of which BRG is a minority owner. These companies are Lindholmen Science Park AB (LSP), Johanneberg Science Park AB (JSP), Göteborgs Tekniska College AB (GTC) and Almi Företagspartner Väst AB (Almi). During the year BRG divested all shares in Cityflygplatsen i Göteborg AB. Furthermore, the wholly-owned subsidiary Utveckling Nordost AB has been amalgamated into BRG.

Public Transport

Göteborgs Spårvägar AB is a wholly-owned subsidiary of Stadshus AB and is the parent company of the Public Transport cluster. Aside from the parent company, the group comprises GS Buss AB and GS Trafikantservice AB. Region Västra Götaland is the principal for public transport in Gothenburg. Public transport services for the region are procured through Västtrafik AB. The parent company Göteborgs Spårvägar AB is responsible for all tram traffic in Gothenburg and Mölndal. The services are ordered by the City of Gothenburg Traffic & Public Transport Authority, which is responsible for traffic management and maintenance of trams and tram

tracks. Regular bus services are the responsibility of GS Buss AB and are procured in competition. GS Buss AB runs its operation in parallel with several other bus service operators in the Gothenburg area. GS Trafikantser-service AB develops and manages public transport services in the Gothenburg area, with the aim of making travel and communication easier and improving enjoyment and security in public transport.

The group's operating income amounted to SEK 25 (37) million, which is SEK 12 million lower than in 2014. Tram services reported better results than for the previous year due to lower electricity and track technology costs. Buss and Trafikantservice showed a lower result compared with 2014. Last year's results were boosted by a repayment from FORA and insurance compensation.

Port

Gothenburg Port Authority is tasked with creating the foundation for a strong, efficient and sustainable Scandinavian goods hub. This means that Gothenburg Port Authority is responsible for managing and developing the port's land, real estate and water areas so that they are used in the optimal way from a growth and profitability perspective. The company grants external operators use of part of its land and facilities for port operations through licences. Gothenburg Port Authority encompasses port terminals for ro-ro, vehicle, container, ferry and energy port operations. The company is also responsible for services for cruise ships calling at the port.

The operating income amounted to SEK 253 (153) million. Income increased by 7%, primarily through higher volumes in the energy segment and a new agreement structure for ferries. Additional vessels calling at the port also had a positive effect on income. The difference in costs compared with the previous year can be explained by an increase in personnel costs. Depreciation was lower due to a write-down of SEK 38 million in 2014. Sales costs have increased by SEK 10 million through the investment in Volvo Ocean Race. Earnings improved, primarily as a result of increased income but also because costs have been kept down. Planned maintenance and reinvestment have been postponed due to staffing difficulties in the field of infrastructure.

Tourism, Culture & Events

Göteborg & Co Kommunintressent AB (KI) is the parent company of the Tourism, Culture & Events group. KI manages and coordinates work within the group on a general level and helps to strengthen and develop hospitality within the City of Gothenburg and the Gothenburg region, and contributes to the development of hospitality within Region Västra Götaland. Other companies in the cluster are Liseberg AB, Got Event AB and Göteborgs Stadsteater AB.

Got Event AB's turnover amounted to SEK 157 (148) million and the operating income was SEK -168 (-156) million. The events operation performed better than



Göteborgs Spårvägar AB is a wholly-owned subsidiary of Stadshus AB and is the parent company of the Public Transport cluster. Public transport services for the region are procured through Västtrafik AB.

Photography: Göran Assner

forecast, but maintenance and repairs on properties increased. Göteborgs Stadsteater AB's turnover amounted to SEK 66 (60) million and the operating income was SEK -100 (-106) million. Income was better than forecast due to increased occupancy for several events. The Liseberg AB group's turnover amounted to SEK 1,139 (1,096) million and the operating income was SEK 133 (134) million. The operating margin is approximately 12% and cash flow is more than SEK 200 million. The number of guests almost matched the record year of 2014, while at the same time turnover surpassed the previous year's figure due to an increase in average consumption per guest.

Internal companies

The internal companies group comprises a number of operations that are wholly-owned by Stadshus AB, all of which chiefly have a specialist and support function for the entire City of Gothenburg. These companies are Försäkrings AB Göta Lejon which is the City's internal insurance company and focuses on assets and operations, Göteborgs Gatu AB which delivers eco-friendly vehicles and transport solutions for the City of Gothenburg, Kommunleasing i Göteborg AB which handles financial solutions/leases for the City's administrations and companies, Göteborgs Stads Upphandlings AB which is the City of Gothenburg's procurement centre and competence centre in procurement issues, and AB Gothenburg European Office which is responsible for the City's international business intelligence and interest monitoring starting from the EU.

Göteborgs Gatu AB's turnover amounted to SEK 230 (221) million and the operating income was SEK 37 (29) million. Sales of second-hand vehicles developed well during the year. Administrative costs were on par with the previous year and interest expenses were somewhat lower. Kommunleasing i Göteborg AB's turnover amounted to SEK 408 (407) million and the operating income was SEK 11 (19) million. Earnings after financial items totalled SEK -6.0 (0.5) million. Costs are

higher than for the previous year, primarily due to the HyrIT project.

Försäkrings AB Göta Lejon's turnover amounted to SEK 114 (106) million and the operating income was SEK 7.8 (10.6) million. As regards costs, it is mainly insurance compensation and reinsurance that were higher than in the previous year.

Göteborgs Stads Upphandlings AB's turnover amounted to SEK 64 (52) million and the operating income was SEK 8,9 (-3,2) million. The increase in income relates to commission, primarily from trade services, technical consultants, data hardware and IT consultants.

Regional companies

Renova AB is owned by the Ale, Gothenburg, Härryda, Kungälv, Lerum, Mölndal, Partille, Stenungsund, Tjörn and Öckerö municipalities. The City of Gothenburg is the majority owner through Stadshus AB. The subsidiary company Renova Miljö AB is wholly owned by Renova AB. The Renova group has long-term responsibility, together with the owner municipalities, for waste and recycling in the owner municipalities' region. A well-run environmentally friendly system for transport and waste management contributes to sustainable growth in the region and helps to reduce greenhouse gases. The Renova group is responsible for striving to reduce the total volume of waste in the region in the long term.

The programme of measures initiated in 2013 was completed during the year. The programme has, for example, brought about savings which have had a major effect on fixed costs. Renova AB's turnover amounted to SEK 1,138 (1,149) million and the operating income was SEK 42 (47) million. Income from energy was SEK 17 million lower than in the previous year. As regards costs, the pension liability and changed principles on storing waste jointly increased costs by SEK 20 million. Costs for depreciation/amortisation and interest were SEK 16 million lower than in 2014.

Gryaab AB is owned by the Ale, Gothenburg, Härryda, Kungälv, Lerum, Mölndal and Partille municipalities. The City of Gothenburg is the majority owner through Stadshus AB. The main role of Gryaab AB is to collect and treat wastewater from the owner municipalities. Gryaab AB's turnover totalled SEK 341 (336) million and the operating income was SEK 29 (32) million. Costs were higher in 2015 than in 2014 for energy for treating a larger volume of water, consultants for inquiries, and sludge management due to higher volumes. Interest expenses decreased due to lower average interest rates.

Göteborgsregionens Fritidshamn AB (GREFAB) aims to meet the needs regarding moorings for pleasure boats and related services for residents in the owner mu-

nicipalities. The company also helps to lay the foundation for a boating life that is rich in experiences, and to strengthen the attractiveness of the region. GREFAB's turnover amounted to SEK 54 (53) million and the operating income was SEK 2.9 (4.0) million. The reason for the fall in operating income was an increase in consultancy services in connection with project planning, maintenance plans and environmental measures.

Boplats Göteborg AB

Boplats Göteborg AB's turnover amounted to SEK 22 (20) million and the operating income was SEK 0.6 (0.9) million. Costs for 2015, primarily support functions such as telephone support, were slightly higher than for the previous year.

Total investments in the Göteborgs Stadshus AB group

MSEK	2014 annual accounts	Budget for whole of 2015	2015 annual accounts
Förvaltnings AB Framtiden	1,552	2,074	1,368
Göteborg Energi AB	670	850	670
Älvstranden Utveckling AB	166	0	181
Kommunleasing i Göteborg AB	355	288	460
Renova AB	84	161	109
Higab AB	268	704	186
Göteborgslokaler AB	90	0	46
Parkeringsbolaget AB	4	0	21
Scandinavium AB	9	0	0
Gothenburg Port Authority	393	442	247
Liseberg AB	278	0	82
Gryaab AB	99	206	157
Göteborgs Gatu AB	135	119	120
GREFAB	4	10	9
Göteborgs Spårvägar AB	48	106	71
Got Event AB	24	0	30
Göteborgs Stadsteater AB	3	0	2
Försäkrings AB Göta Lejon	1	1	1
Göteborg & Co AB	0	111	0
BRG AB	0	5	0
Göteborgs Upphandlings AB	0	0	0
Boplats i Göteborg AB	0	0	1
Eliminations	-66	0	0
Total	4,117	5,077	3,761

In comparison with previous years, some companies' investments are reported directly under the parent company of the cluster.

Göteborgs Stadshus AB and its clusters in figures

MSEK	Operating income	Earnings after fin. items	Net earn- ings for the year	Total assets	Equity	Equity- assets ratio	Invest- ments for the year
Energy	5,852	-650	-489	12,634	5,159	41 %	670
Housing	5,321	407	244	27,317	9,193	33 %	1,368
Commercial Premises	1,761	581	386	10,378	1,650	16 %	434
Business	1,619	-45	38	78	58	74 %	114
Public Transport	1,279	25	27	725	447	62 %	71
Port	720	205	56	2,591	1,384	53 %	247
Tourism, Culture & Events	79	-146	-5	1,986	1,007	51 %	0
Internal companies	849	22	99	3,412	454	37 %	581
Regional companies	1,532	19	12	3,386	413	12 %	274
Parent company (Göteborgs Stadshus AB)	26	149	186	15,849	12,333	78 %	1
Boplat	23	1	0	21	4	20 %	0

Auditor's report

AUDITOR'S REPORT FOR 2015

concerning the City of Gothenburg Executive Board and Committees and the combined annual accounts Gothenburg Municipality reg. no. 212000-1355

We, the auditors for the Executive Board and Committees of Gothenburg Municipality, are appointed by the Gothenburg City Council. By means of lay auditors appointed to Gothenburg Municipality's wholly-owned companies and subsidiaries, the activities and internal control of these companies have also been examined.

The Executive Board and Committees are responsible for activities being conducted in a purposeful and financially satisfactory manner, for the accounts and the report being 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 compatible 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 presented in the auditor's reports and audit statements submitted to the Board and the Committees.

The results of the examination of the companies are presented in a corresponding way in the audit reports and audit statements submitted to each company. The examination has also covered the combined accounts for the City of Gothenburg. The year's examination is summarised in our annual statement, which has been submitted to the City Council.

It is our opinion that the Board, Committees and working committees of Gothenburg Municipality have conducted their operations in an appropriate and financially satisfactory manner.

We judge that the accounts in all essentials provide a fair and accurate picture.

We consider that altogether the internal controls of the Board, Committees and working committees have been adequate.

We judge that altogether the results set out in the Annual Report are consistent with the financial and operational goals determined by the City Council. No overall evaluation has been carried out regarding the City Council's prioritised goals.

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.

Criticism has been directed at Magnus Nyström in the form of a comment on how he acted in a private matter as Chairman of the individual committee in Lundby district committee.

We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2015, with the exception of the former Chairman of the individual committee in Lundby district committee.

We recommend that the 2015 Annual Report for the City of Gothenburg be approved.

Gothenburg, 5 April 2016

 Lars Bergsten	 Hans Aronsson	
 Carina Henriksson Johansson	 Claes-Göran Lans	 Annika Johansson
 Bengt Bivall	 Sven Jellbo	 Lars-Ola Dahlqvist
 Annbrith Svensson	 Vivi-Ann Nilsson	 Annika Hofmann
 Stefan Dahlen	 Lars-Gunnar Landin	 Gun Cederborg
 Jan Lindblom	 Peggy Svensson	 Torbjörn Rigemar
 Ulf Rothmyr	 Mai-Britt Wilhelmsson	 Gerhard Anvik
 Tove Adlerberth	 Sven R. Andersson	

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In brief

	2013	2014	2015
Population 31 Dec	533,271	541,145	548,190
Primary municipal tax rate (%)	21.12	21.12	21.12
NET EARNINGS FOR THE YEAR (MSEK)			
The Municipality	9,595	392	824
Combined accounts	1,733	433	1,219
INVESTMENTS excl. investment income (MSEK)			
The Municipality	2,399	2,190	2,214
Combined accounts	6,647	6,248	5,955
RECEIPTS (MSEK)			
The Municipality	33,472	34,703	36,725
Combined accounts	48,230	48,470	50,997
TOTAL ASSETS (MSEK)			
The Municipality	51,460	57,732	61,041
Combined accounts	81,074	81,468	83,121
EQUITY-ASSETS RATIO (%)			
The Municipality	35	32	32
Combined accounts	30	30	31

If you have any questions about the Annual Report, please contact the Group Accounts unit at the City Management Office, tel. +46 (0)31-365 00 00.

Production: Newsroom

