



**CITY OF GOTHENBURG
ANNUAL REPORT**

2013

The City Executive Board Chairman summarises 2013

Gothenburg is growing and developing. As the city's 400th anniversary approaches, Gothenburg is striving to develop into a better city to live in through an open dialogue with its citizens. Gothenburg will be a long-term sustainable city for everyone – a city open to the world. In Gothenburg, particular focus is put on children. This perspective influences all decisions. By also focusing on supporting the growth of commerce and fostering job creation, while ensuring social security and ecological sustainability, we are ensuring that Gothenburg is a city of the future.

An organisation for the citizens

The assignment from our citizens is at the heart of the city's work. To succeed in our assignment and achieve the set goals, the work of the City of Gothenburg organisation must be characterised by a "whole city" perspective. The various districts of the city must work as a whole to achieve the sustainable development of Gothenburg. Work to revise the city's municipal companies continued in 2013. This revision is an important step in developing the organisation and management of the companies to create even better businesses and greater benefit for Gothenburgers. In December, the City Council decided on a new corporate structure effective from 2014 and new guidelines for corporate governance that go into effect in 2015. In 2014, work to develop the future directions of the individual companies will continue.

Gothenburg in the world

The Gothenburg region has fared relatively well in an environment where many areas (particularly southern Europe) have been subject to weak or negative economic growth. The anticipated growth in export markets such as Germany, the UK and the Nordic countries is positive for Gothenburg. At the same time, unemployment has taken hold at an unacceptably high level, especially among our youth. One of the challenges facing our country is becoming better at equipping the unemployed with the skills that suit the needs being actively recruited in both the private and the public sector.

Gothenburg has intensified its efforts to improve the business climate in the city. Under the guiding principle "It should be easy to run a business in Gothenburg", the various organisations of the city are working to make it easier for entrepreneurs to start and run a business. 450 people within the municipality have participated in the course "Förenkla helt enkelt" (Simplify, quite simply). The fact that several interesting companies found Gothenburg an attractive city to invest and establish themselves in is proof that the city offers world-class creativity and expertise. During the year, a number of exciting projects and events continued to develop the interplay between the city, commerce and academia that makes

the city's development power so strong. Among other things, an initiative was presented where Gothenburg will serve as the test arena for 100 self-driving Volvo cars which will navigate the city's roads beginning in 2017. In December, the Nobel Week Dialogue was held in Gothenburg – a unique opportunity for dialogue between researchers, businesses and community stakeholders regarding the possibilities for future energy.

During the year, Gothenburg continued to strengthen its brand as a tourist, meeting and major events city. The number of guest nights grew for the 22nd year in a row and the city hosted both the UEFA Women's Championship and the European Athletics Indoor Championships. During the latter event, Gothenburg distinguished itself through the concept "all under one roof", which integrated the Swedish Exhibition and Congress Centre and Scandinavium. The strategic work to develop Gothenburg as a destination does more than make the city a better place to live and explore as a tourist. The growing tourism industry also creates more jobs, especially for young people.

During the year, Angered Arena (a new multipurpose arena in the district of Angered) opened its doors, creating more opportunities to exercise, train and play sports. Stadsbiblioteket was named Library of the Year at the Göteborg Book Fair – even though all of the remodeling work being performed during the year kept the library building closed to the public. The award came thanks to a creative solution in which parts of library operations were temporarily presented in new environments, enabling it to attract new visitors. In December, the newly established LGBTQ Council held its first meeting. The diversity of experiences, perspectives and identities that permeate the Council make it an important consultation forum and a referral body in the city.

A city of growth

The city is facing massive initiatives in urban development, infrastructure expansion and intensified residential construction. The River City vision and the West Sweden Package are strategic initiatives that run like a golden thread through the city's development in the coming years, as is the work for the city's 400th anniversary.



The Chairman of the City Executive Board, Anneli Hulthén, reflects on the past year.
Photo: Peter Svensson

sary celebration in 2021. During the year, planning and construction work was in full force on both sides of the river. A new market hall opened at Vågmästareplatsen and new neighbourhoods are emerging in Kvillebäcken. The winner of the competition for the new Hisingsbron Bridge was announced in the autumn and several detailed development plans were drafted during the year. In the northeast, physical environments were renewed. This includes the tram station in Hammarkullen and the Blå Stället cultural centre in the Angered Centrum shopping centre.

Gothenburg continued to grow and attract new people during the year. Population growth for the year was 7,200 people, making it one of the highest growth figures in the past 40 years. As population increases, so does the need for more housing. 2,568 housing units were completed in 2013 – the highest number since 2008. However, there is still a huge need for housing. Several strategic assignments are underway within the City's residential social responsibility for at-risk groups in the housing market, such as a plan to combat homelessness and a strategy to provide housing to new arrivals.

The City has continued to work purposefully to be able to offer a pre-school spot to all those who want one for their child. In 2013, the goal of full coverage of pre-school needs was achieved. In the area of education, the results of the PISA survey for 2012 were disappointing throughout the country. The survey, which gauges 15-year-olds' knowledge in mathematics, reading comprehension and natural science, showed that Swedish students' average performance deteriorated most of all

the OECD countries. Gothenburg is working strategically to counter this trend, giving special focus to educational leadership, systematic quality assurance and the compensatory assignment. These are areas fundamental to developing and improving the quality of pre-schools and schools. In 2013, we also established education committees in the districts to specifically monitor the quality of the school system.

In 2013, implementation of the West Sweden Package continued. Improved accessibility for public transport, a drive to increase cycling and the introduction of a congestion charge have had an effect. Investments in infrastructure create better conditions for a long-term sustainable and growing region, with Gothenburg at its heart. This not only makes it easier to get around in the city, but also satisfies commerce's need for reliable transports and creates a better environment.

We can now see that travel in the city is growing and that more and more people are choosing public transport or cycling. As car traffic has declined, bicycle use in the city has increased by 22 per cent. Maintenance efforts and investments in cycle lanes, new bicycle parking areas, increased service and the introduction of Västra Hamngatan as a bicycle priority street have helped to increase Gothenburg's attraction as a cycling city.

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

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. 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, makes summarising comments on the past year. The City's organisation and the members of the City Executive Board are also reported. The City of Gothenburg Annual Report is then divided into four major blocks:



BLOCK 1

Administration Report

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



BLOCK 3

Municipal City of Gothenburg – financial analysis and accounts

The block opens with an in-depth financial analysis of the City's accounts and a presentation is made of good economic management, the balance requirement and the earnings equalisation reserve. The term Municipal City of Gothenburg refers to the committees and the Finance Department. With the analysis, there is an account that shows for what activity the municipal tax revenue is used and what sponsorship exists within the City of Gothenburg. In the "Financial operations and risk management" section, an analysis is then made of the City's financial commitments in the form of borrowing and the like. The City's financial profile is then summarised, describing how the City's economy has developed in relation to other municipalities in Västra Götaland and Halland. The section is followed by the City's financial statements, notes and accounting principles. Finally, the block gives a brief description of the financial results of the district committees and the departmental committees, followed by the City's operational and investment accounts.



BLOCK 2

Activities of the City of Gothenburg

This block is used to report parts of the activities conducted by the City of Gothenburg's 30 or so committees and its 20 or so Groups and companies in 2013. The block is divided into the following areas of activity, taken from the City Council budget: education, individual and family care, people with functional impairment, elderly care and home medical care, labour market initiatives, building and housing, traffic, industry and tourism, culture and leisure, climate and the environment, diversity and integration, equal opportunity, 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

Group accounts are referred to as combined accounts in the municipal sector. This block begins with a financial analysis of the combined accounts. This is followed by financial statements and notes. After this, there is a summary analysis of some of the larger Groups and companies in the City of Gothenburg. Finally, all of the larger Groups and companies are shown in tabular form, where earnings, total assets and various key ratios are presented for each individual Group or company.

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Organisation of the City of Gothenburg

CITY COUNCIL

CITY EXECUTIVE BOARD

DISTRICT COMMITTEES

Angered
Askim Frölunda Högsbo
Centrum
Lundby
Majorna Linné
Norra Hisingen
Västra Göteborg
Västra Hisingen
Örgryte Härlanda
Östra Göteborg

DEPARTMENTAL COMMITTEES

Adult Education Committee
Archives Committee
Chief Guardians' Committee
Committee for Allocation of Social Welfare
Committee for Consumer and Citizen Services
Committee for Intraservice
Cultural Affairs Committee
Eco-cycle and Water Committee
Education Committee
Electoral Committee
Environmental and Climate Committee
Parks and Landscape Committee
Planning and Building Committee
Property Management Committee
Road Traffic Committee
Special Transportation Services Committee
Sports and Associations Committee
Supply of Premises Committee

JOINT STATUTORY AUTHORITIES

JOINT STATUTORY AUTHORITIES

Greater Gothenburg
Rescue Services
Stretered

CITY COUNCIL

CITY AUDITORS' OFFICE

NOMINATIONS COMMITTEE

COMPANIES *

Göteborgs Stadshus AB **

AB Gothenburg European Office

Boplatz Göteborg AB

BRG, Business Region Göteborg AB

Försäkrings AB Göta Lejon

Förvaltnings AB Framtiden

Got Event AB

Gryaab AB

Göteborg & Co Kommunintressent AB

Göteborg Energi AB

Göteborgs Gatu AB

Göteborgs Hamn AB

Göteborgs Spårvägar AB

Göteborgs Stads Upphandlings AB

Göteborgs Stadsteater AB

Göteborgsregionens Fritidshamn AB, GREFAB

Higab AB

Kommunleasing i Göteborg AB

Liseberg AB

Renova AB

Utveckling Nordost AB

* Company undergoing restructuring. New structure goes into effect 2014.

** On 1 January 2014, changed name from Göteborgs Kommunala Förvaltnings AB (GKF) to Göteborgs Stadshus AB.

Members of the City Executive Board 2013



Anneli Hulthén
(Soc. Dem.)
Chairman



Jonas Ransgård
(Mod.)
Vice Chairman



Dario Espiga
(Soc. Dem.)
City Councillor



Kristina Tharing
(Mod.)
City Councillor



Kia Andreasson
(Green)
City Councillor



Maria Rydén
(Mod.)
City Councillor



Marina Johansson
(Soc. Dem.)
City Councillor



Mats Pilhem
(Left)
City Councillor



Helene Odenjung
(Lib.)
City Councillor



Johan Nyhus
(Soc. Dem.)
City Councillor



Martin Wannholt
(Mod.)
City Councillor



Thomas Martinsson
(Green)
City Councillor



David Lega
(Chr. Dem.)
City Councillor



Mats Arnsmar
(Soc. Dem.)
Deputy City Councillor



Hampus Magnusson
(Mod.)
Deputy City Councillor



Anna Johansson
(Soc. Dem.)
Deputy City Councillor



Ann Catrine Fogelgren
(Lib.)
Deputy City Councillor



Robert Hammarstrand
(Soc. Dem.)
Deputy City Councillor



1

ADMINISTRATION REPORT

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

ADMINISTRATION REPORT

11 Strategic analysis

The purpose of this section is to describe community development in Gothenburg and the region from an outside world perspective.

16 Summarising financial analysis

The summarising financial analysis presents important financial trends within the City, certain large separate companies and the combined accounts (the Group).

18 Follow-up of prioritised goals 2013

An important part of management in the City of Gothenburg is made up of the prioritised goals that the City Council has set in the budget. A follow-up of these goals is presented here.

25 Personnel

The Administration Report shall describe "significant personnel conditions". This section focuses on City personnel from a number of aspects.

28 Assessment of the future

This section presents and discusses expectations for the future based on concrete and known conditions.

Strategic analysis

There was a dark cloud over Europe at the start of 2013, but by the end of the year there were hopeful signs of a turnaround, after most of Europe had spent six years living in crisis. Southern Europe still has a tough year ahead of it. The Gothenburg region fared relatively well. Employment increased, but the unemployment rate remains high. Population growth in Sweden and Gothenburg was record breaking. Gothenburg has begun to be marked by extensive urban development, investments in infrastructure and an increased pace of residential construction – drives to create attractive and sustainable urban environments.

Record population growth

Gothenburg's population growth of 7,200 people is one of the highest values seen in the past 40 years. Despite this, growth as measured in percentage remained higher in Stockholm and Malmö. Population growth in Sweden also reached record level, with the numerically largest increase in nearly 70 years. As a result of massive immigration from countries with civil unrest, such as Syria and Somalia, immigration to Sweden was the highest ever at 116,000 people.

According to the City's population forecast, there will be some areas where the demographic changes will have a clear impact in Gothenburg in the next few years. The need for more childcare spots continues, but at a much slower pace than in recent years. The number of compulsory school students is growing rapidly. The high birth rate of the past ten years is now having a full impact on compulsory schools. Over a ten-year period, the number of students is expected to increase by about 12,000, which equates to 500 new school classes of 25 students each. The pool for upper secondary schools will continue to shrink in the next few years and will then recover somewhat. The large cohorts born around 1990, sometimes referred to as baby boom children, will increase the pressure in the housing market in coming years.

An increasing number of those who move to Gothenburg from other parts of Sweden and abroad are resource-poor. Many of them are young adults who are looking for work or came to the City to study. Of those who moved to other municipalities in the Gothenburg region, the majority have been more established, particularly families with good income and a high level of education.

Many are fleeing the ravages of war

The role that immigration played in population growth was not a big-city phenomenon. It was seen in all counties except Gotland. When immigration is taken out of the picture, the view is completely different. Then, only 6 of 19 counties experienced population growth, namely the five counties of the urban labour market regions plus Östergötland County.



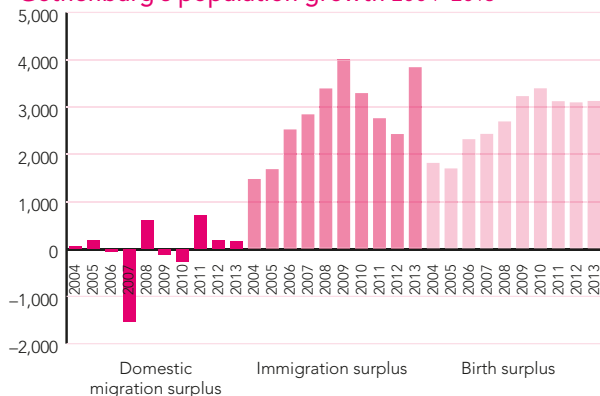
Most of Europe has been living in crisis for six full years. Southern Europe still has a tough year ahead of it. The Gothenburg region has fared relatively well.

As a result of massive immigration from countries with civil unrest, Gothenburg saw the highest level of immigration ever. The immigration was marked by an unusually high proportion of children. This is especially true for immigration from Somalia, where two-thirds were age 18 or younger. Immigration has played a significant role in the population development in Gothenburg. Over the last decade, the city has grown by about 55,000 inhabitants, reaching 533,300 at the end of 2013. About half of this is due to the high level of immigration and the remainder is attributable to births.

The big cities are winners

Domestic moves, by contrast, have not had any bearing on population growth in Gothenburg since an equal number have moved in as have moved out. Indirectly, however, domestic moves are of great significance. Since it is largely young people who move, domestic moves contribute to demographic changes in the country. Metropolitan areas and a number of college municipalities are the big winners. The large influx of young people causes the average age to drop and leads to the birth of more children. The vast majority of municipalities see the opposite trend – they lose their young people and there are fewer births.

Gothenburg's population growth 2004–2013



Domestic migration surplus = domestic immigration minus domestic emigration.

Immigration surplus = immigration minus emigration.

Birth surplus = births minus deaths.

Even within metropolitan regions, moves contribute to a redistribution of the population. This can be seen clearly in the Gothenburg region. It is the attraction of Gothenburg that is causing the region to grow. Over the past decade, the Gothenburg region has grown by 50,000 people due to immigration from other parts of Sweden and abroad. The entire gain can be attributed to immigration to Gothenburg. Other municipalities in the region as a whole have not increased their population through immigration from areas outside of the region. For such municipalities, the entire gain comes instead from people moving from Gothenburg.

The economy is picking up

The global economy remained weak, but both the USA and the euro area appear to have bottomed and are on their way up. Within the euro area, there are still varying degrees of stability. But, Sweden's major export markets, such as Germany, the UK and the Nordic countries are showing stronger and stronger development.

The number of employed persons in the country increased, while unemployment remained at a high level. The number of employees rose by one per cent, while the number of fixed-term (temporary) employees rose by four per cent to a new record level of 710,000 people. The prolonged recession has pushed down the price

and wage increase rate in the country to extremely low figures. As a result, the tax base of the municipalities and counties, in nominal terms, developed more slowly than normal.

The number of employed individuals in the manufacturing sector continues to decline, which naturally could be considered problematic for Gothenburg since the city has a relatively large manufacturing sector, at least in comparison with the other two major cities. In the autumn regional economic barometer, it was industrial companies that accounted for the largest positive change in light of the economic situation, so the industry looks to the future with confidence – at least in the Gothenburg region.

But is the growth sustainable?

Consumption is constantly increasing and our ecological footprint is not sustainable. If everyone were to live the same way, we would need three planets. The increased consumption of energy and products essential for economic growth is a hinder unless it can be offset by significant environmental technology advances. At the same time, there are various opinions as to whether growth can be sustainable and whether sustainable growth should be regarded as an end goal or as a means of obtaining sustainable development and the good life. Economic growth can be seen as both a solution and a cause of environmental and climate challenges.

The City of Gothenburg has launched extensive urban development, investments in infrastructure and an increased pace of residential construction. These efforts are intended to create attractive and sustainable urban environments for residents, visitors and the business community. The West Sweden Package and the River City vision are strategic initiatives. A particular challenge is to link the city both physically and socially to strengthen social cohesion and integration.

Focus on urban (residential) construction

During the year, extensive proposals were drafted for legislative changes that affect the city's planning and permitting process in order to stimulate increased residential construction. A new law on housing provision also went into effect. The huge focus on increased residential construction has been highlighted in published investigations such as the construction requirements investigation (Byggkravutredningen), the plan implementation investigation (Plangenomförandeutredningen), the noise coordination investigation (Bullersamordningsutredningen) and the regional planning and housing supply investigation (Regional planering och bostadsförsörjning). Several of the proposed rule changes could take effect as early as 2014. If adopted, the proposals will affect Gothenburg urban planning in different ways and may involving changed funding opportunities. The latest scientific findings of the UN's climate panel, which were presented in a report, also affect continued discussions on how Gothenburg can be protected against climate change.



During the year, there was a huge focus on increased residential construction.

Photo: Peter Svensson

Green economy delayed

Climate changes require restructuring of the business world and lifestyles. National, regional, and local strategies specify the need of initiatives that lead to a growing environmental sector in the business world and changes that reduce/minimise the negative contributions to various climate and environmental problems. Thus far, the environmental sector is a relatively small sector representing just a few per cent of the country's total employment. The government-appointed Commission on the Future of Sweden stated in its conclusions that a transition to a green economy will create both winning and losing industries, i.e. a restructuring in which the total number of jobs is not likely to change significantly.

According to the Growth Analysis, Sweden's green competitive power is relatively good compared to other countries, but, for example, in Europe Sweden is behind Denmark and Germany. Sweden has some prominent industries, but lacks the breadth of these countries. In several industries where Sweden is currently competitive, the corresponding industries in several other countries have a substantially higher level of green innovation activity than Sweden.

New growth strategies

For the new programme period beginning in 2014, the EU has launched the Europe 2020 growth strategy which sets targets related to all three dimensions of sustainable development. The strategy will help the EU and its member states to achieve a high level of employment, good productivity and a high level of social cohesion. In the autumn, the Västra Götaland region, which has

been tasked with coordinating and running development work in the region, adopted the strategy Västra Götaland 2020 – for growth and development work in Västra Götaland up to 2020. The strategy represents the county's regional development programme and is considered a tool for implementing the vision of “the good life”. The strategy follows the EU's general target areas and the choice was made to set higher targets than the EU and the national targets.

The Gothenburg Region Association of Local Authorities also adopted a new growth strategy – Sustainable growth. It primarily takes into account economic and ecological sustainability in order to lay a solid foundation for the municipalities' joint work to develop the Gothenburg region into a strong and clear region of growth in Europe. The strategy primarily concerns buildings, infrastructure and green structures. A well-functioning transport system is fundamental to growth, with an extended port railway line, extended Borås/Götaland line and expanded offering of destinations and travel options to and from Landvetter Airport. The strategy emphasises the importance of residential construction, trade start-ups and business start-ups happening so that they support the development of strong public transport and close access to basic services.

The climate requires international cooperation

A report from the UN's panel on climate change, IPCC, clearly indicates that it is man who is largely responsible for global warming, and that there is greater urgency than previously believed when it comes to reduc-

ing greenhouse gases in the atmosphere. At the same time, the UN Climate Change Conference in Warsaw – which was a preparation for the 2015 conference in Paris, where a new global climate change agreement is to be sewn together – was largely a disappointment. Thus, 2014 is important to the outcome as the most crucial countries are expected to indicate the size of emission reductions they expect to agree to when the Convention enters into force in 2020. Within the EU, the Parliament expressed strong criticism of the Commission's proposed targets, which require a lowering of the EU's climate-related ambitions. At the end of March 2014, the heads of state will meet to discuss what goals will be set.

A change of mindset has occurred. Ahead of the climate change conference COP15 in Copenhagen, the focus was on "sharing burdens". But now, the focus is on "benefits of action" – the sooner it is done, the more the country benefits from the changes.

In 2013, Gothenburg laid the groundwork for climate work intended to achieve sustainable and fair greenhouse gas emissions by 2050. A climate programme has now been proposed that shows how Gothenburg can be in the lead when it comes to achieve the City's climate goals. In 2013, the City's first environmental programme was also adopted, with a large number of measures to help Gothenburg achieve its twelve environmental quality goals.

Labour market remains tough

Unemployment in the EU was slightly higher in 2013 than the previous year, but December saw a slight improvement compared to the same month the previous year. However, it is too early to call this a trend. Unemployment in EU countries averaged 10.9 per cent and in Euro countries averaged 12.1 per cent. Southern Europe was still most problematic, with Spain at the top (26.4 per cent) and Greece, Croatia and Portugal not far behind. The rate of increase slowed down considerably, including in these countries. The Swedish unemployment rate was unchanged compared to the previous year at 8.0 per cent according to internationally comparable statistics. Germany (5.3 per cent) was best in the EU.

Registered unemployed, percentage (%) of workforce

All, 16–64 years old	2011	2012	2013
Stockholm	6.8	6.7	7.1
Malmö	13.6	14.0	14.9
Gothenburg	9.3	9.3	9.4
Sweden	8.3	8.4	8.5
Young people, 18–24 years old	2011	2012	2013
Stockholm	8.9	8.7	9.6
Malmö	22.9	23.0	24.5
Gothenburg	16.4	15.4	15.3
Sweden	18.3	17.7	17.2

Source: The Swedish Public Employment Service

Youth unemployment increased slightly within the EU to 23.5 per cent. In Sweden, youth unemployment dipped slightly, but remained in line with the high EU average. The differences within Europe are enormous. In Spain and Greece, the majority of young people are unemployed, while in Germany the figure is only 8 per cent.

For comparisons between municipalities, refer to the Swedish Public Employment Service's statistics over registered unemployed individuals, which differ slightly from Statistics Sweden's official sample survey. Unemployment in both the big cities and the country as a whole seems to be stuck at the new higher level reached after the economic crisis in 2008. Gothenburg was pretty close to the national average in terms of both total unemployment and youth unemployment. Stockholm was in a slightly better position and Malmö a slightly worse one.

More flexible labour force in demand

The year saw a continued trend of an increasing number of fixed-term (temporary) employees as demand for a more flexible labour force increases. But, there is a growing awareness that the economic benefits of a more flexible labour force should be weighed against an increased sense of insecurity and alienation. Temporary positions are described more seldom in terms of freedom and a chance to get a foot in the door and more often in terms of insecurity and lack of freedom – freedom to take out a loan or have the courage to stand up against deficiencies at the workplace. There are those who argue that consultants, freelancers and project employees have more in common with the labour market's "problem groups" – the young, the poorly educated and immigrants – than permanent employees. They are associated with a relatively weak position in the labour market, which reduces long-term opportunities, even in life in general, and leaves the person without a safety net to fall back on if an emergency arises. It is a breeding ground for cracks in the welfare state as larger and larger groups are left out of the community on which the welfare state is based.

Young people's ability to live independently

According to the UN Convention on the Rights of the Child, children and young people must be included in societal development. The City of Gothenburg budget emphasises the importance of ensuring that children and young people have the right conditions to succeed in school. About one quarter of all 20-year-olds in the Gothenburg area did not have full upper secondary qualifications. This means that young people find it difficult to leave home and carve out an independent life. Working and earning a living is important to prevent social alienation. Those who lack final school grades are finding it increasingly difficult to compete in the labour market.

In October, Gothenburg had 2,474 young people (18–24 years old) who were openly unemployed and another 2,247 young people who were in a programme

with activity support from the Swedish Public Employment Service. About 30,000 Swedish youth registered with the Swedish Public Employment Service did not have a school-leaving certificate from upper secondary school. Municipalities have a duty to keep themselves informed about how young people who have completed their compulsory schooling but have not yet turned 20 are employed and be able to offer appropriate, individual measures to young people.

Disappointing knowledge results

The results of the 2012 PISA survey, which gauges 15-year-olds' knowledge in mathematics, reading comprehension and natural science, were disappointing for Sweden. Since the first survey in 2000, Swedish students' average performance declined most of all OECD countries. In all three of the knowledge areas, Swedish students are now well below the average for OECD countries. The decline was greatest for low-performing students.

In the in-depth analysis that OECD conducted upon request by the government, two main areas of development were highlighted – instruction and equality. There is an increased focus on the status of the teaching profession, teachers' salaries and more instruction time in schools together with better equality through compensatory resource allocation and placement of the best teachers in schools where students are socio-economically disadvantaged.

Equality used to be an area of strength for Sweden, but has deteriorated in the twenty-first century. The spread of results has increased between students and to an even greater extent between schools. According to the Swedish National Agency for Education, schools have become more segregated in terms of learning motivation and academic performance – a problematic development as mechanisms such as peer effects and teacher expectations further amplify performance gaps and work against the school system's statutory compensatory duty.

The national grading trend does not reflect the PISA survey results. On the contrary, both the merit rating and the percentage who achieve the goals in all subjects have increased over the past ten years. However, the percentage of students with upper secondary eligibility has declined slightly due to higher entry requirements. Obtaining a school-leaving certificate is becoming an increasingly important factor for entering the labour market. Another threshold is to leave upper secondary schools with eligibility to go on to college or university studies. In this area, Gothenburg is above the national average and is even ahead of Stockholm.

Eligibility for college

Percentage (%) eligible for college	2011	2012	2013
Stockholm	88.4	88.0	86.9
Malmö	82.3	83.4	82.6
Gothenburg	88.7	88.2	88.4
Sweden	87.1	86.7	86.8

Source: Swedish National Agency for Education

Access to right competence is a challenge

One of industry's biggest challenges is finding the right competence. To handle the necessary competence supply when growth increases, the Gothenburg region needs an increase in residential construction and increased accessibility through investments in infrastructure. A large local labour market provides a greater chance for employers to find the right competence while providing better conditions for employees to find a job that suits their education. The larger the labour market and the larger the knowledge capital, the greater the strength one can expect for economic growth.

The total number of students in Swedish colleges decreased slightly in 2013. The University of Gothenburg and Chalmers University of Technology, however, went against this trend and saw an increase in their number of FTE students. Educating a large number of people is not enough to ensure a highly educated and competitive labour force since people's mobility tends to increase as the education level increases. The metropolitan regions are the winner in terms of where graduates choose to live after completing their studies. In 2012, there were 1,500 more people who chose to live in the Gothenburg region two years after completing their studies compared to the number of people who originated in the region and graduated two years earlier.

Safety increases

Despite dramatic shoot-outs in several Swedish cities in recent years, the 2013 Swedish Crime Survey conducted by the Swedish National Council for Crime Prevention shows that the percentage of those who feel unsafe dropped from 21 to 15 per cent since 2006. There is still a large number of women who do not go out alone late at night because they worry about safety. In 2013, this number amounted to 10 per cent, which corresponds to 330,000 women between 16 and 79 years of age. The survey shows that most residents in Sweden generally feel safe and that the worry about suffering from crime is relatively low. The group in society at most risk of being subjected to violence is still young people between 15 and 24.

Safety and security work in Gothenburg districts is performed in dialogue with citizens regarding the perceived sense of security in order to implement measures that will make the public comfortable to move about their district and increase the sense of security. Work in 2013 focused on the districts Angered, Majorna-Linné and Lundby.

Summarising financial analysis

The Municipal City of Gothenburg reported positive earnings of SEK 728 million in 2013, excluding extraordinary non-recurrent items and non-recurrent items affecting comparability. The same measure of earnings in 2012 was SEK 596 million. This means that current operating earnings for the City, excluding non-recurrent items, were generally unchanged.

The City of Gothenburg's collective volume of investments for 2013 amounted to SEK 2,394 million, which was about the same level as for 2012. However, a higher percentage of investments were financed through investment income, which reduced the need for self-financing in 2013.

The degree of self-financing of the investments after deduction for investment income was 108 per cent. This means that all investments during the year were financed by tax revenue and investment income. This strengthens the City's financial manoeuvrability moving forward.

The City of Gothenburg Group reported net earnings for 2013 in the amount of SEK 1.5 billion. This was almost SEK 1.4 billion lower compared to 2012. This can be attributed to capital gains of SEK 1.3 billion in 2012 in connection to the sale of companies within Göteborg Port Operation AB.

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

MUNICIPAL CITY OF GOTHENBURG

Unchanged financial operating earnings

When analysing the earnings of the Municipal City of Gothenburg, it is important to eliminate non-recurrent items of various types to look at the underlying current operating earnings. In 2013, the City received an additional SEK 355 million in repaid insurance premiums from AFA. At the same time, the change in discount rate for the City's pension commitments, RIPS, meant a cost of SEK 185 million, including employer's contribution. This means that the items affecting comparability amounted to SEK 170 million net.

In 2012, the City received SEK 381 million in repaid insurance premiums from AFA and a provision for public transport amounting to SEK 92 million was reversed. This was balanced by the City making a provision of SEK 400 million to a development fund. This means that the items affecting comparability amounted to SEK 73 million net.

Excluding the above non-recurrent items, earnings totalled SEK 728 million for 2013 and SEK 596 million for 2012. This means that current operating earnings for the City, excluding non-recurrent items affecting comparability, changed by SEK 132 million between 2012 and 2013.

The City Council decided in 2013 to restructure the company sector in order to include all of the companies in a cohesive group. Förvaltnings AB Framtiden, Älvs-tranden Utveckling AB and Göteborg & Co Kommun-intressent AB were transferred to Göteborgs Stadshus AB and Higab AB, respectively. The sale means that the City reported an extraordinary receipt of SEK 8.7 billion in 2013. At the same time, the City made a shareholder contribution to Göteborgs Stadshus AB at an amount equal to the extraordinary income. The effect of the transaction on the balance sheet means that the City's financial assets in the form of shares increased by SEK 8.7 billion.

Please note that the transfer of the companies to Göteborgs Stadshus AB is a pure intra-group transaction and is therefore eliminated from the combined accounts. Thus, in practice there were no actual changes to the City's economic and financial conditions.

All of the above events mean that the City's total earnings for 2013, including extraordinary non-recurrent items and non-recurrent items affecting comparability, totalled SEK 9.6 billion.

Municipal City of Gothenburg in figures

MSEK	2011	2012	2013
Gross costs	30,513	30,263	31,531
Total assets	39,968	42,483	51,460
Net earnings for the year, not incl. extraordinary items	411	669	898
Net earnings for the year, not incl. extraordinary items and items affecting comparability	1,197	596	728
Net earnings for the year	411	669	9,595
Volume of investments	1,544	2,498	2,394
Volume of investments, incl. investment income	1,438	2,102	1,592

Good economic management from an earnings perspective

If earnings excluding extraordinary items and items affecting comparability are related to tax revenue and municipal financial equalisation, the City reported earnings of 2.9 per cent in 2013.

Generally speaking, results between 2 and 3 per cent are considered good economic management since such results give room to over time finance most of the normal volume in investments in a municipality through taxes. During the past five years, Gothenburg reported an average of 3.6 per cent.

Investments totalled SEK 2.4 billion.

The City of Gothenburg's collective volume of investments for 2013 amounted to SEK 2,394 million, which was a decrease of SEK 104 million compared to 2012. With investment income included, investments totalled SEK 1,592 million, which was SEK 491 million lower than in 2012. An important reason for this was that more investment income was paid to the City in 2013 in relation to the West Sweden Package.

Municipal City of Gothenburg / financial key ratios

	2011	2012	2013
Earnings and capacity			
Net earnings for the year, not incl. extraordinary items / tax revenue	1.7 %	2.8 %	3.6 %
Net earnings for the year, not incl. extraordinary items and items affecting comparability / tax revenue	5.0 %	2.5 %	2.9 %
Degree of self-financing of investments, incl. investment income	82 %	69 %	108 %
Equity-assets ratio	19 %	20 %	35 %
Risk and control			
Acid-test ratio	129 %	108 %	66 %
Net financial assets excl. shares and participations (MSEK)	-4,329	-5,366	-5,377
Municipal tax rate (SEK)	21.55	21.12*	21.12

* The reduction in Gothenburg in 2012 is solely explained by a tax levy exchange with the Västra Gotland region to change the responsible authority for public transport.

Improved equity-assets ratio through modified corporate structure

The City's equity-assets ratio according to the balance sheet has remained constant in recent years. Due to the aforementioned changes in the City's corporate structure, 2013 saw a large increase from 20 per cent in 2012 to 35 per cent in 2013.

The City of Gothenburg's equity-assets ratio is affected to some extent by the City's re-lending to cover the companies' borrowing needs. If re-lending is excluded from the balance sheet, the equity-assets ratio was 57 per cent in 2013, which is an increase of 17 percentage points compared to 2012. It is this equity-assets ratio level that should be used when comparing Gothenburg to other municipalities in Sweden. The municipal average in Sweden is about 50 per cent.

Balance requirement met

The City meets the statutory balance requirement in 2013 with earnings not including capital gains amounting to SEK 690 million. After allocating SEK 441 million to the earnings equalisation reserve (EER), the balance requirement earnings amounted to SEK 249 million. Since its implementation in 2000, the City has met the balance requirement every year.

A more in-depth financial analysis of the City is found in block 3.

COMBINED ACCOUNTS – THE GROUP

The City of Gothenburg Group reported net earnings for 2013 in the amount of SEK 1.5 billion. This was almost SEK 1.4 billion lower compared to 2012. This can be attributed to capital gains of SEK 1.3 billion in 2012 in connection to the sale of companies within Göteborg Port Operation AB.

Group investments totalled SEK 6.4 billion in 2013. This was a decrease of almost SEK one billion compared to 2012, attributable to the company sector. The equity-assets ratio was 30 per cent, an increase of one per cent compared to the previous year.

Combined accounts in figures

MSEK	2011	2012	2013
Receipts	48,930	47,201	48,230
Total assets	75,295	78,096	80,800
Earnings after financial items	898	2,802	1,652
Net earnings for the year	752	2,934	1,541
Volume of investments	6,283	7,244	6,413
Equity-assets ratio	26 %	29 %	30 %

A more detailed description of the economy in the combined accounts and individual companies is found in block 4.

Prioritised goals and assignments

In the budget for 2013, the City Council has stipulated 21 prioritised goals and 15 assignments. This section provides a summarised follow-up of goal achievement and the degree to which assignments have been carried out.

SUMMARISED FOLLOW-UP OF GOALS

The majority of committees and boards of directors assess that there has been good or a degree of goal achievement for all of the City Council's prioritised goals. The assessment basis differs between district committees and certain departmental committees and companies. The district committees based their assessment more heavily on whether the outcome improved, while several departmental committees and boards of directors based their assessment on whether the committee or company performed an activity to improve goal achievement.

Committees and boards of directors indicate that the highest level of goal achievement was in the area of reducing unjustified differences in pay between men and women. In this area, thirty-nine committees and boards of directors indicated there was good goal achievement, two committees and five boards of directors indicated some goal achievement and one board of directors indicated that goal achievement was difficult to assess. Several of those affected by the goal in question also indicated good goal achievement for the following:

- Equality in City activities shall increase.
- Young Gothenburgers' opportunities for rich and meaningful leisure time shall be expanded.
- Children's physical environments shall be improved.
- Young people in Gothenburg shall be given greater opportunities to influence matters affecting them.
- Gothenburg shall reduce its climate impact to become a climate-neutral city.
- Sustainable travel shall increase.
- The business climate for Gothenburgers shall improve.
- Access to culture shall increase.

For other goals, goal achievement was deemed not as good or difficult to assess for various reasons.

Gothenburgers' life opportunities shall be made more equal

This is a new goal and should be seen as something for the long term. In total, 30 of the 55 committees and companies responded. Fourteen of these believe there has been some achievement of this goal and nine believe there has been good goal achievement. Some and good goal achievement means that



In the budget for 2013, the City Council has stipulated 21 prioritised goals.

things are developing in the right direction, but the goal has not been completely achieved. The goal has a process owner who is responsible for coordinating the City's work. This has been a key success factor for the development of work towards goal achievement. There is a clear synergy between and within the districts in developing common action to achieve social sustainability. The effects of increased achievement of this goal will be reflected in the achievement of other prioritised goals and in the health figures for the City.

Early prevention and rehabilitation efforts shall increase for children, young people and adults with substance abuse problems

In total, 21 of the 55 committees and companies responded regarding this goal. Nine believe there has been some goal achievement. Increased structured collaboration between the districts and between different authorities is considered the primary success factor behind goal achievement. Structured collaboration contributes to better understanding of each organisation's assignment and the conditions for the assignment. Four district committees reported good goal achievement. Highlighted in particular were prevention work and work with children, youth and their families through collaboration

between schools and social services. Rehabilitation work with adults remains problematic as the housing shortage hampers rehabilitation work at home. To ensure increased goal achievement, a common method for monitoring the effectiveness of measures is required.

Integration as measured based on the strategic areas of the balanced scorecard for integration shall increase

The City's work focuses on counteracting imbalances between both population groups and geographic areas. Housing, increased employment, children's and young people's education, equal service and diversity in the City's organisation are the strategic areas in which the City works long term. Mixed forms of residence in the various parts of the City is part of the strategy. Creating opportunities for social encounters in urban space is another strategic measure. The new market hall at Vågmästarplatsen is one example of this. One result that supports establishment in working life is that more students in Swedish for Immigrants and adult education have a job after completing their education. Another measure is to strive to create more job opportunities. Several companies have established themselves in northeastern Gothenburg. Diversity has increased in the City's organisation. This applies to both managers and employees. A review of metrics for the integration goal shall take place in 2014.

Equality in City activities shall increase

An overall assessment of the goal is that it has been achieved to some degree. During the year, efforts to ensure equality of service were broadened and deepened. Efforts have also begun to show results, primarily in the form of improved procedures, accessibility and range of offering that better meet the needs and wishes of women and men and girls and boys. This has had positive effects, where some businesses have seen a growing influx of visitors or users who did not previously seek out their operations.

The development of equality from an employer perspective is measured using the tool JÄMIX. Since the first survey in 2010, measurable equality has increased annually. This is largely thanks to work to offer more workers full-time positions, a gender balance in management teams and equal and competitive wages. Equality plans are a tool in this work.

Differences in health between different socio-economic groups and parts of Gothenburg shall be reduced

2013 is the first year with this goal, which is more comprehensive and long-term in nature. The methods used to achieve the goal gave the previous public health work a clearer structural approach.

Various measurements of health during the year indicated some goal achievement. The drug habit survey showed that fewer young people in compulsory school smoke and drink alcohol, while drug use increased

among 18-year-olds. The Health on Equal Terms survey for the year showed mental health differences between men, 84 per cent, and women, 76 per cent. The ill health rate (number of days with compensation, sickness benefit, etc. per person) was about 30 days for women while only 23 for men. For all health data, there are still differences in the population's health both between different districts and within districts.

Children's physical environments shall be improved

The Planning and Building Committee's process ownership has included a focus on distributing, implementing and developing the child impact analysis tool. This served to increase awareness of child perspective aspects in planning work regarding the physical environment. The level of knowledge about what makes a city more child friendly was raised and questions about what is a good city from a child's perspective gained greater legitimacy in an urban development context.

Goal achievement is difficult to assess or is uneven, in part due to the wide variation in measures within City activities involving children. Something positive for goal achievement is that several districts have developed action plans with concrete improvement measures based on physical environmental rounds in the schools in 2013. Several districts have closed down older schools and built new ones. Several school buildings and school grounds were renovated in 2013.

Schools shall give children and students opportunities to acquire and develop knowledge, abilities and values.

Achievement of this goal and the City as a whole in 2013 is difficult to assess. Quality work grew stronger in 2013 as the result of the strategic work underway throughout the city, with a focus on systematic quality work, leadership and compensatory measures. There were several activities and initiatives in the City that are expected to lead to increased goal achievement over time.

Schools shall to an increased scope compensate for differences in students' conditions at both the student level and between different schools.

Goal achievement was good yet inadequate. It was inadequate considering that pre-schools and schools are tasked with offsetting all differences in the conditions of children and students. Thus, as long as there are children and students who do not develop to the greatest extent possible, achieve all knowledge requirements, take onboard all democratic values, etc. then the compensatory initiatives are inadequate. But, if we gauge things based on whether initiatives increased or not, then goal achievement can be considered good.

Within the district sector, compensatory initiatives are handled to an increasing degree within the respective school or district rather than by purchasing services.

Upper secondary schools have made great use of the correlation between completing studies and establishing oneself on the labour market. Adult education is for many a second chance to complete previous studies.

Young Gothenburgers' opportunities for rich and meaningful leisure time shall be expanded

Goal achievement is generally deemed good. Eight out of ten children and young people felt satisfied with their leisure time, boys slightly more than girls. According to the children, the most important parameter for good leisure time was parents caring about and getting involved in their activities. Friends were also important and home was where most time was spent.

An increase in goal achievement was made possible by seeking out young people in their own arenas, involving them in the planning of facilities and activities, concentrating leisure activities to a smaller number of recreation centres and collaborating across sectors. Targeted efforts to reach more girls paid off. Collaboration between recreation centres and the school of the arts (kulturskolan) along with the social culture project El Sistema helped to reach new groups of children and young people.

Accessibility for different groups also increased through measures in buildings and modified rules/shorter waiting times for immediate trips with special transport.

Young people in Gothenburg shall be given greater opportunities to influence matters affecting them

Goal achievement is generally deemed good. Eight out of ten children and young people indicated in a questionnaire that they were satisfied with their leisure time, boys slightly more than girls. According to the children, the most important parameter for good leisure time was parents getting involved in their activities. Friends were also important and home was where most time was spent.

By seeking out young people in their own arenas, and involving them in the planning of facilities and activities, young people were given greater influence over their leisure time. Targeted efforts to reach more girls paid off in recreation centre activities. Collaboration between recreation centres and the school of the arts (kulturskolan) along with the social culture project El Sistema helped to reach new groups of children and young people.

Accessibility for different groups also increased through measures in buildings and modified rules/shorter waiting times for immediate trips with special transport.

Despite changes in the sector, a lot of development is still required to increase the quality of activities.

The elderly shall have greater control over their everyday lives

The collective assessment is that there has been some goal achievement.

Several of the district committees have invited the elderly to dialogue meetings aimed at finding out what expectations the elderly have regarding influence and control. These dialogue meetings have helped the committees gain a better understanding of what the elderly want influence and control over.

Measurements used to assess goal achievement include user satisfaction in home-help services and residential care. From 2013, the City only uses the national user survey, which is sent out once a year. The collective results show that the users are generally rather pleased with their level of control and influence. However, users in Gothenburg are generally somewhat less satisfied than in the nation overall.

The goal of the elderly's control over their everyday lives affects all elderly people and thereby many of the committees and companies. The reported results mainly include elderly care operations.

Gothenburg shall reduce its climate impact to become a climate-neutral city

Carbon dioxide emissions have been reduced, but not enough. The pace and ambition of climate work needs to increase in order to achieve the long-term environmental quality goal by 2050. The effect of our consumption is too great outside of the City limits. The interim goal for 2020 should be achievable with additional measures. The budget goal with its greater demands for the reduction of emissions will be difficult to achieve within that same time frame. A review of the City's environmental quality goal is underway, starting with the climate goals.

A climate programme for the City and an energy plan are now being circulated for opinions within the City. Gothenburg's first environmental programme, which was adopted in December 2013, also contains many measures related to the climate goals.

Energy efficiency improvement is going too slowly. Investments, which are also reasonable from a social perspective, are required. Consensus on how the work will evolve is important.

The climate aspect is gaining attention, including during purchase of materials.

The City shall better satisfy Gothenburg's housing needs

2,568 housing units were completed in 2013 – the highest number since 2008. So far during this term, 6,380 housing units were completed. When it comes to the City's residential social responsibility, there are several strategic assignments underway to assist at-risk groups in the housing market. Among other things, the work involves drafting a plan to combat homelessness and a strategy on housing new arrivals to Sweden. The assignments also cover communal housing for the elderly and increased accessibility and more housing for people with functional impairment. Collaboration between the districts, the property management office and property owners is a key factor to success in meeting the housing needs of at-risk population groups in the housing mar-



The goal of the elderly's control over their everyday lives affects all elderly people and thereby many of the committees and companies.

ket. The indicated assignments help to meet the housing needs of Gothenburg residents.

Economic use of resources shall increase

The trend is positive. The goal involves behavioural changes – slow development where it is difficult to see huge differences from year to year. Household waste levels are moving in the right direction. The amount of residual waste is decreasing and separately collected food waste has increased to 35 per cent (long-term goal is 50 per cent). A weight-based waste tariff is now in place throughout the City, excluding the archipelago. Waste management activities in the City are increasing, largely thanks to the prioritised goal and process ownership. Most focus their efforts on waste sorting. Work upwards along the waste ladder must increase. There are many who still lack the ability to sort out food waste. Waste prevention work in many of the districts has focused on reducing food waste and on increasing reuse and waste minimisation. To increase goal achievement, continual and systematic work, resources to be able to work towards the goal and assigned responsibility are required.

Sustainable travel shall increase

During the past year, the travel mode distribution for Gothenburgers changed, with an increase in the percentage travelling by bicycle and public transport and a

decrease in the percentage travelling by car. Among the many reasons for this change are the new conditions created by the West Sweden Package and the introduction of a congestion charge. The City also continued its efforts to increase cycling. The increase in travel by public transport has stabilised at 10 per cent over the year as a whole. Similarly, car traffic has shown a general decline of 4.6 per cent, i.e. not just at the congestion charge stations. Across the municipal borders, traffic reduced by 1.9 per cent. This is interesting since traffic in this respect has only reduced on two occasions since 1993. The number of passengers at bicycle monitoring stations increased by 22 per cent.

Biological diversity shall be promoted

There are many initiatives underway, but goal achievement is difficult to assess in the short term. Most of the local environmental quality goals in this area are deemed achievable with additional measures, but the number of initiatives must increase. The environmental programme contains a number of measures to support the work.

Ecological issues have received increased attention in physical planning, including through compensation measures. Conservation-based management of municipal forests, a green strategy and ecological landscape analyses are important tools. An environmental-pro-

tection strategy for the City shall provide guidance for continued work.

The City's chemical plan is now being circulated for opinions. The purchase of eco-labelled products and chemicals, compliance with the City's framework agreement in WINST and environmental requirements for materials and suppliers are examples of measures intended to reduce the spread of toxins.

Work with the sewage diversion action plan to reduce overflow and with water protection areas continues.

The business climate for Gothenburgers shall improve

The goal is for the business climate in Gothenburg to be ranked the highest among the country's metropolitan regions in 2014. The goal was followed up in 2013 through the Swedish Association of Local Authorities and Regions' insight survey (Insiktsmätning). The survey clearly shows that the business climate in Gothenburg has improved and is now at the same level as the Malmö region and slightly behind the Stockholm region. During the year, there was education courses, such as "Förenkla helt enkelt" (Simplify, quite simply) for 450 people within the City of Gothenburg. Action plans to further improve the business climate will be implemented in all relevant technical departments in 2014. The City-wide work in this matter is led by Business Region Göteborg.

Labour market initiatives for groups far outside the labour market shall increase

Seven of the district administrations report some achievement of this goal, while the other three administrations report good goal achievement. The reports also show clear differences between the initiatives of the different administrations since the target groups differ somewhat. Some administrations also point out that work is now increasingly targeted to people far outside the labour market, which calls for more individualised efforts and less general ones. Other administrations and some companies reported initiatives that primarily entail providing internships or establishing employment positions with support.

Access to culture shall increase

Administrations and companies feel this occurred during 2013. Particular responsibility lies with the Östra Göteborg district administration and the Cultural Services Department (Kulturförvaltningen), which lead development work to increase collaboration, strengthen marketing and develop new cultural venues, such as the new arts centre in Bergsjön. A new literary arena was created through Litteraturhuset, which is situated in Lagerhuset. Undocumented refugees can now use library resources the same as regular citizens. The Stadsbiblioteket library is still under reconstruction, but the 300 square metre service library expanded its opening hours and is open 7 days a week. For the elderly and their family, there is a targeted activity called "Möten med

minnen" (Meetings with memories) at the Gothenburg Museum of Art and Göteborg City Museum. Particularly successful during the year was the Göteborg City Museum's "Vi är romer" (We are Romanies), which describes the Romanies' history, migration from India to Europe, language and heritage.

Unjustified differences in pay between men and women shall be reduced

Reports from the committees and boards of directors indicate that goal achievement within the respective committee and board has been satisfactory: thirty-nine committees and boards consider achievement to be good, two committees and five boards indicated some achievement and one board indicated achievement was difficult to assess.

In the City of Gothenburg, women's average salary as a percentage of men's average salary remained unchanged in October 2013 compared to October 2012. In 2013, this was 92.1 per cent, compared to 92.2 per cent in 2012. The administrations have made efforts to reduce unjustified differences in pay. Female-dominated occupations in healthcare and education have seen higher salary increases percentage-wise. At the same time, some of the technical administrations needed to make special efforts in competitive groups.

In the salary review for 2013, the outcome in per cent was higher for women than for men, 3.1 per cent compared to 2.9 per cent for men. As women's average salary is lower, this does not level out things in SEK.

Procurement of services with social considerations shall increase

During the year, several committees and companies carried out procurements with social consideration criteria with positive results. The pilot project started in the City to increase work with social considerations in public procurement is deemed to have produced good results. The results from the 2013 follow-up indicate a total of 55 procurements with social considerations as a requirement. This is a significant increase compared to 2012 as the number of procurements with social considerations at that time was only 10. Administrations and companies also used the opportunity to set social consideration requirements through framework agreement call-off orders in renewed competitive procurement in relation to framework agreements. The pilot project work and spread of information by the procurement company is deemed to have produced results in the development of increased goal achievement. The pilot project is run by the procurement company in broad collaboration with City organisations, government collaboration partners and the market.

SUMMARY OF THE ASSIGNMENTS

Of the fifteen assignments that the City Council gave to committees and boards of directors, twelve were slated for execution in 2013 and three no later than in 2014.

Of the twelve assignments slated for execution in 2013, all relevant committees and boards assess that the following have been completed:

- Full coverage of pre-school needs.
- There shall be a youth council in each district.
- A plan for training in interaction issues between the City and the business world shall be drafted.

For the assignments “Implementation of the Gothenburg Model for greater self-determination in home-help services shall progress and be followed up” and “More housing for people with functional impairment shall be created”, the City Management Office deems that the assignments have been carried out.

The assignment of ensuring there is a food council at every school has been completed by nine district committees and largely completed by the Östra Göteborg district committee and the Education Committee. Seven district committees indicate completion of the assignment of making gender educators and LGBTQ-competent personnel available for each pre-school and school. Three district committees and the Education Committee have completed the assignment in part. The other five assignments have been carried out to a lesser scope.

Resource allocation based on gender shall be mapped out in each committee and company

Slightly less than half of the administrations and companies completed the assignment of mapping out resources by gender. The other half will complete the assignment in 2014. 10 out of 48 respondents indicated that the assignment was not carried out at all. Reasons given were that it is not applicable (e.g. too few employees), lack of time or that there is already a good overview of resource allocation.

Full coverage of pre-school needs

The assignment of full coverage of pre-school needs has been completed. At the date of the survey (31 October 2013), all children in queue were given access to a spot within four months and some districts were able to reduce the number of children in the groups.

The percentage of students with passing grades shall increase

The percentage of ninth grade students with passing grades in all subjects decreased in 2013. Compared to 2012, there was a decline in the number of schools with more than 80 per cent of ninth grade students with passing grades in all subjects. The percentage of students with a school-leaving certificate within four years dropped at the municipal upper secondary schools.

Gender educators and LGBTQ-competent personnel shall be available for each pre-school and school

The majority of committees indicate that the assignment has been carried out. Of the four committees that indicate that the assignment is only partly carried out or not carried out, gender educators or LGBTQ-competent personnel are available, but not at all pre-schools and schools.

There shall be a youth council in each district

The assignment has been completed.

There shall be a food council at all schools

The assignment has been largely completed. Östra Göteborg reports that there is one school without a food council. Otherwise, there is now a food council at every school in Gothenburg.

Implementation of the Gothenburg Model for greater self-determination in home-help services shall progress and be followed up

The assignment has been completed. The aim of the Gothenburg Model is to give users a greater voice in the service measures granted. The level at which the district committees have embraced the matter has had a positive result at the City-wide level. Success factors have been initiatives related to information and dialogue. Measurements of choices in the moment and choices according to the implementation plan are used as the basis for assessment.

A new plan to combat homelessness shall be drafted

The Property Management Committee is responsible for drafting a new plan to combat homelessness. Work is in progress and the plan is expected to be circulated for opinions during spring/summer 2014. A complete proposal will be presented in the autumn.

More housing for people with disability shall be created

In 2013, 96 flats in buildings with special service (BSS) were completed. This is double compared to last year. From 2004 to 2013, approximately 700 flats were completed. This means that there are a total of 1,264 flats in BSS. Another 340 people are expected to request housing in BSS in the time up to 2016. In 2013, 57 people were given a priority position in the queue to regular housing through “F100”.

The percentage of eco-friendly meals shall increase to at least 50 per cent during the mandate period

The percentage has increased, but the pace is too slow and the distance to the goal is too great.

The percentage of organic food products purchased for the district committee sector is 27.1 per cent, which is an increase of 3.7 percentage points. The distribution



The percentage of organic food products purchased for the district committee sector is 27.1 per cent. The percentage of eco-friendly meals shall increase to at least 50 per cent.

ranges from 21 to 31.9 per cent. Organic coffee, tea and fruit are purchased, but are not reported separately.

The percentage of meat for the district committee sector is 33 per cent, with variation between 22 and 48 per cent. One district committee was not able to report.

A plan for training in interaction issues between the City and the business world shall be drafted

During the year, 450 officials and politicians took the course "Förenkla helt enkelt" (Simplify, quite simply), which was run by the Swedish Association of Local Authorities and Regions. The aim was to increase municipal understanding of the business owners' situation in their relationship with the City. Issues related to interactions were given great focus in this course.

Administration and companies shall offer all permanent employees full-time positions

The majority of the departmental committees/companies have completed the assignment. Several indicate that there are a small number who voluntarily have part-time positions and that in some cases the committee/company is not in a position to offer certain part-time employees full-time positions. None of the district committees completed the assignment in all operations. Some district committees indicate that the assignment was completed in operations with local collective agreements for temporary work.

Of the hours worked in the City of Gothenburg, maximum five per cent may be performed by hourly employees. This applies for the mandate period

The assignment was only partly completed to a degree of 8.3 per cent. Committees and companies with an actual

impact on the overall result were not able to successfully carry out the assignment. The district committees work actively with the assignment, but believe it will not be fully executed in 2014. Other committees and companies feel they are unable to contribute further due to seasonal or events-based activities.

The percentage of non-Nordic individuals and the percentage of women shall increase at the management level

Managers born outside of the Nordic countries

Even though only a few committees/companies indicated that they completed the assignment, the total percentage of administration managers born outside of the Nordic countries increased from 4.6 to 5.1 per cent.

Women at management level

The majority of committees/companies indicate that the assignment is complete. Of these, several indicate that the gender distribution was already equal or that women were overrepresented.

In 2014, at least 50 per cent of the City's service procurements shall be done with social considerations

The number procurements with social consideration criteria is expected to further increase in 2014. The assignment to reach 50 per cent of service procurements will not be achieved in 2014. In part, many were waiting for results from pilot projects to find a model while administrations and companies are requesting continued support in the form of skills development in procurement linked to renewed competitive procurement.

Significant personnel conditions

During the year, several administrations increased their operations due to new assignments or changes in population and the City has had major recruitment needs. In 2013, the City as an employer stood up well in the competition on the regional labour market. Many administrations have noted increased sickness absence, a strained work environment and an increased workload in their operations. District administrations have seen a high level of mobility among unit managers.

In 2013, focus in relation to personnel has been on supporting and developing the work environment in the City, supporting the organisations in drafting long-term competence supply plans and improving conditions for City managers. A new employee and health and safety policy was formulated and adopted during the year. It will be implemented in 2014. The City is actively working to increase equality by levelling out unjustified differences in pay, creating equal working conditions and ensuring equality in management teams. A comprehensive initiative to implement the City's common approach in all organisations was carried out during the year.

Hours worked increased in the departments and administrations

The staff volume in Gothenburg's departments, administrations and companies was 42,350 full-time equivalents for 2013. In the administrations and departments, staff volume increased by 470 full-time equivalents. Expansion in compulsory schools contributed to an increase for 250 full-time equivalents. Staff volume within the City's wholly-owned and affiliated companies decreased by 250 full-time equivalents, primarily because bus services passed from Göteborgs Spårvägar AB to another provider.

A large employer with many employees

In December, the number of employees was 41,760 (49,140 including companies). In the administrations and departments, the number of employees increased by approximately 550, while the number in companies decreased by approximately 100 employees. A prioritised issue for the city is increasing the percentage of full-time employees. The number of permanent, full-time employees in the administrations and departments continued to increase, rising by 1,100 during the year. The increase mainly relates to the disability field. 90 per cent of the permanent employees in the administrations and departments have a full-time position (98 per cent for companies).

Extensive recruitment needs

In total, more recruitment was done in 2013 than in 2012. In total, there were over 9,000 instances of re-

cruitment, of which 2,800 were for a full-time position and approximately 1,500 were for summer jobs, mainly in elderly care (excluding hourly-paid employees, who are not included in the recruitment statistics). Most recruitment was within pre-schools, elderly care and compulsory schools. Even within the technical professions, there was much recruitment with fierce competition. One-fourth of those employed in the City of Gothenburg are foreign-born.

New arenas for marketing the City as an employer

To promote and market the City of Gothenburg as an attractive employer, different activities within the framework of employer branding have been underway for several years. In 2013, the focus was on finding new and unconventional channels to reach out, particularly to young people. One method has been to highlight careers in the City through commercials at cinemas. To arouse further interest and provide a forum for intercourse with young people, showing of the commercials was combined with an on-site presence at the Bergakungen cinema with the contest "Guess the Job". The commercials were shown at 3,700 film showings per month and over 3,000 interviews about jobs in the City were conducted. The marketing is a long-term project. It is too early to draw any conclusions regarding the effect of these efforts. It should nonetheless be noted that there are more applicants for occupations with heavy competition compared to 2012 and several administrations have seen a growing interest in internships.

Many new managers

2011 and 2012 were marked by major organisational changes and a high level of mobility among managers. In conjunction with the huge recruitment needs, the percentage of foreign-born managers increased more than previous years. In 2013, the year of foreign-born managers was 7.3 per cent, with 5.1 per cent born outside of the Nordic countries. There was also some degree of stabilisation in manager mobility in 2013. Within compulsory schools and elderly care, however, mobility was higher than in other organisations. Some recruitment was done in relation to expanded operations

SIGNIFICANT PERSONNEL CONDITIONS

or retirement. In total, 239 new managers were hired during the year. Over half were recruited internally, which shows there are good career and development opportunities in the City. There is great interest in the internal management planning programmes. 80 employees completed the programme “Manager of tomorrow” (Morgondagens chef) in 2013 and 90 new employees began the programme in the autumn. 35 managers began the programme “Manager of tomorrow for managers” (Morgondagens chef för chefer).

Competence supply plans

Competence supply is a matter of attracting new employees, maintaining and developing the skills of existing employees, and identifying the needs of new skills. At the City-wide level, there are now competence supply plans spanning 5-7 years for five of the City's operations. In 2013, there were extensive efforts to raise basic skills in elderly care and disability activities as well as for development of pre-schools.

Many change jobs within the City

The City has a large internal labour market and there are good opportunities for development and new work tasks for employees. In 2013, 2,700 employees switched to a new permanent position within the City. Internal mo-

bility is 11.5 per cent, a slight decline compared to 2012. During the year, 2,100 employees left their employment with the City. Staff turnover is 6.8 per cent, which is the same as the past two years.

More working past age 65

A total of 690 City employees retired this year, with one out of three over the age of 65. The average retirement age for the City as a whole was 64.9 years (excluding permanent sickness compensation), but retirement age varies between different professions. Cleaning and cafeteria staff had the lowest average retirement age, while technicians and social workers had the highest.

On the way to equal opportunity workplaces

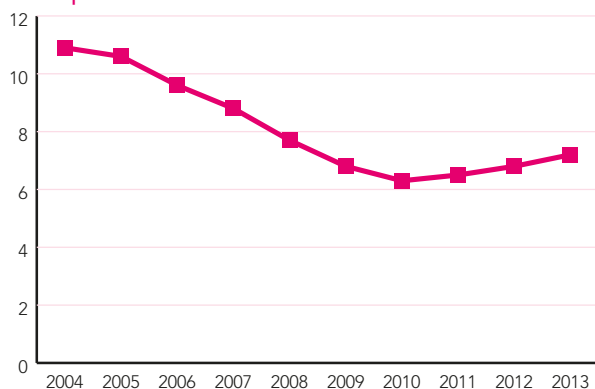
The basic structure of gender-segregated activities and professions means that in the short term equality work has a limited effect in creating equality in working life. Despite this, the City of Gothenburg is working actively to promote equality on several fronts. Several departments and administrations have gradually transitioned from working with equality plans to plans for equal rights and opportunities. Within the City, there is a continuous effort to ensure that the recruitment process for management and other positions is non-discriminating and is done with equal opportunity for all. Departments, administrations and companies also strive to enable employees to find a good combination of work, family and leisure time and men are encouraged to take parental leave. The City is working to create equal conditions and opportunities between managers in traditionally male and female-dominated professions.

The City measures equal opportunity using the JÄMIX tool. The key indicators of this are also used as an aid in planning and follow-up of the work. Overall, the City is judged to have equality in management teams and career opportunities, although there are variations between departments, administrations and companies where one gender may be overrepresented. In the JÄMIX survey for 2013, the City has a raised gender equality index, partly due to an increased percentage of full-time positions.



The City of Gothenburg has extensive recruitment needs.
Photo: Susanne Spicar, Solberg

Total sickness absence (%)
of departments/administrations



Work environment with challenges

The City has a broad spectrum of operations with many different assignments and conditions. There are many circumstances and factors that affect the work environment in the various organisations of the City. Among other things, heightened levels of ambition, both through government control and through the City's own steering documents and priorities, affected the work environment and the organisation of operations. This has caused many employees and managers to experience a higher work tempo and a heavier workload. The work environment of certain professions has been in particular focus during the year. This has applied in particular to home-help services workers, teachers, social workers and managers. Measures have been put in place to improve the work environment.

Sickness absence has increased in Sweden in recent years. The City has generally experienced the same trend. Since 2010, the City's sickness absence has increased by a few tenths of a percentage point per year. The City's sickness absence for 2013 was 7.2 per cent, an increase of 0.4 percentage points compared to 2012 (see the diagram above). Sickness absence continues to be higher for women (see the table on the next page). In 2013, sickness absence cost the City approximately SEK 400 million in sick pay and accrued holiday time alone. This is another reason to intensify the systematic work environment efforts.

Equal and competitive salaries

The outcome of the 2013 salary review (including salary policy initiatives) totalled 3.0 per cent. The outcome was 3.1 per cent for women and 2.9 per cent for men. Considering that women had a lower average salary than men, this means that there was an increase in women's salaries compared to men's as a percentage, but not in monetary terms. Salary increases in 2013 represented a real salary increase as inflation was estimated at 0.1 per cent.

In the City of Gothenburg, women's average salary in 2013 as a percentage of men's average salary was basically unchanged compared to 2012 (92.1 per cent compared to 92.2 per cent).

The City's salary stance is that salaries shall be equal and competitive, both in the short term and the long term. This is partly to be an attractive employer and be able to recruit new employees and partly to encourage existing employees to remain working with the City. The salary stance also involves an ambition to reduce structural salary gaps that exist between the City's female-dominated professions in healthcare and education and the sectors that are more male-dominated.

The City of Gothenburg has salaries at a level comparable to those of the municipalities. A big challenge for the City is and will be to maintain and further develop a salary structure that makes it possible to supply the City with employees with the right education and skills over the long term.

Staff in administrations and departments in figures 2013

	Women	Men	Total
Total number of employees	32,967	8,795	41,762
Number of permanent employees	25,573	6,414	31,987
Number of temporary employees	2,766	901	3,667
Number of hourly-rate employees	4,628	1,480	6,108
Percentage of foreign-born permanent employees	22.4 %	20.5 %	22.0 %
Number of managers	1,191	442	1,633
Number of foreign-born managers	7.0 %	8.2 %	7.3 %
Age structure among permanent employees			
age 30 or younger	8 %	8 %	8 %
age 30–44	34 %	34 %	34 %
age 45–59	44 %	42 %	44 %
age 60 or older	14 %	16 %	14 %
External recruitment			
for permanent position	2,142	616	2,758
for temporary position	5,102	1,556	6,658
External leaving among permanent employees	1,695	441	2,136
of which with pension (incl. contracted pension)	543	141	684
of which by own request	895	212	1,107
Staff turnover	—	—	6.8 %
Internal mobility	—	—	11.5 %
Sickness absence	7.9 %	4.9 %	7.2 %
60 days or longer	4.2 %	2.4 %	3.9 %
Educational background among permanent employees			
university education	51 %	53 %	51 %
post-secondary education (2 years or shorter)	6 %	9 %	6 %
upper-secondary education	38 %	32 %	37 %
compulsory school or other lower-secondary education	6 %	7 %	6 %

Assessment of the future

The City of Gothenburg is facing substantial challenges, both operational and financially. The financial crisis and its aftermath have focused attention on the impact that external conditions have on the City's operational and financial situation, but going forward the City must deal with other and new challenges. The outside world and the economy will continue to be important to the City's conditions, but it is becoming increasingly necessary to focus on the City's own structural challenges as regards demographic development, the development of core operations and the urban development with major investment needs that has begun. The City is growing and the development that lies ahead of us likely requires a more long-term approach to planning and management of the various parts of the City.

Over a relatively long period of time, the City has managed to consolidate the economy and maintain good economic management. We thus have a solid economic foundation on which to stand when facing the challenges that lie ahead of us.

Demographic trends have an impact

The demographic trend is one of the most important conditions for planning and conducting the City's welfare services. The municipal sector's challenges in being able to finance the growing municipal welfare assignment have long been a point of discussion. Today, we see that the demographic pressure on cost trend is increasing and that the trend will continue into the future. There are also increasing expectations regarding the content of municipal welfare services, though both government ambitions and local ambitions. All in all, this means that the resource requirement within the core operations will grow.

A growing city present challenges

It is becoming increasingly clear just how extensive the challenges resulting from a growing city really are and that there are clear needs for urban development and infrastructure. The calculations and estimations that can be done at present indicate the need for significant volumes of investments over many years in the City's committees and companies. It thus becomes obvious that the City needs a long-term approach to planning and management to be able to finance both the development of core operations and the large volumes of investments. Prioritisation and new solutions will likely also be required to meet the challenges.

Important parameters for handling future economic challenges

The City has worked with a number of key parameters to enable and improve conditions to meet future challenges from a financial perspective. These include the following:

- The comprehensive review of the City's companies not only creates conditions for improved corporate governance but also increases opportunities for a more integrated approach to the development of both committees and companies together. Being able to base things on the City's collective activities will be key to being able to meet the huge challenges.
- The City will need financing to handle the large investments required in the future. Regardless of what financial choices are made, the City, through decisions on central financial coordination, shall create opportunities for balanced focus on debt management, investor relations and risk management.
- Through its adoption of six orientations for good economic management and use of its earnings equalisation reserve, the City shall create conditions for long-term economic considerations and strategies. The adopted orientations cover the most important aspects to ensure long-term, sustainable economic growth and thereby forms a solid foundation to stand on when decisions and choices must be made.

All in all, future growth will challenge the entire City to think along new paths and find new solutions and to build on the structures, processes and decisions already in place.



2

ORGANISATION OF THE CITY OF GOTHENBURG

This block is used to report parts of the activities conducted by the City of Gothenburg's 30 or so committees and its 20 or so Groups and companies in 2013. The block is divided into the following areas of activity, taken from the City Council budget: education, individual and family care, people with functional impairment, elderly care and home medical care, labour market initiatives, building and housing, traffic, industry and tourism, culture and leisure, climate and the environment, diversity and integration, equal opportunity, public health, children and finally foundations. In each area, important events and trends are described from different perspectives.

ORGANISATION OF THE CITY OF GOTHENBURG

31 Education

The education sector covers all school activities such as pre-school, compulsory school, compulsory special needs school, upper secondary school, upper secondary special needs school and adult education.

36 Individual and family care

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

38 People with functional impairment

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

40 Elderly and medical care in the home

Elderly care and home medical care comprise home-help services, preventive efforts, day activities, residential care facilities, short-term stay and municipal health and medical care in ordinary and special housing.

42 Labour market initiatives

Labour market initiatives comprise employment measures for the unemployed that the City carries out itself or in collaboration with the Swedish Public Employment Service or other players.

43 Building and housing

This area comprises physical planning, land use, residential construction and development of good housing environments in all parts of the City.

46 Traffic

Traffic is a broad area closely linked to urban development, industry and the environment. What transport needs there are shall be satisfied in balance with the ecological, financial and social dimensions.

48 Culture and leisure

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

50 Industry and tourism

Göteborg will have sustainable and differentiated industry that provides employment opportunities. The city will also be a sustainable major events and visitor city.

51 Climate and the environment

Activities in energy, waste and sewage collaborate locally, regionally and internationally in order to form important social functions for long-term sustainable development.

54 Human rights

Gothenburg shall be a city for everyone. Human rights are the starting point for the City's work towards diversity and integration.

55 Equal opportunity

The goal for Swedish equal opportunity policy is for women and men to have the same power to shape society and their own lives. The City of Gothenburg shall become a role model for equal opportunities and equality in the development of activities.

56 Public health

All municipal activities in Gothenburg shall be permeated by a public health perspective and salutogenic thinking.

57 Children

All decisions affecting children and young people shall be in line with the spirit and intentions of the Convention on the Rights of the Child.

58 Foundations

The City of Gothenburg manages 96 foundations for various purposes.

Education

During the year, education was the subject of public debate. Disappointing knowledge results in the PISA survey as well as the schools of the City of Gothenburg were the hot topics.

To achieve greater goal achievement, focus was put on three strategic areas: educational leadership, systematic quality assurance and the so-called compensatory assignment.

The education sector covers all school activities such as pre-school, compulsory school, compulsory special needs school, upper secondary school, upper secondary special needs school and adult education, both municipally run and privately run. This means that the activities directly affect over 100,000 Gothenburgers ranging from children in pre-school to adult education students.

Strategic areas of the education sector

During the year, focus was put on three strategic areas: educational leadership, systematic quality assurance and the so-called compensatory assignment. These three areas are greatly significant to activities in pre-schools and schools and can be considered fundamental to development and quality. Over the past year, there was continuous work in these areas, with the involvement of all levels of management.

Pre-school directors and headteachers shall lead and coordinate the educational work and are responsible for ensuring that the activities focus on achieving the national goals. These managers are key individuals to ensuring that the pre-schools/schools succeed in their mission – that every child and student shall come as far as possible in their learning and development. The report “Leading educational activities” (Att leda pedagogisk verksamhet), drafted by the sector heads in November 2013, highlights the assignment, but also presents a practical tool for advanced assignment dialogue that will be implemented in the administrations.

To assist in improvement goal achievement in pre-schools or schools, systematic quality assurance is required on the part of the pre-school directors/headteachers and the principal. In practice, this means that all decisions regarding activities shall be taken after evaluation of previous decisions and analysis of results. In 2013, the administrations and departments worked to some degree using new methods. In part, systematic quality assurance was highlighted in an appendix within the framework of the follow-up process while at the same time more in-depth statistics were obtained to support analysis work. During the year, the Education Department began implementation of a quality development programme at all upper secondary schools.

The role of the school is to give all students the opportunity to reach as far as possible in their development and schools must compensate for the different conditions of the different students. Everyone is entitled to an equal education. Examples of compensatory efforts are special education support, development of an inclusive approach, remedial classes, study guidance, language-supporting methods, screening of proficiency in certain subjects, new teaching methods with or without the help of modern technology (ICT) and interaction with other sectors. During the year, sector heads also initiated an investigation of the City’s special resource schools and a survey of student health processes has begun.

Education committees

In autumn 2012, the City Executive Board assigned the City Management Office the task of establishing new education committees together with the district administrations and district committees. The decision to establish education committees was made by the City Executive Board and the City Council in May. In autumn 2013, committee members were appointed, joint training was conducted and the education committees began their work.

The main task of the committees is monitor quality issues within the school system together-



Education activities affect over 100,000 Gothenburgers ranging from children in pre-school to adult education students.

er with management in the education sector. Reporting by the education committees is part of the political preparation related to education for the district committees.

The education committees work with all school-related activities that fall within the scope of the district committees' responsibility.

Efforts to improve competence

Work to ensure that teachers and pre-school teachers have professional qualification continued. Individual action plans were drafted together with permanently employed teachers and pre-school teachers at risk of losing their qualification when the requirement for licensing and qualification in a school type, grade level and/or subject goes into effect in 2015. The action plans were also compiled to provide a basis for action at the administration/department and City-wide level.

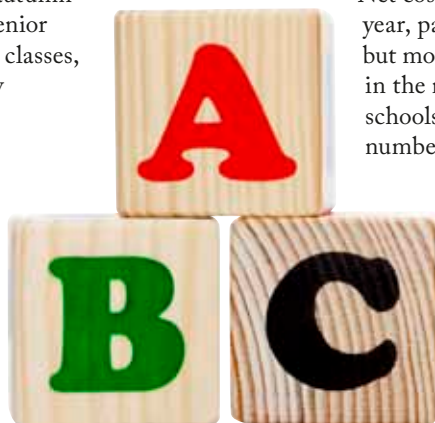
As the qualification requirements for special needs schools were still unclear, a meeting point for special needs school headteachers together with the Regional Development Centre at Gothenburg University. The aim was to work with the affected school authorities and the university to clarify what is required to obtain licensing and qualification in special needs schools.

A competence supply plan for pre-schools in the City of Gothenburg was drafted in 2013. The plan contains the perspectives attract, recruit, develop and retain employees.

The City of Gothenburg applied for government grants for career services and in the autumn recruited 125 teacher leaders and a senior master distributed within pre-school classes, compulsory schools, upper secondary schools and special needs schools.

More children in pre-school

Net cost increased by 6.6 per cent during the year due to an increase in enrolment and the continued expansion. The percentage of children in municipal and independent pre-schools and the total demand for pre-schools and pedagogical care remains generally unchanged from last year. The greatest demand was in Askim-Frölunda-Högsbo with 89.1 per cent and the lowest was in Centrum with 81.4 per cent.



The number of children in pre-schools increased in 2013.

Pre-school – key figures

	2011	2012	2013
Net cost (MSEK)	-2,856	-3,087	-3,292
Net cost trend (%)	8.6	8.1	6.6
Number of children in pre-school	26,902 *	28,112 *	28,995 *
Percentage in municipal pre-school	84.0	83.8	83.6
Percentage in independent pre-school	16.0	16.2	16.4
Demand as a percentage of the population age 1–5	85	86	86

*Average March/October

New unit for independent activities

In January 2013, the Unit for Independent Activities was established in the City of Gothenburg, situated in the Centrum district administration. This is a joint unit for the City and works with the approval and inspection of independent activities within pre-schools, pedagogical care and detached after-school recreation centres. In addition to inspection and processing of applications, the unit provides information, advice and support to the independent operations. In 2013, the unit conducted 137 inspection visits and 12 start-up visits.

In Angered, there are 16 independent family day-care homes that provide pedagogical care. This is unique since the other districts combined have only 2 independent family day-care homes.

In 2013, 24 principals submitted 40 applications to start pre-schools or pedagogical care. 22 of these were approved.

Based on conducted inspections, the unit indicates that most independent pre-schools generally comply with the requirements that can be set for good-quality pre-school activities while the independent family day-care homes have more varied quality based on the requirements that can be set for a good-quality family day-care home.

Increased number of students in compulsory schools

Net cost increased by 6.8 per cent during the year, partly due to price and salary increases but mostly due to the continued increase in the number of students in compulsory schools. The increase is primarily in the number of children in lower grades, thereby also affecting after-school recreation centres. The number of students in after-school recreation activities increased by about 1,200 during the year.

Demand for after-school recreation centre spots for 6–9 year olds remained unchanged compared to the previous year, but there is great variation between the districts.

The lowest demand was in Östra Göteborg with 62 per cent and the

highest was in Majorna-Linné with 89 per cent. Demand for after-school recreation centre spots for 10–12 year olds continued to increase and was 12.3 per cent, an increase of 4.9 percentage points since 2011.

The percentage of students choosing independent compulsory schools was 20 per cent. The highest percentage of students in independent schools was found in Centrum (40.4 per cent) while the lowest was in Västra Hisingen (7.9 per cent).

The percentage of individually integrated students in compulsory special needs school continued its decline during the year, reaching 12.6 per cent. This represents a decrease of 6.8 percentage points since 2011. One

explanation for this is that students who are diagnosed with autism but do not have any learning disability are no longer included in special needs school in accordance with the Education Act.

Compulsory school and compulsory special needs school – key figures

	2011	2012	2013
Net cost (MSEK)	-4,479	-4,700	-5,020
Net cost trend (%)	3.3	4.9	6.8
Number of students in compulsory school	46,926 *	47,801 *	49,493 *
Percentage in municipal school	80.8	80.4	80
Percentage in independent school	19.2	19.6	20.0
Number of students in compulsory special needs school	556 *	487 *	477 *
- of which individually integrated	108 *	77 *	60 *
Number of children in after-school recreation activities	17,057	18,046	19,259
Percentage in municipal after-school recreation centres	86.4	86.5	86.4
Percentage in independent after-school recreation centres	13.6	13.5	13.6
Demand as a percentage of the population age 6–9	79.7	80.5	80.6
Demand as a percentage of the population age 10–12	7.4	10.7	12.3

*Average March/October

More new arrivals in the compulsory schools

Work related to the receiving and introduction of newly arrived students has received attention in recent years.

The largest number of newly arrived students in 2013 was found in Östra Göteborg, Angered and parts of Västra Hisingen. Special efforts are also being made in these districts. Östra Göteborg appointed a steering committee with representatives from pre-schools, schools, student health and the Centre for School Development (Center för skolutveckling), which aimed to strategically develop education for new arrivals to Sweden. In Angered, activity developers were tasked with identifying development areas and serving as process leader for development initiatives.

Reception in compulsory school begins with evaluation of the student's previous school background, knowledge and experience. Four district committees have formed a central Welcome or Introduction unit, while others have begun building a reception unit in collaboration with the culture and leisure department and Social Services. In Angered, Lundby and Norra Hisingen, reception is carried out in the student's home school.

All districts have access to so-called preparation classes.

Most newly arrived students have adapted studies during a transition period, i.e. instruction is concen-

trated to a smaller number of school subjects. During the introduction, students were given study guidance in their native language, if teachers able to speak the language were available. Study guidance can be given by contracted personnel from the Language Centre (Språkcentrum) on individual occasions or on a running basis a few hours each week, or they can take part in regular instruction and be given access to multilingual staff in the home school. Subject instruction in the student's native language is preferably done at schools where a large percentage of the students have a foreign background.

The results for grade 9 students

The percentage of students who achieved the set goals in all subjects declined in Gothenburg. This decline was greatest in the municipal schools, but the independent schools also saw a slight decline. Both groups – boys and girls – saw a decline in results, while the difference between boys and girls remained unchanged. Since 2010, Malmö and Gothenburg have equalled out in their result levels. Malmö has increased and Gothenburg and declined.

During the year, the City Executive Board granted funds from a development fund to the eleven schools with the lowest percentage of students passing all subjects in the City of Gothenburg. The aim was to create more equal education for all children and young people in Gothenburg. Many positive effects have been reported from the eleven schools, even though they still have low goal achievement compared to other schools in the City. Several of the schools focus on a language-development approach, which proved successful. For example, the "Reading to learn" method was very popular in the schools.

Percentage of students (%) with full qualifications in grade 9

Gothenburg		2011	2012	2013
All principals	All	73.4	71.2	69.5
	Girls	76	75	73
	Boys	71	68	66
Municipal schools	All	70.0	68	65.4
	Girls	72	72	69.0
	Boys	68	65	62.0
Independent schools	All	84.4	80.3	79.9
	Girls	87	83	81
	Boys	82	78	79
Malmö municipal schools	All	62.1	63	63.9
Stockholm municipal schools	All	77	74.6	74.7
National municipal schools	All	76.4	76.2	75.6
National – all principals	All	77.3	77.4	77

Upper secondary school – knowledge results 2013

The City	Principal	Average grade points			Percentage of students eligible for university (%)			Percentage of students with school-leaving certificate within 4 years (%)		
		2011	2012	2013	2011	2012	2013	2011	2012	2013
Gothenburg	All	14.6	14.4	14.4	89	88.2	88.4	74	74.9	73.6
Gothenburg	Independent	15.1	14.7	14.7	92	90.7	90.8	83	82.8	82.2
Gothenburg	Municipal	14.1	14	14	86	85.6	85.8	67	69	66.4
Malmö	All	13.9	14	13.9	82	83.4	83.8	66	69.5	70.5
Stockholm	All	15	14.8	14.6	88	88	86.9	74	74.7	74.4
Sweden	All	14.1	14	14	87	87	86.8	76	77	76.6

Source: Siris, Swedish National Agency for Education

The results for upper secondary school students

The results for average grade points and percentage of students eligible for university remained unchanged from the previous year at the independent and municipal upper secondary schools, while the percentage of students with a school-leaving certificate within four years dropped at the municipal upper secondary schools.

Declining numbers of students in upper secondary schools

The number of students in upper secondary school age remained weak, but increased costs for wage agreements and price increases left the net cost practically unchanged. The reduced cost trend is there greatly attributable to the economic impact of implemented streamlining improvements.

The percentage of eligible students who chose one of Gothenburg's municipal upper secondary schools increased for the second year in a row. The percentage of students who applied to vocational programmes increased slightly compared to the previous year, which can be described as a trend reversal. Capacity utilisation in the municipal upper secondary schools was good.

The Education Committee implemented changes in the programme structure. Beginning from school year 2013/2014, all municipal upper secondary schools will offer education within the introduction programmes. The goal is to increase student completion of the introduction programmes.

In autumn 2013, the new upper secondary special needs school, GYS13, opened its doors with nine new national programmes and one new individual programme. Student choice led to the start of seven of the nine new programmes. The intention is to start another programme prior to autumn term 2014.

Upper secondary education – key figures

	2011	2012	2013
Net cost (MSEK)	-1,443	-1,478	-1,465
Net cost trend (%)	0.7	2.4	-0.9
Gothenburgers in upper secondary school	17,132 *	16,710 *	16,219 *
Percentage in municipal school	49	49	49
Percentage in another municipal school	10	10	9
Percentage in independent school	41	41	42
Gothenburgers in upper secondary special needs school	400	393	374

*Average February/October

Attendance – a focus area for schools

A high level of attendance is a prerequisite for good performance and a high level of goal achievement. The districts, and even more so the Education Department, have worked actively during the year to monitor and increase student attendance. Upper secondary school attendance has fluctuated between 85 and 86 per cent in recent years. In 2013, the Education Department noted increased attendance and that unexcused absence (truancy) declined to the lowest level in 5 years. The Department feels that better information to guardians regarding the obligation to report absence and stricter rules for student aid have resulted in an increase in the propensity to report. The highest attendance level was for students at Bernadottegymnasiet and Polhemsgymnasiet, while the lowest was for students at Angeredsgymnasiet. It is worth noting that attendance at Angeredsgymnasiet did increase compared to 2012.

More students in upper secondary adult education

The overall education volume declined in Swedish for Immigrants (SFI) and basic adult education in 2013, compared to 2012. This gave more room for upper secondary adult education, which increased in scope during the year.

The queue for SFI shortened during the year. As a result, the wait time to begin studies was short. For basic adult education, the number of applicants declined, but the number of courses per individual increased.



The districts, and even more so the Education Department, have worked actively during the year to monitor and increase student attendance.

The percentage who applied to upper secondary adult education and were accepted increased compared to the two previous years. This means that a much larger number of individuals were given the opportunity to satisfy their need for supplementary courses and thereby become eligible to apply to college and university.

The percentage of assigned grades and withdrawals was at the same level as the previous year.

Adult education – key figures

	2011	2012	2013
Net cost (MSEK)	-348	-368	-365
Net cost trend (%)	-6.1	5.6	-0.75
No. of whole-year spots purchased	10,504	11,399	11,604
- of which basic adult education	1,510	2,009	1,685
- of which upper secondary adult education	3,340	3,165	3,865
- of which adult education for students with intellectual disabilities (särvox)	72	63	70
- of which Swedish for Immigrants (SFI)	5,582	6,162	5,984
Higher vocational education (yh)/Post-secondary vocational education	1,351	1,360	1,319

The basis for a full-year spot within basic adult education, SFI and särvox is 540 hours. The basis for a full-year spot at upper-secondary level is 800 points.

Flexikation – pilot project for an individualised structure for adult learning

The labour market's demands for an increasingly specialised and well-educated labour force must be met by an education system that is growing in the same direction. Many adults who apply for adult education need education and skills development from different parts of the education system to strengthen their position in the labour market and get ahead in the workplace.

The aim of the project for an individualised structure to adult learning, Flexikation, is to give students the opportunity to study courses from different school types within the same education initiative. In collaboration

with post-secondary levels of the education system, a pilot round began in 2013, with 120 students within the three different fields of study. The results to date and the response from the industries involved indicate that this is a successful venture.

Future issues

Continually adapting activities to changing volumes of children and students is a challenge for the education sector. Pre-schools and compulsory schools are facing an increase in the number of children and students in upcoming years, requiring great focus on access to suitable premises and the recruitment of qualified personnel. At the upper secondary level, the number of students will decrease in the upcoming years and then increase slightly beginning in 2016.

An important issue for all education-related organisations is retaining and attracting employees. There is competition to attract qualified personnel and in some cases a deficiency of skills, for example in special needs schools. Increasing the attractiveness of the teaching profession and ensuring that the number of student spots at colleges and universities are dimensioned to meet school principals' recruitment needs are central issues.

Other important issues for the future are continuity and support in leadership, and retaining focus on systematic quality assurance in all types of school.

At the upper secondary level, students' choice of school and programme is crucial to how activities are organised and dimensioned. To be able to offer a wide variety of upper secondary programmes, the upper secondary schools of the City of Gothenburg must be a natural choice for a large proportion of students.

For adult education, it is important to retain focus on developing individualised learning. Another strategic issue is developing the regional cooperation so that needs within the functional labour market region GR can be met with full force.

Individual and family care

The trend indicates that children and young people with major needs are placed in foster homes rather than in an institution. The housing shortage in Gothenburg has led to a rise in the number of people seeking help from social services in regards to the housing situation. The number of people with long-term income support continues to increase, although the rate of increase is slowing.

Individual and family care is a component of social services and is characterised by the exercise of authority within the areas of children and youth, financial assistance and adults. In addition to the exercise of authority, extensive prevention and support work is conducted for at-risk groups in society in cooperation with other authorities and the civil community.

Long-term competence supply

Work in the various activities of individual and family care is often perceived as engaging and important. There are many experienced and talented employees who are passionate about their work and show great respect for the people they meet. Gothenburg has no difficulty in recruiting social workers without professional experience. The problem lies in recruiting social workers with experience. The individuals hired at present are younger and often come directly from university. The review of the staffing situation for individual and family care (2013) shows that staff within the exercise of authority in Gothenburg is largely made up of people under the age of 35. This places great demands on the City of Gothenburg as an employer in terms of recruitment and providing support to managers and employees.

One child per school class

Approximately 10,000 children and young people were registered with individual and family care. Of these, approximately 1,000 were placed in foster homes or in institutions in 2013. Children in placement are particularly at risk and the City has a special obligation to monitor and protect their interests. The children often lack a functional network and have extremely complex problems. Other children and young people within individual and family care also comprise an at-risk group in different ways. The living conditions of children and young people are linked to those of their parents. But, they also have other important adults around them, for example in school and in clubs. To increase the prospects for good life opportunities, the issue of safe upbringing conditions for children and young people must be prioritised. An individual entrusted with the care of a child is responsible for ensuring that the child's needs are met. At the same time, society has overall responsibility for ensuring that children receive support and protection. The care provided by society must be safer and more secure than the child has in the home. Research has shown deficiencies and the everyday of lives of children in placement is often marked by breaks from school and friends. Social care for children in Sweden comprises approximately one child per school class (National Board of Health and Welfare 2006). The trend of children and young people being placed primarily in foster care continues.



Children and young people with major needs are more often placed in foster homes rather than institutions.

Photo: Jeanette Larsson

Domestic violence

The City is responsible for ensuring that all victims of domestic violence are offered protection and support. Volunteer organisations' work to help abused individuals is an important supplement to the City's activities, including for those who do not want to turn to social services for various reasons. In 2013, 200 women in need of a women's shelter could not be offered this protection, compared to 142 women in 2012.

Children's experience of domestic violence is frightening as the child is dependent on their parents for their well being. Individual and family care's attention was called to 1,500 children in 2013 due to neglect on the part of the parents or violence within the family. In 2013, Gothenburg began working to assure the quality of initiatives and clarify accountability to ensure that abused adults and children do not slip through the cracks and instead get the support and help they are entitled to – no matter where they live in the City. This work will continue in 2014.

Financial assistance

The costs of financial assistance have been relatively stable over the last four years, even though unemployment has been high. The number of young people with income support decreased in 2013, partly due to some easing in the labour market. In total, income support costs in Gothenburg increased by just 0.9 per cent in 2013, amounting to SEK 1,132 million. The cost increase is lower than the national norm's increase for 2013.

One more serious trend is that the number of long-term dependent households (income support for at least 10 months in one year) continued to increase, although the rate of increase slowed. In total, 10,836 adults were long-term dependent and had income support as a more or less permanent form of income in 2013.

There will be no increase in the national norm for 2014 as there is no inflation in Sweden. The dawning hopes of improvement in the economy may eventually reduce the influx of new households receiving support. It will, however, take some time before the demand for labour increases enough to affect the number with long-term dependence.

The housing shortage is a serious problem

The housing shortage in Gothenburg means that more and more people are at risk of being shut out of the regular housing market and more people are turning to social services for help in resolving their housing situation. At-risk groups in particular cannot choose a residential area and there is a risk of increased segregation in the City.

Coordination of the City's work with residential social issues has continued through the project "Right housing" (Rätt boende), which aims to reduce homelessness and create conditions for equal treatment and effectiveness. The project comprises a total of 16 different assignments, of which several are under implementation. Another project aimed at testing the model "Housing

first" (Bostad först) began in 2013 and resulted in 10 people being offered housing.

Work with eviction prevention measures evolved during the year. Three different emergency housing accommodations for families with children without care needs were established. Work to draft a new plan to combat homelessness began in 2013 and the proposal is expected to be presented in autumn 2014.

Individual and family care

Net costs for individual and family care, not including financial assistance, increased by 1.9 per cent in 2013, which is a lower cost increase compared to the previous year. The overall net cost increased by 0.6 per cent for children and young people and 5.4 per cent for adults. The net cost for adults primarily increased within institutional care and housing. The number of residence days for adults is at the same level as the previous year, while the net cost has increased by 6.1 per cent, or SEK 28 million, to a total of SEK 479 million. The district committees have placed more children and youth in foster homes, which increased the net cost, while the net cost for institutional placements remains unchanged.

The trend suggests that compulsory institutional care for children and young people has increased the percentage of net cost for institutional care. The district committees indicate that more rehabilitation and preventive measures for adults are carried out in the home through a combination of housing and extensive support measures in housing and the everyday life of the individual.

The City strives to monitor the effects of the various measures offered to the local citizens, but use of the available methods has not been sufficient to enable quality assurance of the results. This work will be intensified in 2014.

Individual and family care – some key figures

Population frame	2011	2012	2013
Net cost (MSEK)	-2,912	-3,035	-3,082
Net cost trend (%)	2.3	4.2	1.5
Of which net cost:			
– children and young people	-972	-1,012	-1,019
– adults	-601	-627	-661
– income support	-1,090	-1,122	-1,132

Total net cost regards individual and family support, including financial assistance.

People with functional impairment

“Do good and right equally” summarises a common aspiration to exercise authority within the field of disability. During the year, a common platform was developed with particular focus on professional treatment, compliance with laws and equality of treatment.

The daily activities in accordance with the Act concerning Support and Service for Persons with Certain Functional Impairments (LSS) shall provide a platform for development and careers, within the organisation or for employment or education. Larger units have been created to improve career paths. These units also improve cost effectiveness.

Functional impairment is a component of social services. This area comprises exercise of authority in accordance with LSS and the Social Services Act (SoL) as well as a large number of organisations that work to give people with functional impairment support, service and care. There is housing with support and service, daily activities or other occupations, short-term stays, personal assistance, home-help services, home support, relief service, escort service, and more.

Participation, influence and equality

The districts have worked to increase each individual's participation and influence over the support received in daily life. In particular, this involved developing and improving the social documentation and use of implementation plans. The new activity support for provider documentation produces better conditions for this work. User audits are one way of finding out what users think about things such as their home support or their housing with special service. Using the user audit as a tool creates an arena for dialogue and user influence over activity development. During the year, five user audits were conducted by NSPHiG, an organisation for user associations in Gothenburg. A further three user audits were conducted by the Social Resources Department. People who use alternative methods of communication may have trouble participating in user audits. Other methods are then used to learn their views, such as pictograms or signs.

Several districts have worked to integrate activities in the community, such as daily activities at regular workplaces in the municipality, in private companies or in connection with sports and culture facilities.

By developing individual support, people with functional impairment can become closely involved in community life and participate in activities geared towards all citizens. Many have experienced a sense of not feeling welcome, or not being able to make use of the regular offering. It is therefore important that culture and leisure activities provide clear information that persons with functional impairment are welcome.

A project to create a joint platform within exercise of authority was completed in 2013. Training was con-

ducted for social workers and unit managers regarding legislation, case law, policies, user perspectives, child perspectives, and more. Focus was placed on a professional approach and ensuring individual participation and influence. A final report was submitted to sector heads and an information brochure was published in a paper version as well as a web version on the City intranet.

Modified case law

The media has put the spotlight on the LSS legislation and changes in case law that have negatively impacted some individuals. LSS was introduced in 1994 and has not changed except at a detail level since then. However, case law (i.e. governing judgements of the Supreme Administrative Court and in some cases Administrative Courts of Appeal) has led to a change in how the law is interpreted, including for assessment of persons covered, personal assistance and escorting. This means that one can get an altered decision even though needs remain unchanged. In Gothenburg, social workers who work in the functional impairment field received training in case law.

People with mental disabilities

Government performance-based initiatives are underway 2012-2016 and requirements that must be met by the municipality will gradually increase. A completed inventory shows development needs within employment and occupation, support in daily life and providing support in improving physical health. User influence in another area being prioritised.

The housing shortage is a serious problem

Gothenburg is suffering a housing shortage affecting everyone. One of the problems this causes is that people who are capable of living in regular housing apply for housing in buildings with special service (BSS). Many will and are capable of living in regular housing with qualified support and service, such as personal assistance, home-help services or home support. The districts have focused on enhancing and improving home support and have decided to adopt a common minimum level



Grunden Media wins the Musikschlaget contest again.

Photo: Grunden Media

of basic offering beginning in 2014. F100 means that the municipal housing companies offer flats to people with functional impairment that are capable of living in a regular apartment. In 2013, 54 people received housing through “F100”. This is an increase of about 10 compared to 2012 and a doubling compared to 2011. Research shows that homeless people with so-called comorbidity (mental illness and substance abuse) benefit greatly from first receiving their own home, where individualised support is then designed based on individual needs. A small-scale project to develop the “Housing first” (Bostad först) model is being conducted within the housing activities of the Social Resources Department.

As a result of the housing shorting, a large number of people purchased short-term placements and temporary housing solutions. Decision regarding housing with special service often cannot be implemented within a reasonable amount of time, often leading to so-called special charges (penalty fees). It is extremely difficult to implement BSS for people with severe and extensive problems.

In 2013, 96 flats were completed in 16 different BSS. Over the period 2004 to 2013, approximately 700 flats were completed. The total volume is now 1,265 flats, but this still does not cover need. The plan within the functional impairment field shows a need of BSS for 340 individuals by 2016. Planned expansion comprises 340 flats, but there is uncertainty as to what can be achieved. The management team for housing provision for special groups has commissioned a temporary steering commit-

tee to gather strength for the planned expansion to take place.

During the year, 152 BSS flats were arranged through new construction combined with the existing holdings. In 68 cases, the individual turned down an offered flat. Work has started to increase opportunities for people to live right according to their need of support and service. Mobility between existing buildings with special service has increased slightly, which means that more people have a home that better meets their needs.

Number using the various assistance measures remains unchanged and cost increase is lower

The number of people using various assistance measures was at the same level in 2013 as in the previous year, while the net cost increase was lower than the last two years. The average number of people/month with assistance measures in accordance with LSS was 3,977 and the holdings according to SoL were 4,136. The cost increase totalled 5.1 per cent in 2013.

People with functional impairment – some key figures

	2011	2012	2013
Net cost (MSEK)	-2,640 *	-2,817 *	-2,962 *
Net cost trend (%)	7.0	6.7	5.1
Change in personnel volume (%)	2.6	3.9	0.6

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

Elderly and medical care in the home

Elderly care had a low net cost trend, suggesting that efficiency measures were implemented. There is need for development in home-help services in particular and a major investigative assignment was conducted with the aim of improving operations.

Core values and salutogenic approach

According to a provision in the Social Services Act, social services' care for the elderly shall focus on enabling the elderly to live in dignity and feel a sense of well being. In 2013, 255 value and reflection leaders were trained to lead reflection meetings at the workplace. National values, a salutogenic approach, human rights and equal treatment shall be the focus of the reflection. The goal is to use reflection to enable all employees to gain the skills to develop new ways of doing things that contribute to older people living a life of dignity and experiencing well being.

The elderly's control over their everyday lives

It is the interactions with staff that create the conditions for trust so that the elderly feel secure and are given opportunities to have a say in things. It is a matter of shifting "the power" over the various forms of assistance from the profession to the elderly. The district administrations have been actively working with a change of perspective through routes such as documentation, continuity and reflection models. The Gothenburg Model, which gives the elderly control over the service measures that have been granted, gives another opportunity to have an influence in things. Since the work did not previously have sufficient support, it has now been fully embraced, which is yielding positive effects.

Focus on finances

Elderly care and healthcare have had a lower cost trend than that which corresponds to the price and salary trend. Budget work has taken away focus from development issues and preparation to meet future changes.

More live at home

A clear trend in recent years is that more elderly are getting their care needs met in their home rather than in residential care or in short-term placements. This has changed the skills required from the workers. To meet these needs, forms of collaboration have evolved between various professional groups. Welfare technology opens up opportunities for alternatives to traditional forms of assistance. Among other things, there has been preparation work to offer supervision via camera. Since March 2013, the City Management Office has been working on an investigative assignment from the City Executive Board. The assignment has focused on changes in work methods and activity planning that

increases opportunities for self-determination for the elderly and people with functional impairment as well as the development of the Gothenburg Model. An important part of the assignment has been improving the status of home-help services.

Residential care facilities for those who need it

About 4,000 elderly people live in flats in residential care facilities. As a result of demographic changes and the ability to provide care in the home instead of at residential care facilities, the number of flats has declined slightly during the year.

Care in the home can be provided even for major medical and nursing care

In 2013, approximately 9,000 patients received medical and nursing care each month. Of these, about 15 per cent were younger than 65. People of all ages with severe illnesses can receive care in the home. In ASIH (advanced healthcare in the home), approximately 200 people received care in their home each month.

Support to relatives is a component of the City's activities

All district committees have contact persons for support to relatives. Support is given in various forms, both as general measures, in groups and individually, as well as assistance. The districts Askim-Frölunda-Högsbo, Centrum and Angered have relative centres, which relatives of all ages can turn for advice and support.

New quality measures in this area of activity

For the first year, the City has monitored the quality of home-help services and residential care by comparing and analysing results of the measurements in the national municipal and county database, Kolada. Reporting in Kolada enables the organisation to perform a self-assessment of the quality it offers based on set definitions. The City's overall results were in line with the national results. One example of results is that elderly with home-help services have at least two visits per day between 7 am and 10 pm, meeting 14 different staff members on average. Within residential care, a quality factor is the length of the wait time between submitting an application and being offered a move-in date. The City's result was 46 days.

Through its quality measures, Kolada indicates what conditions the activity provides. The quality that users



Ipad course at Mötesplats – a culture centre that focuses on seniors.

Photo: Lars Lanhed

perceive is measures via a national user questionnaire that is sent out once a year. For the first time, the City only used the national user survey. There is one question in the survey that is broad, namely “How satisfied are you with your home-help services/residential care as a whole”. The percentage who reported that they were extremely satisfied or rather satisfied home-help services as a whole was 82 per cent, while the figure for the nation was 90 per cent. For residential care, the figure was 78 per cent, compared to the national level of 83 per cent.

Work with the quality registry intensified in 2013

A national quality registry contains individual-level data on problems, measures taken, and results in health and social care. The registries are used in an integrated and active manner in health and social care activities for learning, improvement, research, management and knowledge management to create the best possible care with the input of the individual. In Gothenburg, the organisations work with Senior Alert, Svenska palliativregistret (Swedish Registry of Palliative Care) and BPSD (behavioural and psychological symptoms in dementia).

The goal is full-time positions in elderly care

The new approach that has been introduced means that expanded basic staffing is used to cover planned absence. This shall result in a reduction in the number of hourly-paid employees. The percentage of permanent workers with full-time employment increased from 70 to 85 per cent between 2011 and 2013.

Future challenges with new opportunities

There is a trend towards an increased percentage of specialised medical care being performed outside of the hospital. This requires greater resources and specialist expertise on the part of the staff. Municipal healthcare in cooperation with primary care is then given increased responsibility to a larger group of residents.

In addition, the number of people of advanced age will increase in the coming decades, placing great demands on urban planning, housing environments, public health work and in health and social care.

There is every reason to take advantage of the coming years to prepare the City to face these challenges.

Elderly and medical care in the home – some key figures

	2011	2012	2013
Net cost (MSEK)	–3,757 *	–3,894 *	–3,933 *
Net cost trend of elderly care (%)	3.0	3.7	1.0
Net cost of home medical care (MSEK)	–304 **	–329 **	–368 **
Net cost trend of home medical care (%)	13.8	8.2	11.8
Individuals with home-help services (average/month)	8,741	8,795	8,650
Individuals in residential care, including short-term placement (average/month)	4,739 ***	4,520 ***	4,374 ***
Payment liability for discharges, year places	7.8	7.7	6.3

* Including home medical care for people over 65 years of age.

** Home medical care, all ages.

*** Approximately 80 places within Committee for Allocation of Social Welfare’s activities for people over age 65 must be added.

Labour market initiatives

For individuals largely dependent on income support, the City supplements the national labour market policy with various initiatives and measures intended to create opportunities for people to establish themselves in the labour market. The initiatives are often run in close collaboration with the Swedish Public Employment Service. While unemployment rate no longer seems to be on the rise, the level remains high.

The Swedish Public Employment Service reported in December that 25,188 people were unemployed in Gothenburg. This is the same level as during the same period the previous year. Thus, the labour market situation seems to have stabilised with some positive expectations. At the same time, unemployment among at-risk groups – i.e. young people aged 18-24, foreign-born individuals and people with functional impairment – has increased. Together with unemployed people age 55 and older, these groups make up about 60 per cent of the total number of unemployed as of December 2013. A common problem for people in these groups is often an insufficient level of education, limited work experience and lack of networks. Those who have the most difficulty entering the labour market are older individuals and people with functional impairment.

The City's initiatives are targeted to groups with difficulties in entering the labour market

Many of the City's labour market initiatives are largely designed for people dependent on income support and who often have a weak link to the labour market. The labour market initiatives are carried out in close collaboration with the Swedish Public Employment Service, Samverkansförbunden (Integration Associations) and Försäkringskassan (Social Insurance Agency).

There are many different reasons why labour market initiative participants do not have a job. For this reason, the measures vary and change. Changes in the Swedish Public Employment Service's focus and form of the various national labour market measures affect the City's labour market initiatives.

Successful tools for the journey to work and self-sufficiency are thorough mapping and definition of each participant's individual conditions and needs. This leads to measures such as personalised coaching and matching initiatives, supported employment, job placement or employment with support. Several administrations report that the percentage of individuals with long-term dependence on income support remains high, while the number of new cases is declining. This could indicate not only improvement in the Gothenburg labour market, but also that the Swedish Public Employment Service's prioritisation of people involved in the job and development guarantees have started to have an effect.

Outlook for the future

An increasingly evident need for targeted initiatives for a growing group of unemployed people who are facing a growing journey to reach the labour market is emerging as a critical issue for the future. To get these people out of this at-risk situation, the cooperation between the Swedish Public Employment Service, Samverkansförbunden (Integration Associations) and Försäkringskassan (Social Insurance Agency) as well as other stakeholders must not only be maintained, but also fostered. Work to implement social considerations during City procurement is another important measure, as is cooperation within the framework of the action plan for the City's work with the social economy sector and financing support for social economy. Through the ongoing efforts to bring together the City Management Office's labour market unit, the Department of Parks and Nature (Park- och naturförvaltningen) and the Adult Education Department (Vuxenutbildningsförvaltningen) into a new committee, new arenas and conditions are being created to give at-risk groups better access to initiatives that facilitate transition to the labour market.



The labour market in Gothenburg is showing signs of improvement.
Photo: Martin Pullar

Building and housing

The City of Gothenburg is facing massive urban development, expansion of infrastructure and an increased pace of residential construction. Over time, these efforts are intended to create attractive and sustainable urban environments for residents, visitors and the business community. The West Sweden Package and the River City vision are strategic initiatives for implementation. The dialogue with the people of Gothenburg is critical to enabling Gothenburg to develop in a sustainable way. A particular challenge is to link the city both physically and socially to strengthen social cohesion and integration.

About 40 per cent of the population currently lives in one of the metropolitan regions. Population growth in 2013 was the largest in many years, primarily due to increased immigration and refugees that were taken in. The massive immigration has put increased pressure on the housing market. Mobility in the Gothenburg region and between the region and surrounding labour market regions is increasing each year, and Gothenburg's local labour market is growing. This creates a growing need for an efficient transport system and gives the regional perspective of the housing market even greater significance.

Impact of climate change – an important issue for the future

The impact of climate change on urban development through e.g. elevated water levels during extreme weather is one of the City's biggest issues for the future. Älvstaden and other waterfront areas are particularly vulnerable. The City is working to develop long-term strategies, models for simulating weather events and planning of protective measures. It is also working to determine what technical demands elevated water levels place on buildings and structures.

Extensive urban development underway

Implementation of the River City vision is following its roadmap. Planning and construction work is in full force on both sides of the river. At Frihamnen, planning is in progress for a jubilee park, housing and businesses. Work to create a social impact assessment for the area has started and Frihamnen has been part of a pilot project for the City's work with child impact analyses. Detail planning work has also begun in the Backaplan area. A new market hall opened at Vågmästareplatsen in the summer and new neighbourhoods are emerging in Kvillebäcken. The winner of the competition for the new Hisingsbron Bridge was announced in the autumn. The planned Västlänken railway tunnel shall create new opportunities for urban life and urban development at the three stations – Central Station, Haga and Korsvägen.

Several detailed development plans have been drafted during the year, including outside of the city centre in

areas such as Gamlestaden and Brottkärr. Major planning work is also underway for Campus Näckrosen, Fixfabriken and Medicinareberget. For the Medicinareberget area, there is an open dialogue with Sahlgrenska University Hospital, Gothenburg University and businesses regarding the development of a life science cluster in the area.

Another example is "Selma of the Future" (Framtidens Selma), which is in progress at Selma Lagerlöfs Torg in Hisings-Backa. The goal is to create new housing units and to develop a district plaza with commercial and public services that improve the daily life of the residents. Construction will start no earlier than 2015.

There has been great interest from the public. Many Backa residents have visited Selma Center at Selma Lagerlöfs Torg to have a voice in the district's development.

"Urban Development in the Northeast" (Utveckling Nordost) is Sweden's largest EU urban development project. The aim is to contribute to sustainable urban development in Gothenburg through heightened attractiveness and new job creation in northeastern Gothenburg. The project has contributed to several company start-ups and jobs in the northeast as well as refurbishment of the physical environment, such as at the tram station in Hammarkullen. Refurbishment of the Blå Stället cultural centre in the Angered Centrum shopping centre began with the support of the project.

Planning activities increase

A strategy for development planning has been drafted and demonstrates the potential for residential construction over the next twenty years. Here, it is possible to build a dense mixed-use area. Development planning work has been coordinated with the drafting of a traffic strategy and green structure plan for the City. Together, this means concretisation of the City's master development plan. The need for housing remains high. The goal was that in 2013 there would be 3,500 housing units in the plans initiated. This has been met by a good margin. Approximately 3,800 housing units are found in the plans initiated and there are 3,150 housing units in adopted/approved plans.

Physical planning

	2011	2012	2013
Number of housing units in adopted detailed development plans	1,900	3,001	3,150
No. of thousand sq. metres usable floor space in adopted detailed development plans	485	370	768
Number of granted building permits	3,500	3,531	3,465
No. of land surveys conducted	356	320	395

Development of land supply as a strategic tool

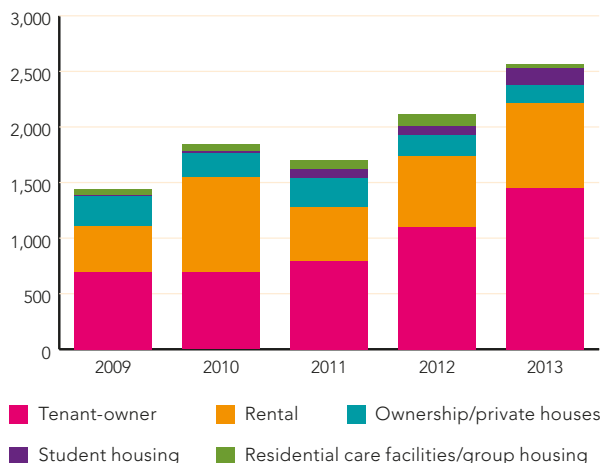
To make Gothenburg an attractive city for business, the City must be able to offer zoned land that can meet the needs of the business community. There have been seven sales of commercial land. The business community continued to show great interest in establishing a location in Gothenburg, particularly in the southwest and central part of the City. In one project, the City has been working with targeted information to office-based and retail companies regarding available land in northeast Gothenburg, resulting in five land allocations during the year.

A land allocation competition was held in Högsbo to bring about housing of high residential quality with low housing cost. The competition is unique and has attracted great interest. Thirteen detailed competition entries were submitted and the entry "Wodden it be nice" won. Several land allocations also involve the construction of temporary student and youth housing at areas such as Selma Lagerlöfs Torg and Masthugget.

Residential construction is increasing

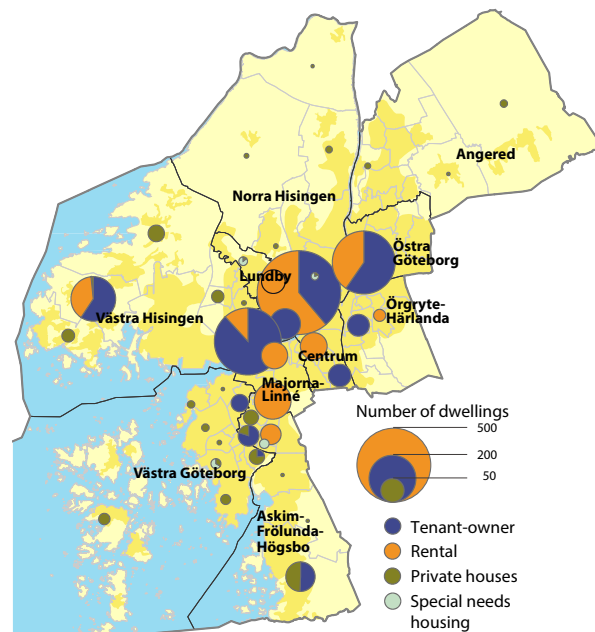
There is a huge need for housing and the City is actively working to satisfy the housing needs of various resident groups in a long-term manner. 2,568 housing units were completed in 2013, which is slightly more than the target of 2,500 new housing units. This is the highest number of newly built housing units since 2008. Approximately 85 per cent of the housing units are in areas with good public transport. This means that travel time between home and more than half of Gothenburg's workplaces will be 45 minutes or less.

Completed housing units 2009–2013



Interest in building housing in Gothenburg remains high. However, the market is showing signs that there is some hesitation among some housing applications for dwellings in what are perceived to be less attractive locations, particularly when it comes to tenant-owner dwellings. In 2013, more housing units were completed than were started. Thus, the number of housing units in progress declined and at year-end was 2,447.

Pending housing in newly constructed buildings by primary area, 31 December 2013



The City's social housing assignment

There are many residents who find it difficult to find housing, particularly young people, students and new arrivals to Sweden. Households with low income and the need for income support, as well as people with social problems are also finding it increasingly difficult to find housing. The City is working with several strategic assignments for at-risk population groups in the housing market. Among other things, the work is underway to draft a plan to combat homelessness and a strategy on housing new arrivals to Sweden. The City is also working to provide community housing for the elderly and more housing for people with functional impairment. The City of Gothenburg won the European prize "Access City Award 2014." Of the 102 cities competing, Gothenburg won the prize for its ongoing commitment to enable people with all types of disability to participate in society.

The neighbourhood Öster om Heden is the second assisted living building in Gothenburg. Fifty flats shall be adapted and an assistance officer has been hired to support the elderly in finding common interests and creating a sense of community. More such buildings are in the works, both as rebuilding and new production. For example, 18 new assisted living buildings are being



Bridge proposal number one, Arpeggio, won the City of Gothenburg's competition regarding the design of the new Hisingsbron Bridge.
Illustration: Mattias Henningsson-Jönsson

built in Almhult, Torslanda, with move-in planned for June next year.

Co-creation and involvement

A broad level of knowledge and involvement increases the chances of consensus and reduces the risk of conflicts of interest. Intensive discussions about the development of the City are in progress in its various areas. These involve detailed development plans for different urban areas, plaza environments and parks and the creation of safe living environments. The City is also continuing to develop plan exhibitions and make them more accessible to both residents and stakeholders. Many public events have been arranged regarding e.g. plans for the Västlänken railway tunnel and the new Hisingsbro Bridge.

The Älvrummet exhibit hall just in front of the Göteborg Opera is a whole building dedicated to development in Gothenburg. Here, there are ongoing debates on urban development issues and exhibitions of proposals and plans. Another public activity has been the seminar series entitled "Mellanrum" at Göteborg City Museum, dealing with different aspects of urban development. In connection with the fifth anniversary in December 2013 and the 50th seminar, a collection of documentation was presented in book form.

Research and development

Mistra Urban Futures is an international centre for sustainable urban development in Gothenburg. The centre shall contribute to making a real difference for the environment and human life in the cities of the world. In close collaboration between practitioners and

researchers, first-class, effective and relevant knowledge shall be gathered. There are currently 30 different urban development projects ongoing in Gothenburg and its surroundings with the focus areas green, dense and fair cities. The City of Gothenburg is one of several parties involved in and funding the centre. One example of collaboration and learning processes between the City, Mistra Urban Futures and Johanneberg Science Park is a project to develop an innovation platform aimed at developing a structured approach to interplay between research and ongoing development processes. Specifically planned with the River City vision in focus is the creation of three test beds that focus on sustainable lifestyle, socially mixed housing and smart energy systems.

Challenges and opportunities

A great challenge and opportunity for Gothenburg is to now develop a long-term sustainable and cohesive city. The increasing segregation, however, is a threat to sustainable urban development. The design of the physical environment and the City's spatial structure provides a framework for development opportunities in the City and is hugely significant to people's comfort, health and well being – and thus also for the economic development of both the City and the region. By creating spatial opportunities for social encounters and an attractive urban environment, Gothenburg can be made more attractive both nationally and internationally. Further challenges lie in being able to satisfy the housing needs of the various resident groups in a long-term manner. Another challenge is to implement the measures needed to protect the City's population and facilities against the effects of climate change and extreme weather events.

Traffic

Congestion charge, better accessibility for public transport and an increased focus on cycling are measures that have had an impact on travel. There has been an increase in travel by public transport and bicycle and a decrease in travel by car.

Implementation of the West Sweden Package continues

A growing population and increased mobility, both within Gothenburg and in the region, increases the need for efficient and sustainable transport. Through the West Sweden Package, a major initiative is undertaken to create an infrastructure system for the future that lays the foundation for an attractive, sustainable and growing city and region. Before introduction of the congestion charge, measures were carried out to improve conditions for public transport, improve road safety and protect the environment. In 2013, work continued to complete portions of these projects and the planning of major planning has been intense.

Planning for the Västlänken railway tunnel is in progress at both the Swedish Transport Administration (Trafikverket), which is planning the tunnel, and the City of Gothenburg, which is drafting detailed development plans at the stations and elsewhere. The ground-breaking for the Marieholm Tunnel occurred in the spring and construction of Marieholmsmotet will begin in 2014. Work with the Södra Marieholm Bridge (railway bridge) began in 2013. The new bridge spanning the Göta Älv River, named Hisingsbron, will lie east of the existing bridge. Hisingsbron will have a clearance of 13 metres, making it lower than the current bridge. The winner of the competition for the design of the bridge was announced in December 2013. The winning entry was a lifting bridge with four pylons. Efforts to get plans and permits in place continue. Work with the junction of Gamlestadstorget continued and there have been major archaeological findings.

In late 2013, it was resolved to contract for block 2 in the West Sweden Package, i.e. what will be financed from 2014 to 2017.

Congestion charge – involved in the funding of the Package

Part of the funding for the West Sweden Package will come from the congestion charge, which was implemented beginning 1 January 2013. In 2013, SEK 710 million was paid in charges and SEK 87.5 million was paid in surcharges for late payment. The percentage of foreign vehicles that passed the stations was 1.82 per cent. At the government level, investigation is underway as to how to apply the congestion charge to foreign vehicles. The location of the pay stations in Backa was investigated in the autumn. As part of this work, the

public was invited to participate in discussions on seven different occasions. The proposals shall be evaluated in 2014. During the year, it was decided to hold a referendum on the congestion charge in September 2014.

Travel has changed

During the past year, the travel mode distribution for Gothenburgers changed, with an increase in the percentage travelling by bicycle and public transport and a decrease in the percentage travelling by car. Among the many reasons for this change are the new conditions created by the West Sweden Package, including new public transport lanes, commuter parking lots, expansion of the supply of public transport and the introduction of a congestion charge. The City also continued its efforts to increase cycling. Travel by public transport in Western Sweden continues to increase, with the largest influx of new passengers seen in train services, which increased by 15 per cent. Travel in Gothenburg's public transport system increased by about 10 per cent between 2012 and 2013. Travel by shuttle increased slightly more than travel by tram. Cycling increased by 22 per cent.

Travel mode distribution in Gothenburg 2013

Car	41%
Public transport	28%
Bicycle	7%
By foot	24%

The overall trend for car traffic shows a decrease of 4.6 per cent between 2012 and 2013. Traffic across municipal borders has also declined, -1.9 per cent, while in 2012 it had increased. The trend of reduced traffic in the centre of the City continues. The changes are greatly attributable to the congestion charge, rebuilding, diversion of traffic, and the charges for and availability of parking. The largest proportion of heavy traffic, 14 per cent, is found at Kungälvleden. It is not possible to deduce any general effect of the congestion charge on heavy traffic. The effects of the congestion charge on car traffic have declined since its introduction. Greater passability on approach roads to Gothenburg has reduced travel times and made them more predictable. The reduction in car traffic has led to reduced emissions. Air quality has generally improved since the introduction of the congestion charge, but it is too soon to draw definitive conclusions.

Tram traffic – the City's responsibility

Since 2012, the Västra Götaland Region is the sole owner of public transport. However, responsibility for tram traffic remains with the City. All ordered M32 trams were delivered by year-end. As the trams have experienced problems, it has not been possible to put all of them into operation. However, there have been sufficient trams available to maintain traffic, but at a lower capacity than desired. Procurement of new trams began in 2013.

Bicycle initiatives

The City has put special focus on cycling, partly through maintenance and partly through investments in cycle paths. During the year, new bicycle parking areas were created and efforts were made in relation to information and various services, bicycle pumps and servicing. Gothenburg now has a cycling network of about 790 kilometres, which is longer than the networks of both Stockholm and Malmö. The first bicycle priority street was built at Västra Hamngatan, where motorists must yield to cyclists. The number of cyclists passing the monitoring stations was about 22 per cent higher than the previous year. On average, approximately 7 per cent of Gothenburgers travel by bicycle. The bicycle loan system Styr&Ställ has been extremely successful. The system has been expanded with additional stations and the season has been extended. The number of loans doubled between 2012 and 2013.

Rail shuttles to the port – good for the environment

About half of all containers travelling to and from the port travel by so-called rail shuttles. In total, there are 25 rail shuttles in the system from Sundsvall in the north to Åhus in the south. Each day, rail shuttles replace 700 trucks. Construction of double tracks on the Gothenburg Port Line is expected to begin in 2015. The 10-kilometre Gothenburg Port Line is one of Sweden's most important railway links. It connects industry throughout the country to the Port of Gothenburg and the worldwide array of shipping routes found there. The expansion involves double tracks on part of the Gothenburg Port Line and a new railway bridge over the Göta Älv river. The Port of Gothenburg, AB Volvo, Västra Götaland Region, the City of Gothenburg and the EU have contributed an advance to enable the expansion to move forward earlier.

From special transport to public transport

In 2013, work continued to make bus/tram stops and footpaths more accessible. The goal of 100 per cent low floor in public transport has been hampered by the need to continue running the oldest trams. The number of special transport permits reduced slightly, partly due to better accessibility in public transport and partly because people are healthier in more advanced ages. There are flexline buses in all districts, and certain lines are also

run on Saturdays. One-third of special transport trips were carried out via the flexline.

New railway tracks for faster and greener travel

The government has identified the stretch Gothenburg–Borås as part of a future new trunk line. Parts of the line are already part of the national transport plan. The Swedish Transport Administration is now tasked with studying the other routes.

The City is participating in the EU project COINCO (Corridor of Innovation and Cooperation), a sub-project of which is "The Scandinavian 8 million City".

Among other things, the project studies the potential benefits of expanding a high-speed rail system in the corridor Oslo–Gothenburg–Malmö–Copenhagen. A final report will be presented in spring 2014. The Norwegian government decided in November to invest NOK 100 million in the investigation of a railway between Oslo and Gothenburg.

Many sustainable transport projects underway

The City continued its work with sustainable transports. Here are some examples:

The goal of 100 electric cars in the City's vehicle fleet has already been achieved. 60 hybrid electric buses are running in Gothenburg and 2 hybrid electric refuse trucks are being operated by Renova.

Four new quick charging stations for electric cars were erected. There are 200 normal charging stations in Gothenburg.

To limit the number of heavy transports in the inner city, "City Delivery" (Stadsleveransen) was tested, where goods were transported by electric vehicle from a distribution centre out to the shops.

A new electric bus line is being tested between Johanneberg and Lindholmen. Various technical solutions will be tested on the line.

Gothenburg will become a test arena for a pilot project with self-driving cars.

Gothenburg is growing and developing

In order for Gothenburg to grow and evolve, the City will remain in an intensive phase of urban development, with investments in infrastructure playing an important role. The projects are larger and more complex than previously handled by the City. In addition, there is construction in heavily populated areas with several players involved. All in all, this will present significant challenges for both the City as an organisation and for society at large.

Culture and leisure

Gothenburg and the Angered district saw the opening of a new multipurpose arena during the year. Angered Arena increases opportunities for residents to exercise and play indoor sports. The entire facility is adapted to provide accessibility and is therefore also an asset for the nearby national athletics upper secondary school for the functionally impaired.

The area of culture and leisure includes all of the City's culture and leisure activities for all ages, regardless of organisation. Culture and leisure are also closely associated with or are part of the areas industry and tourism.

One of Gothenburg's largest facilities for grassroots sports opened in 2013. Angered Arena was a welcome addition to the Angered district. Angered Arena is a multi-sport facility with six different halls for ice sports, swimming and ball sports complemented by a fitness centre under one single roof. A key area is also available for smaller performances, cultural activities or try-it-out activities with different clubs. The entire facility cost SEK 375 million to build and costs about SEK 38 million in operating expenses per year. The swimming baths are equipped with the latest in camera technology for underwater monitoring to prevent drowning. The facility focused directly on improving the swimming skills of children and adults. Together with corresponding activities in nearby areas, this has resulted in an increased ability to swim.

New ways to reach young people

In several areas of the city, recreation leaders attempted to reach young people in their own arenas, i.e. outside of the recreation centres. As a result, the leaders were able to reach more young people and establish a better dialogue regarding what the youth want to do in their spare time. Recreation leaders also gained a better overview of risk environments and rival gangs. This made it possible to initiate action at an early stage. Several good results were achieved by engaging young people in different activities and tasks, particularly during the summer.

The recreation centre activities were concentrated to an increasingly greater degree, partly for financial reasons and partly to achieve a higher level of quality in the activities. Special girl groups have been a great initiative. In other areas of leisure activities, cooperation with clubs increased. As a result, more children found an area of interest in a club.

Children and youth culture grew with the social cultural project El Sistema as well as the Frilagret culture centre. The year also saw the first digital art exhibitions in real time on the web.

During the year, the City Council adopted the new culture programme, new library plan and the culture centre investigation. The culture centre investigation involves concrete proposals for both new buildings and new work methods.

The remodelling and addition work to the Stadsbiblioteket library took shape during the year. Closure of Stadsbiblioteket put increased pressure on the branch libraries. But, it also opened up an opportunity to find creative solutions to avoid losing visitors. The four temporary small libraries – known as 300 kvadrat, Dynamo, Global and Miini – quickly gained popularity. The Cultural Affairs Committee therefore decided to keep 300 kvadrat open through the end of 2014. Stadsbiblioteket was named Library of the Year at the Göteborg Book Fair. The reasoning was that parts of library operations were temporarily presented in new environments, thereby attracting new visitors. The cooperation between the branch libraries further deepened through cooperation of library staff, the common media supply and new digital solutions for a “more open library”.

The cultural activities of the districts grew with El Sistema, which involved about 2,000 children and their parents. The activities focused on teaching children and young people to play instruments, play in orchestras and sing in choirs. Parents and children got together regularly to enjoy the culture and meet others with similar interests. This has made El Sistema an important integration project. The regular school of the arts (kulturskolan), which is based on individual or small group instruction, had about 7,000 students.

Some of the Cultural Affairs Committee's measures for children and young people were activities/lessons in museums, providing children's literature and musical instruments to the districts and developing cultural activities for young people, including grants to cultural organisations and projects. The number of participants in educational activities for children and young people in museums increased by 6 per cent to 56,000 participants.

Young culture summer workers entertained Gothenburgers and tourists

Nearly 600 young people applied for the 93 culture summer jobs organised by the City. 390 performances were presented in plazas and at bus/tram stops and other gathering points. Approximately 77,000 viewed the performances. The most for culture summer jobs totalled SEK 2.2 million.



Liseberg's new Rabbit Land proved to be very popular.

Photo: Stefan Karlberg

The City Theatre remained in the international spotlight

The Göteborg City Theatre's theatre group for children and young people, Backa Theatre, gave a guest performance of Little King Mattias in Washington DC during the huge Nordic festival called Nordic Cool. The group also gave a guest performance of 5BOYS.com at the festival in Kranj, Slovakia. As previously, children and young people were involved in the production. The City Theatre's stage at Götaplatsen chose to have a year of classics, with performances of Ibsen, Strindberg and Chekhov.

Rabbit Land for the small and Helix for the big

Liseberg, the City's very own amusement and culture park, opened Rabbit Land for its youngest visitors. Rabbit Land proved to be very popular. Construction of the new Helix roller coaster – a monster in Europe – also began during the year. Investments in these attractions totalled SEK 500 million.

Quality leisure time can help children and young people to get a good start in life

Quality leisure time and a good family life are protective factors that increase children's opportunities to perform better in school. Increased cooperation across sectors is considered a key success factor in strengthening the protective factors. For newly arrived refugee children, leisure activities are key to making contact with other children and learning the codes of society.

Coordination of the regulatory framework for club and local grants will facilitate club activities, increase transparency and lead to equal treatment.

Several investigations are starting to coordinate the club grant. Competence improvement is necessary to develop the leisure sector. This applies at both the management and the operative level.

Guests/visitors

Thousands (KSEK)	2011	2012	2013
Letting of sports facilities (pitches and halls, hours)	281	277	270
– of which sports halls	137	140	179
Guest nights at sports competitions	208	224	225
Swimming baths	1,006	1,023	1,148
Ullevi	188	358	319
Scandinavium	633	680	607
Liseberg Amusement Park	2,900	2,800	2,650
– of which Christmas at Liseberg	432	472	532
Göteborg City Theater	135	112	109
– of which children and young people	21	13	19
Art gallery	38	35	35
Stadsbiblioteket library	1,192	498 *	430 *
Branch libraries	2,982	2,993	2,917
Museum visits	649	762	723
– of which children	200	216	208
No. of pleasure boat berths let	7,143	7,219	7,200

* Stadsbiblioteket library closed for remodelling. Regards substitute libraries.

Industry and tourism

During the year, the City work intensively to improve the corporate climate in Gothenburg. The European Athletics Indoor Championships were successfully held at Scandinavium during the year, while UEFA Women's Championship was held at Gamla Ullevi.

Business climate

Under the guiding principle "It should be easy to run a business in Gothenburg", the various organisations of the city are working hard to make it easier for entrepreneurs to start and run a business in the City. During the year, 450 people of the City of Gothenburg participated in the course "Förenkla helt enkelt" (Simplify, quite simply). The goal is for the business climate in Gothenburg to be ranked the highest among Sweden's metropolitan regions in 2014.

2013 was a strong year from an investment perspective. Several interesting companies chose to invest in the Gothenburg region. Getinge and Estrella established their head offices in Gothenburg. Schenker erected two large logistics facilities in the region. Hasselblad, which previously left Gothenburg, returned to the City in 2013 after some years in Copenhagen.

Nordic collaborative projects for infrastructure

The Gothenburg-Oslo collaboration has agreed on a new cooperation agreement that focuses on business development and infrastructure. The Norwegian government has allocated NOK 100 million to investigate how an effective rail link can be established between Oslo and Gothenburg. "8 Million City" is a project being run jointly by Denmark, Sweden and Norway. The project has analysed the possibility of linking Copenhagen and Oslo via high-speed train, thereby creating a cohesive labour market region with 8 million inhabitants. The project ends in 2014.

Weak development of container traffic in the Port of Gothenburg

Container volumes for the calendar year declined by 5 per cent compared to 2012. During the second half of the year, the decline was as much as 10 per cent compared to the same period of the previous year. The cause is attributed to a low global development of container traffic. RORO volumes, on the other hand, increased by 4 per cent, with an increase as high as 8 per cent for the second half of the year. RORO traffic generally represents the flows within Europe. The signals are clear that the Europe flows have stabilised and began an upward turn during the last year.

Tourism and events

The hospitality industry showed a positive trend, which means that the industry in terms of number of guest nights has increased 22 years in a row. Conferences and meetings are hugely significant to the City of Gothenburg. 2013 was a "normal year", with 105,000 delegate days. Approximately half of these were international guests.

The European Athletics Indoor Championships were held during the year. This was a successful sporting event, where the concept "all under one roof" was greatly appreciated. The concept means that the Swedish Exhibition and Congress Centre and Scandinavium share the event, and the two facilities are integrated while the event is being held. Spectator turnout was slightly lower than planned.

The UEFA Women's Championship was held in the summer. This was a success both athletically and spectator-wise. The competition in relation to arena-based events has increased in recent years. The City's arenas do not have quite as much to offer as competitors' newly built facilities. As a result, the biggest international artists no longer visit the Scandinavium arena.

Liseberg

Liseberg is of great significance to both the hospitality industry and the region's inhabitants. The summer season did not develop as expected and the number of guests dropped by 2 per cent to 2.1 million guests, compared to the previous year. The decline can be attributed to more domestic visitors choosing to travel abroad and a continued decline in the youth segment. For the first time ever, Christmas at Liseberg remained open between Christmas and New Year's – an initiative that proved successful. Christmas at Liseberg had over 500,000 visitors.

Climate and the environment

The challenges related to climate and the environment remain huge, but Gothenburg is honing the tools for its environmental work. This year, the City developed several important programmes, strategies and plans to support work to achieve budget and environmental quality goals. Our environmental work even received attention outside of the City. Waste volumes have decreased and steps towards improved energy efficiency are being taken. The City now also has a new nature reserve.

Environmental successes for Gothenburg

The City of Gothenburg is engaged in quality environmental work. This is the opinion of the newspaper *Miljöaktuell*, which awarded Gothenburg fourth place in its ranking of municipal environmental work 2013.

The City of Gothenburg is first among the Nordic countries to issue a green bond, which has received considerable attention during the year. The bond is a way to increase financial institutions' awareness of climate challenges and put sustainable solutions in focus. The money shall be used within the City's environmental work. Examples include investments in public transport, water supply, energy efficiency and waste management. The framework for green bonds was created by stakeholders such as the World Bank Group. The bonds are an interesting way to join together environmental issues and financing. In total, Gothenburg has used SEK 500 million of a framework totalling SEK 2 billion.

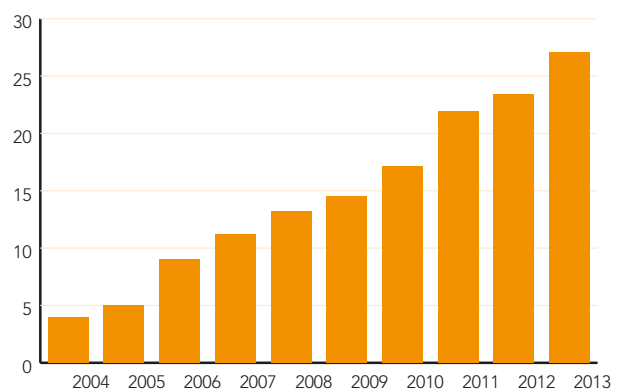
The City's operations are working together to make Gothenburg an attractive destination with a clear environmental profile. For example, all expos organised by the Swedish Exhibition and Congress Centre have received environmental certification. Major sporting events such as the European Athletics Championships, UEFA European Championship and the Göteborgs-Varvet half marathon are also environmentally certified. Green Gothenburg is a platform for a green Gothenburg region. The interest in meeting business representatives and public stakeholders in Gothenburg is huge and delegations from 16 different countries and companies have initiated business-related contacts within the framework of Green Gothenburg.

Gothenburg works with sustainable food in an international context. The EU project "Sustainable Food in Urban Communities" focuses on issues of eco-friendly meals and experiences with ten participating countries. In contrast to many European countries, Sweden and Gothenburg have a larger share of public restaurants and have experience in public procurement of food products. Actively reducing the carbon footprint of food products is highly interesting for both Sweden and other countries. The decision to only serve organic meat has also attracted international attention.

The proportion of eco-friendly meals in the City has grown steadily since 2004 and is now an average of

about 27 per cent for the entire district committee sector. The ambitious goal of reaching 50 per cent during the mandate period has been deemed impossible.

Percentage of organic food products (%) of the total percentage of food products purchased – district committees



The introduction of a congestion charge in 2013 has led to a reduction in air pollution emissions from vehicle traffic and on inner city streets. In the areas where traffic reduction was the largest, nitrogen oxide emissions are estimated to reduce by 16 per cent. The air quality has generally improved since the congestion charge was introduced, but with only a half-year of measurements it is too soon to draw definitive conclusions.

Gothenburg's toolbox for targeted environmental work

A number of key programmes, strategies and plans are now available to support work to achieve the twelve local environmental quality goals and prioritised budget goals.

The environmental programme for the City of Gothenburg was adopted by the City Council in 2013. The programme is a concentrated effort to highlight 200 measures that the City must implement to achieve the goals and contribute to a sustainable environment. To encourage implementation, the City Council has made extra funds available for 2014. Several measures have a longer execution time than that. To achieve the long-

term climate goal 2050 and become a climate-neutral city, the City is also drafting a climate-strategy programme that includes an energy plan.

The action programme against noise pollution 2014–2018 takes a comprehensive approach to the City's noise problems in order to limit the negative effects that ambient noise has on health through access to good acoustic environments. The City Council adopted the programme in February 2014. A proposal for a common chemical plan was circulated among committees and boards for opinions in autumn 2013. The plan will gather the City's chemical work towards a toxic-free environment.

The green strategy includes goals and strategies for how the City can remain and further develop into a city with huge green qualities, even as the city becomes more densely populated. Work with other strategies, traffic and development planning is being conducted in parallel. Together with the River City vision, these three documents give the City's development a direction up to 2035.

Keen on green

Gothenburg is the best at urban agriculture over Stockholm, Malmö, Uppsala and Linköping. This is the finding of the gardening magazine *Allt om Trädgård*, which named Gothenburg the winner. This is the positive result of the extra efforts made in relation to suburban cultivation in collaboration with gardening clubs. The sustainability of this work has been of great importance. Thus far, 17 new allotment-garden areas have been created, with about 250 allotment gardens. 2013 was the first year that clubs were also able to apply for grants for agricultural projects, which led to about 300 new cultivation opportunities.

About 1,500 new trees were planted throughout Gothenburg. Newly laid streets and parks received new trees and there were also replantings. New fruit groves with apple, pear, cherry, plum, walnut, mulberry and other trees were planted in a number of different districts.

A new nature reserve was created in Vålen to preserve and develop an urban, well-attended and valuable nature and recreation area. The grazing meadows, shallow bay, rich bird life and oak forests are particularly valuable, as are the social meeting points, nature education and the child perspective.

Green issues have received growing attention in the physical planning. A green strategy has been adopted, conservation-sensitive management of municipal forests has been initiated and work with ecological landscape analyses has begun. Work with a "green area factor" is significant when land needs are valued. The initiated work with an environmental-protection strategy for the City is also important for green issues and biodiversity.

Cleaner Gothenburg

Gothenburg is tidying up. Thanks to the annual school cleaning and "Think" campaign, for the fourth consecu-

tive year the City of Gothenburg was named "Rubbish Picker Municipality of the Year" by the organisation Keep Sweden Tidy. The spring cleaning carried out by the pre-schools and schools set a new record with almost 64,000 participants. A new survey conducted in collaboration with Statistics Sweden and Keep Sweden Clean shows that the City has become cleaner with slightly less rubbish. Cigarette butts still represent more than half of the rubbish, and most focus will be placed on eliminating this going forward.

Waste is also useful

Waste produces energy. In 2013, approximately 20,000 metric tons of food waste were collected in Gothenburg alone – an increase of 2,300 metric tons. Residual waste and mixed waste continued to decrease in 2013. The number of kilograms per person was almost 4 per cent lower than in 2012 and has declined steadily since 2008. Improved sorting of food waste in particular and a low level of consumption due to the recession are possible reasons for this. Food waste is pretreated for the production of biogas. The nutrients in digestate are returned to agriculture. The collection of food waste from households and businesses from Renova's owner municipalities for the pretreatment plant in Marieholm has also continually increased to about 28,000 metric tons in 2013. This is in line with the goals of the regional waste plan A2020.

The production of district heating and electricity in Renova AB's production plant has been good and the amount of energy per metric ton of waste has increased. The amount of energy produced declined slightly due to reduced amounts of waste.

Sludge is also part of the eco-cycle. From its waste product, Gryaab produced approximately 6,015 metric tons of sludge approved for agricultural purposes in accordance with

REVAQ certification, which exceeds its own goal of 5,000 metric tons. During the year, Gryaab covered a silo where digested sludge is temporarily stored prior to dewatering. Thus, approximately 80 metric tons of methane annually that could have leaked out to the atmosphere (with a greater climate impact than carbon dioxide) was instead used to increase Gryaab's biogas production by approximately 1 GWh to almost 70 GWh at full production.

November marked the first gasification of pellets in Göteborg Energi's GoBiGas 1 plant in Ryahamnen. The gasification lasted 25 minutes and had good results. This is an important milestone for the project. At full operation, GoBiGas 1 is expected to be able to produce 160 GWh of biogas. Commissioning work is underway, with opening set for March 2014.

Towards an energy-efficient Gothenburg

In its report "Climate shift Gothenburg – technological possibilities and lifestyle changes", Well-being in Sustainable Cities, WISE (a project within Mistra Urban Futures), analysed possible measures to reduce emissions

by 70-80% by 2050. The results show that with the current climate policy, including a “fossil-fuel independent vehicle fleet”, a doubling of travel by public transport and more renewable electricity, “only” reduces emissions by 25 per cent. The results also show that through various changes in areas such as food and air travel we should be able to reduce emissions to less than 2 metric tons of carbon dioxide per person per year.

The City purchases renewable electricity. In 2013, the City of Gothenburg entered into a new framework agreement with Göteborg Energi Din El. Through the agreement, all electricity that the City purchases for its companies, departments and administrations will come from renewable energy sources beginning in 2014.

Älvstranden purchases renewable energy and in 2013 Älvstranden Utvecklings AB and Göteborg Energi AB entered into an agreement on the delivery of biogas to replace natural gas while awaiting connection to district heating. This means that at the start of the new year all energy that Älvstranden AB purchases is renewable. The company reduced its own carbon emissions by 82 per cent between 2005 and 2013 while the lettable area increased by 22 per cent.

Children in pre-school are becoming energy smart. Through the Premises Department and Skogshyddegatan pre-school, the City participates in the national project Förskölevägen aimed at increasing energy awareness and reducing electricity use. The Premises Department also built a pre-school as a zero-energy building. It is a two-storey building with an excellent energy performance level and an extremely low need for energy input. This is compensated by means of solar cells. The main purpose is to conduct a full-scale analysis of the feasibility of creating climate-smart public buildings with an extremely high level of energy performance.

The Port of Gothenburg sees major challenges in being able to combine the need for growth opportunities that are both economically and environmentally sustainable. Emissions from shipping, terminal operators and the loading of petrol have increased rather than decreased, despite the decline in growth during the year. The Port of Gothenburg rewards companies that run their vessels with cleaner fuel. This is intended to encourage cleaner shipping and is in preparation for EU's stricter sulphur directive, which will go into effect on 1 January 2015. The Port's environmental campaign has been in place since 2011 and SEK two million has been paid out to six shipping companies for a total of 40 vessels.

Gothenburg – a smart city

The three research projects within the City of Gothenburg's Smart Cities initiative continue: Celsius, StepUp and EU Gule.

In Celsius, the City has a lead position and Göteborg Energi AB is project managing the various participants in the project. The City's position as a smart city is highlighted and also enables environmental technology export from companies in the area. The aim is to

show how district heating and cooling can be used for purposes such as recovering waste heat in a city and making energy use more efficient. EU is demanding these types of solutions to be able to achieve the goal of 20% energy efficiency improvement by 2020. The project had two important successes in 2013. Grant Agreement has been signed by the EU Commission and the first major delivery, a heat recovery solution for a school, was completed on schedule.

Environmental considerations during procurement

Gothenburg works with eco-labelling in the City's contract and ordering system. The procurement company has worked with the Environment Department to support purchasers in choosing environmentally preferable alternatives. The City's contract and ordering system, WINST, there is also a “green leaf”, which indicates to the purchaser that the product has some form of official marking. Approximately 1,350 “leaf-labelled” products have net prices. There are also 2,156 other “leaf” eco-labelled products indicated in the system.

Gothenburg is participating in a regional collaboration on climate-smart purchases. Västra Götaland Region and the municipalities are collaborating in a project on environmental requirements. The City participated in the areas interior design, food products, energy and contracts. The procurement company participates in the work with the “Green List” for interior design on the website. There is a catalogue of contracted interior design products that meet the product-related environmental requirements for the Swan Nordic ecolabel, the EU flower or the Good Environmental Choice ecolabel. The project “Climate-smart purchasing decisions” created three meal planning tools. The tools concern the climate impact of school meals, a priority list of organic food products based on what produces the greatest environmental benefit at the lowest additional cost, as well as a guide for meal planning based on the climate impact of various food products.

Sustained and consistent climate and environmental work

A lot of climate and environmental work has been carried out over the years and there is a lot left to be done. It takes a lot of initiatives and perseverance to meet the City's environmental quality goals and budget goals. The City is well prepared to meet climate and environment challenges with its tools in the form of programmes, strategies and plans that show which roads the City can choose to achieve its goals.

Human rights

Gothenburg shall be a city for everyone. Human rights work is far reaching and requires perseverance. Work is underway to create greater social balance and a more level playing field between different population groups in the City. A lot of good work is being done, but the trend indicates that segregation has increased recently.

Human rights are embedded in operations

In 2013, work began in the City to integrate equal treatment and to create structure for inclusion of human rights in the municipal activities. A prestudy was initiated to investigate what is required for clearer support of human rights in Gothenburg.

Increased integration – a long-term endeavour

The City's integration work focuses on counteracting imbalances between both population groups and geographic areas. Mixed forms of residence is part of the City's strategy for increased social mobility. This is something the City is working systematically within the construction of housing. It will take some time, however, before effects can be measured. In regard to increased employment and diversity in the City's organisation, there are examples of positive results, even though the challenges remain huge.

The five national minorities are being lifted further

Gothenburg's work as a pilot municipality for Roma inclusion took steps forward. Together with VGR and GR, the City received grants from ESF for a prestudy regarding the possible creation of a Roma information and knowledge centre.

Action plans for national minorities and the Finnish administrative area were drafted in 2013. The City Executive Board will take a position on the matter in spring 2014.

A Swedish-Finnish Collaboration Directive was drafted and adopted and a Swedish-Finnish Council was formed at the same time. The City commemorated the Sami People's Day, the Swedish-Finns Day and the International Roma Day.

The City is concentrating on the reception of new arrivals

Gothenburg took in approximately 2,400 refugees, of which approximately 800 were attachment-based particularly for refugees from Somalia due to relaxation of passport rules. The City intensified efforts to assist new arrivals during the year and a joint action plan was drafted. Measures were taken to provide assistance, particularly in the housing situation for families with

children. Measures for receiving children and young people in the schools were developed and collaboration with volunteer organisations was strengthened. The housing shortage presents challenges in receiving new arrivals. During the year, a strategy for housing new arrivals was proposed.

The City of Gothenburg's Council for Integration and Social Solidarity

The Council for Integration and Social Solidarity helped organise a dialogue conference on socially sustainable cities between the municipal leaders of Gothenburg and Malmö. Both the Council and the Malmö Commission contributed to the discussion with their research and collective knowledge. In particular focus was the importance of systematic and sustainable leadership and that the leaders and employees of both cities thinking jointly. If structures are to be broken, there must be social investments that look 10, 20 and 30 years ahead. The same applies to investments in technology and infrastructure. If we can show that the social investments have made an impact in 25 years, they will be easier to justify.

The City of Gothenburg's LGBTQ Council is up and running

The City of Gothenburg's LGBTQ Council began operations and held its first and inaugural meeting in December. The Council consists of the City Executive Board's political parties and members from LGBTQ Gothenburg. LGBTQ Gothenburg comprises a diversity of experiences, perspectives and identities that permeate the composition of the Council. In addition to being a forum for consultation between LGBTQ Gothenburg and the City Executive Board, the Council serves – from a norm-critical perspective – as a consulted body in the City.

Challenges and opportunities

Challenges and opportunities lie in supporting long-term social development and cohesion, reducing barriers and linking the City together both physically and socially. Basic needs are access to housing, employment and education. The City also needs to continue to develop a systematic and coordinated process in which human rights are clearly spelled out.

Equal opportunity

Equal service in the City is increasing. The organisations continue to integrate gender equality step by step.

All district administrations are integrated equality into the activities, but in varying degrees. Several are working at a comprehensive administration level, but a number of different core activity areas are also involved. During the year, the work intensified and spread to new sectors and units. Several technical departments and a small number of companies indicate that they are working with equal service out to City residents in different ways. Most common are issues related to interactions based on a customer or user perspective.

Positive results and effects of enhanced equality integration work.

Work practices, availability and selection have changed. This has had positive effects in the organisations working actively with the issue. For example, Gothenburg residents who had not used the municipal services previously began visiting the organisations to learn what they had to offer. Another effect is that the power and influence that some target groups have over societal development and their own lives were strengthened. The Programme for Sustainable Equality (PSE), which ended during the year, contributed greatly to the positive effects. For example, more men and women participated at meeting point activities. Even more or less resource-rich target groups participated in the civic dialogue regarding the design of Mariaplan. This led not only to changes in the design, but also fewer complaints than normal. The seven PSE projects together led to differences in structures, work processes and approaches, laying the foundation for continued development and broadening of equality work in coming years.

Skills development of employees and managers for sustainable equality work continued

All district administrations, some technical departments and individual companies have trained managers and employees in equality issues. In 2013, central funds were allocated to train employees in the Swedish Association of Local Authorities and Regions' pilot course "Guiding and leading for sustainable equality" and for advanced training of the process supervisor network. An external evaluation of the training initiative was carried out by the process supervisors in 2012. The initiative mainly reached the district administrations, but the spread to different activities and organisational levels was deemed good and the training was well received. However, failure on the part of managers and management to

prioritise the issue was raised as an obstacle to achieving good effect.

The equality integrated planning, budget and follow-up process has been developed, but a lot of work is still ahead

Statistics by gender were obtained, but equality analyses are often extremely weak in reporting and case preparations. The results are generally reported at the activity level and there are no gauges that capture the effects of equality work. A checklist was drafted in late 2013 as a tool for integrating the equality perspective in the regular planning and follow-up process. Work continues in 2014, where the checklist will be integrated in the joint municipal planning and follow-up tool "Rappet".

Learn from experience and plan for the future

The City of Gothenburg has good knowledge of what makes equality work successful, particularly through PSE, process supervisor training and other leader training efforts undertaken in the area of equality. The knowledge must be put to use to plan out future equality work. The work must be intensified at technical departments, companies, etc. Another area is management's responsibility and commitment to the issue. This is crucial to the success of equality work. Support to these must be intensified for better goal achievement.

Public health

2013 marked the first year with prioritised goals related to public health work in Gothenburg. The City's budget document specified that "Differences in health between different socio-economic groups and different parts of Gothenburg shall be reduced" and "Children's physical environment shall be improved".

A number of activities aimed at achieving the prioritised goals were initiated during the year. The goals were far-reaching – the assessment was that goal achievement could be possible within a generation. As part of attaining goal achievement, the City Council adopted a new public health programme for the City. This together with the prioritised goals would provide the basis for work in the City's committees and companies.

New public health programme adopted

The new public health programme contained seven target areas. Six of these regarded Gothenburgers' living conditions and one regarding living habits. The goals of the programme focus on good conditions for children and young people to grow up in, quality education, healthy workplaces, ageing and social planning, and good living habits. To gain knowledge and be able to measure whether goals are achieved or not, Gothenburg participated in the national public health survey "Health on equal terms" (HET) conducted by the Swedish National Institute for Public Health through use of an extra questionnaire.

What did "Health on equal terms" show?

The City of Gothenburg participated in the public health survey (HET) for the tenth year in 2013. The 2013 report showed that there are still differences in how well men and women feel and how well people of different age groups feel. Among other findings, it showed that more men (84 per cent) reported good mental well being (health), while only 76 per cent of women felt that they were going well psychologically.

Child health index for each district

For the first time, a child health index was determined for each district. The starting point was WHO's broad health concept and the Convention on the Rights of the Child. The child health index aimed to provide a comprehensive picture of children's health status from both a medical and a psychosocial perspective. Health indicators that are important from a population perspective were also included in the index. The index for Gothenburg as a whole was 85, compared to 88 for Sweden as a whole. The Örgryte-Härlanda district had the highest index with 89, while Angered had the lowest index with 77.

Challenge for the future – reducing health inequalities in the population

One example of health inequalities in Gothenburg is found in the child health index reported above and in "Health on Equal Terms". 2013 was the first year with the prioritised budget goal of "reducing differences in health". The challenge is to achieve the goal within one generation or the next 20-year period.

Risk factors for ill health

	2011	2012	2013
Ill health rate *	25	27	26.8
Women	28.6	31	31.9
Men	21.7	23	21.8
Unemployed, age 16-24 (October measurement)**	9.1	8.2	9.1
Level of education, women ***	52	53	
Level of education, men ***	48	47	

* The ill health rate indicates the number of days per person with compensation in the form of sickness benefit, activity and sickness compensation, rehabilitation and occupational injury compensation (source: Försäkringskassan).

** Regards open unemployment and those in programmes, 16-24 years old (source: Swedish Public Employment Service).

*** Regards percentage of post-secondary education – reported with 1-year delay (source: SCB).

Children

All decisions affecting children and young people shall be in line with the spirit and intentions of the Convention on the Rights of the Child (CRC). This requires a huge commitment, especially considering that 20 per cent of Gothenburg's residents are 18 years of age or younger.

The living conditions of children and young people are linked to those of their parents. But, they also have other important adults around them, for example in pre-school/ school and in clubs. In international comparisons, Swedish children and young people have good conditions for growing up, but the group is by no means homogeneous. A good educational environment, leisure time rich with experiences and good relationships with other people are important protective factors. Stress, severe performance demands, low levels of educational achievement and a tight financial situation are among the risk factors.

Most crucial, however, is not identifying any single significant risk factor and trying to eliminate it. It is instead aiming to reduce the total number of risk factors and increase access to protective factors. It is therefore concerning that residential areas have been built in areas rich in risk factors and poor in protective factors, while conditions are the reverse in other residential areas.

What importance does children's influence have?

One of the cornerstones of the CRC is that children and young people have the right to express their opinions. Follow-up of the City's organisations gave many examples of activities that increase children's and young people's opportunities to have a say. However, it was difficult to demonstrate young people's actual influence, i.e. whether decisions were different because of young people's opinions. A dilemma that sometimes arose was that a single initiative could be both beneficial and detrimental to children and young people. New housing being built at the former site of a playground is one example of this type of trade-off.

The degree of influence can be described based on what role the children or young people were given. Most often, the children and young people acted as informants, i.e. they were given the opportunity to talk about their situation, their desires and their views. In some cases, particularly in matters directly affecting children and young people, influence was expanded to the role of co-player. The role of player, i.e. self-determination, was given to young people, for example, when they created forms for their own work in the youth councils and the youth city councils. Otherwise, the role of player was rather uncommon.

Child impact analyses

The network "Children and young people in physical planning" is a forum for collaboration on issues of methodology regarding how the child perspective can



20 per cent of Gothenburg's residents are 18 years of age or younger.
Photo: Jeanette Larsson

be achieved. The network has developed a model for child impact analyses that gives officials a concrete tool for incorporating the child perspective in change and management processes. Popular implementation and inspiration seminars were conducted, but there are still only a small number of companies and committees that fully implement child impact analyses.

The right to information

An important aspect to the right to have an influence is access to information and knowledge. Through the youth city councils and other avenues, young people have indicated that more information is needed about youth issues and that the City's website is simply not enough. Knowledge is needed both at a general and comprehensive level and at a specific and local level. Most children and young people nowadays have access to computers, smart phones, iPads or the like and are used to searching for information via the internet. The City of Gothenburg's website has been developed to have a child perspective on the information. For example, from 2013 there is a special page for children and young people who need the assistance of social services. However, according to young people further development is needed.

Foundations

The City of Gothenburg manages 96 foundations for various purposes. They are divided into the main orientations cultural, social and educational, depending on the foundation's purpose. In 2013, the combined holdings amounted to close to SEK 800 million. Grants from the foundations for various purposes totalled close to SEK 24 million in 2013.

Gothenburgers' philanthropic attitude has left its mark in the community. There is a reason why Gothenburg is known as the city of donations. The fortunes of several Gothenburg families laid the foundations of the institutions and organisations that live on today. Sahlgren, Röhss Chalmers Renström, Dickson, Wijk, Lindberg and Ekman are just some of the families that have given rise to hospitals, museums, schools, homes, parks and more.

Managing the foundations

The City of Gothenburg only manages foundations that work based on return on investment. These can be divided into three main orientations depending on the purpose of the foundation, namely cultural, educational and social purpose. In 2013, there were 96 foundations (with each foundation serving as its own legal entity). All foundations are part of the joint asset management.

In December 2013, the collective wealth totalled close to SEK 800 million and return on investment was SEK 22 million, which can be distributed to the various purposes in 2014.

The majority of the affiliated foundations are tax-exempt as the purposes are considered as qualified public benefit. Being qualified public benefit means that the organisation, for example, shall promote the care and upbringing of children, run aid programmes for the needy, promote instruction and education, or promote scientific research.

Distribution from foundations

The foundations gave out nearly SEK 24 million in 2013.

Foundational with a cultural orientation contribute substantially to the grant of activities at the City's museums. SEK 5.2 million was distributed from these foundations in 2013. Gothenburg's city museums comprise the Göteborg City Museum, the Gothenburg Museum of Art, the Röhsska Museum and the Maritime Museum. The museums use the funds to, among other things, purchase art works for their collections. These are not limited to paintings and sculptures. They can also include other types of art objects such as uniquely designed clothing and furniture. Foundations with cultural orientation also include those who allocate resources to creating various events and decorating public spaces. One such foundation is the Charles Felix Lindberg donation fund.

The City of Gothenburg also manages foundations focused on education, whose main purpose is to promote instruction and education within the municipal compulsory



Poseidon is one of the many outdoor artworks funded through the foundation Charles Felix Lindberg donation fund. The statue has been situated at Götaplatsen since 1931.
Photo: Jeanette Larsson

and upper secondary schools. SEK 8.7 million was distributed from these foundations in 2013. The largest foundations with this orientation have the purpose of granting funding in the form of premiums and travel grants. The premiums are awarded to students with good grades and the travel grants are awarded to teachers for the promotion of scientific instruction or research. The foundations Einar and Sigurd Nordendahl scholarship funds are examples of such purposes.

The third category of foundations managed by the City of Gothenburg is those with a social focus. The purpose of these foundations, in essence, is to provide assistance to those in need. This means that grants are distributed to financially needed individuals who live in Gothenburg. In 2013, SEK 9.7 million was distributed from these foundations, including grants to families with children for certain types of recreation, help for rent and grants for the purchase of glasses or dental care. Each year, close to 3,500 individuals receive grants from these foundations.



3

MUNICIPAL CITY OF GOTHENBURG FINANCIAL ANALYSIS AND ACCOUNTS

The term Municipal City of Gothenburg refers to the committees, in principle the tax-financed activities. In this block, the City's financial position and development are analysed from a number of perspectives. The statutory accounting statements with supplementary information are also found here.

MUNICIPAL CITY OF GOTHENBURG

FINANCIAL ANALYSIS AND ACCOUNTS

61 **Financial analysis of the Municipal City of Gothenburg**

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

66 **Good economic management, the balance requirement and the earnings equalisation reserve**

This section provides an analysis of the City's development in relation to the term good economic management and the guidelines adopted by the City Council in 2013. This is followed by a description of the balance requirement and a balance requirement analysis. The section concludes with a report on the City's ability to make provisions to the earnings equalisation reserve (EER).

68 **Financial key figures – the City**

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

69 **How is tax money being used?**

This section provides a breakdown of how every SEK 100 in municipal tax is used for City activities. There is also an account of what receipts and costs the City had in 2013.

70 **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.

71 **Financial operations and risk management**

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

74 **Financial profile of the City of Gothenburg**

This section uses a financial profile to provide an analysis of how the City of Gothenburg has developed financially in recent years in relation to other municipalities in Västra Götaland County and Halland County.

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

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

79 **Notes – the City**

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

84 **Accounting principles applied**

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

88 **District committees – financial performance**

The district committees' financial performance for the year is analysed.

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 that by law are to be found in the Annual Report.

Financial analysis of the Municipal City of Gothenburg

The Municipal City of Gothenburg reported positive earnings of SEK 728 million in 2013, excluding extraordinary non-recurrent items and non-recurrent items affecting comparability. The same measure of earnings in 2012 was SEK 596 million. This means that current operating earnings for the City, excluding non-recurrent items, were generally unchanged.

The City of Gothenburg's collective volume of investments for 2013 amounted to SEK 2,394 million, which was about the same level as for 2012. However, a higher percentage of investments were financed through investment income, which reduced the need for self-financing in 2013.

The degree of self-financing of the investments after deduction for investment income was 108 per cent. This means that all investments during the year were financed by tax revenue and investment income. This strengthens the City's financial manoeuvrability moving forward.

This section provides an in-depth financial analysis of the Municipal City of Gothenburg. The term Municipal City of Gothenburg refers to the committees.

Financial analysis model

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

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

The RK model: Four aspects of financial assessment

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



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

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

What control does the City have over financial developments?

EARNINGS AND CAPACITY

Trend in tax revenue and net costs

Change in per cent	2011	2012	2013
Tax revenue trend	3.6	3.3	4.1
Net cost trend	5.2	6.3	3.7

Tax revenue rose by about 4.1 per cent in 2012, which was slightly higher than in 2012. In recent years, the City has had a 3-4 per cent rise in rate.

The cost trend has been relatively high in recent years, but was dampened in 2013 and amounted to 3.7 per cent.

Net earnings for the year and items affecting comparability

	2011	2012	2013
Net earnings for the year, not incl. extraordinary items and items affecting comparability (MSEK)	1,197	596	728
Items affecting comparability (MSEK)	-786	73	170
Net earnings for the year, not incl. extraordinary items (MSEK)	411	669	898
Extraordinary items (MSEK)	—	—	8,697
Net earnings for the year (MSEK)	411	669	9,595
Net earnings for the year not incl. extraordinary items and items affecting comparability in relation to tax revenue and municipal financial equalisation (%)	5.0	2.5	2.9

When analysing the earnings of the Municipal City of Gothenburg, it is important to eliminate non-recurrent

items of various types to look at the underlying current operating earnings. The City's net earnings often include a number of significant items that are non-recurrent in nature.

In 2013, the City received an additional SEK 355 million in repaid insurance premiums from AFA. At the same time, a change in discount rate for the City's pension commitments, RIPS, meant a cost of SEK 185 million, including employer's contribution. This means that the items affecting comparability amounted to SEK 170 million net in 2013.

In 2012, the City received SEK 381 million in repaid insurance premiums from AFA and a provision for public transport amounting to SEK 92 million was reversed. This was balanced by the City making a provision of SEK 400 million to a development fund. This means that the items affecting comparability amounted to SEK 73 million net in 2012.

Excluding the above non-recurrent items, earnings totalled SEK 728 million for 2013 and SEK 596 million for 2012. This means that current operating earnings for the City, excluding items affecting comparability, were SEK 132 million higher in 2013. This is primarily attributable to higher capital gains.

The City Council decided in 2013 to restructure the company sector in order to include all of the companies in a cohesive group. Förvaltnings AB Framtiden, Älvs-tranden Utveckling AB and Göteborg & Co Kommun-intressent AB were transferred to Göteborgs Stadshus AB and Higab AB, respectively. The sale means that the City reported an extraordinary receipt of SEK 8.7 billion in 2013. At the same time, the City made a shareholder contribution to Göteborgs Stadshus AB at an amount equal to the extraordinary income. The effect of the transaction on the balance sheet means that the City's financial assets in the form of shares increased by SEK 8.7 billion.

Please note that the transfer of the companies to Göteborgs Stadshus AB is a pure intra-group transaction and is therefore eliminated from the combined accounts. Thus, in practice there were no actual changes to the City's economic and financial conditions.

All of the above events mean that the City's total earnings for 2013, including extraordinary non-recurrent items and non-recurrent items affecting comparability, totalled SEK 9.6 billion.

Good economic management from an earnings perspective

If earnings excluding extraordinary items and items affecting comparability are related to tax revenue and municipal financial equalisation, the City reported earnings of 2.9 per cent in 2013. This was approximately the same level as in 2012.

In 2013, the City Council adopted guidelines for good economic management and application of an earnings equalisation reserve. The guidelines include that "The City shall over time strive to achieve an earnings surplus equal to at least two per cent of the City's tax revenue and municipal financial equalisation. The earnings level

shall be in line with the City's exposure to risk."

Generally speaking, results between 2 and 3 per cent are considered good economic management since such results give room to over time finance most of the normal volume in investments in a municipality through taxes. During the past five years, Gothenburg reported an average of 3.6 per cent.

Proportion of running costs

Per cent	2011	2012	2013
Receipts and costs of activities (net)	90.9	93.9	93.5
Depreciation	3.2	3.2	3.3
Proportion of running costs before items affecting comparability and net financial items	94.1	97.2	96.8
Net financial items	0.9	0.3	0.3
Proportion of running costs after net financial items	95.0	97.5	97.1
Items affecting comparability (net)	3.3	-0.3	-0.7
Proportion of running costs	98.3	97.2	96.4

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

When the running costs of the City of Gothenburg are analysed, it appears that the net figure for the receipts and costs of activities in 2013 took 93.5 per cent of tax revenue, a decline of 0.4 percentage points compared to 2012.

In addition, depreciation took 3.2 per cent, which was the same level as the previous year. Depreciation is the City's accrued cost of investments.

Net financial items were 0.3 per cent, which means that financial costs were slightly higher than financial receipts in 2013.

This means in total that the City's net costs and net financial items took 97.1 per cent of tax revenue. This is an improvement of 0.4 percentage points compared to 2012.

The proportion of tax revenue made up of non-recurrent items affecting comparability was -0.7 per cent in 2013. Thus, the receipts affecting comparability were greater than the costs affecting comparability. This figure was -0.3 per cent in 2012.

In total, the proportion of running costs was 96.4 per cent in 2013, which is an improvement of 0.8 percentage points compared to 2012. This can be explained partly by tax revenue increasing slightly faster than the costs of

activities and partly by receipts affecting comparability increasing by almost SEK 100 million between the years.

Investments for the year

	2011	2012	2013
Volume of investments (MSEK)	1,544	2,498	2,394
Volume of investments after deduction for investment income (MSEK)	1,438	2,083	1,592
Volume of investments / gross costs (%)	5	8	8
Volume of investments after deduction for investment income / gross costs (%)	5	7	5

The City of Gothenburg's collective volume of investments for 2013 amounted to SEK 2,394 million, which was a decrease of SEK 104 million compared to 2012.

With investment income included, investments totalled SEK 1,592 million, which was SEK 491 million lower than in 2012. An important reason for this was that more investment income was paid to the City in 2013 in relation to the West Sweden Package.

About 24 per cent of the City's total investments, excluding investment income, was made in pre-schools and schools. About 30 per cent went to infrastructure. Investments in water and sewage were 16 per cent and investments in healthcare were about 7 per cent. Parks/green areas and sports facilities took 2 and 4 per cent, respectively. Other investments totalled 17 per cent.

Degree of self-financing of investments

Per cent	2011	2012	2013
Degree of self-financing of investments, not incl. investment income	76	58	72
Degree of self-financing of investments, incl. investment income	82	69	108

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

The degree of self-financing of the investments after deduction for investment income was 108 per cent in 2013. This means that investments during the year were fully financed by tax revenue and investment income. This strengthens the City's financial manoeuvrability moving forward.

RISK – CONTROL

Liquidity from a risk perspective

Per cent	2011	2012	2013
Acid-test ratio	129	108	66

The acid-test ratio is a measure of the City's short-term readiness to pay. An unchanged or rising acid-test ratio in combination with an unchanged or improved equity-assets ratio is a sign that the City's total financial manoeuvrability has been strengthened.

At year-end 2013, the acid-test ratio was 66 per cent, compared to 108 per cent in 2012. The large difference between years can be attributed to changes in the financial structure. As with the equity-assets ratio, the City's liquidity is affected by further lending to the municipal companies. However, it can be stated that, from a risk perspective, the City has in recent years had an acid-test ratio level where the City, in a short and medium-term financial perspective, does not need to take drastic measures to meet financial payment peaks.

Equity-assets ratio as per the balance sheet

Per cent	2011	2012	2013
Equity-assets ratio	19	20	35
Equity-assets ratio not including borrowing for company needs	40	40	57

The equity-assets ratio is a measure of the City's long-term financial manoeuvrability. It shows how large a part of the City's assets has been financed by tax revenue. An important criterion for good financial management is that the equity-assets ratio over a longer period is not weakened, but develops positively. This then means that the City is less indebted and improves its financial manoeuvrability for the future.

The City's equity-assets ratio according to the balance sheet has remained constant in recent years (equity/assets). Due to the aforementioned changes in the City's corporate structure, 2013 saw a large increase from 20 per cent in 2012 to 35 per cent in 2013.

The City of Gothenburg's equity-assets ratio is, however, affected to some extent by the City's re-lending to cover the companies' borrowing needs. If re-lending is excluded from the balance sheet, the equity-assets ratio was 57 per cent in 2013, which is an increase of 17 percentage points compared to 2012. It is this equity-assets ratio level that should be used when comparing Gothenburg to other municipalities in Sweden. The municipal average in Sweden is about 50 per cent.

Equity-assets ratio including all pension commitments

Per cent	2011	2012	2013
Equity-assets ratio incl. all pension commitments and employer's contribution	-10	-8	11

Another measure of the equity-assets ratio increasingly used when municipalities are compared is the inclusion of the municipality's pension commitments older than 1998 and outside the balance sheet. If this were done for the City of Gothenburg, the equity-assets ratio

would be 11 per cent for 2013, compared to -8 per cent for 2012. The change is attributable to the previously mentioned changes in the City's corporate structure. The average among Swedish municipalities for the above-mentioned measure of the equity-assets ratio is about 7 per cent.

Net financial assets

MSEK	2011	2012	2013
Net financial assets excl. shares and participations	-4,329	-5,366	-5,377

Included in the net financial assets measure are all financial assets and liabilities in the balance sheet that the City expects to convert in the next 10-20 years, namely financial fixed assets (excluding shares and participations in municipal companies), current assets and current and long-term liabilities. The measure is important since it reflects financial manoeuvrability, which lies somewhere between the short-term liquidity measures and the long-term equity-assets measure. The measure also eliminates the effects of the City's borrowing on behalf of the companies, the so-called internal bank, which gives a fairer picture of the City's financial manoeuvrability.

Net financial assets, excluding shares and participations, was SEK -5,377 million in 2013, making it practically unchanged compared to 2012.

Pension commitments

MSEK	2011	2012	2013
Charged part, invested by employees	472	503	522
Long-term pension provisions	1,332	1,459	1,700
Contingent liability, earlier pension scheme (before 1998)	9,354	9,370	9,964
Pension commitments	11,158	11,332	12,186
Special employer's contribution	2,707	2,749	2,956
Pension commitments and special employer's contribution	13,865	14,081	15,142

The City's total pension commitments in 2013, including employer's contributions, were SEK 15,142 million, of which SEK 12,381 million concerns commitments older than 1998, the so-called contingent liability pension commitments. This part of the pension commitments is not reported in the balance sheet in accordance with the Municipal Accounting Act.

Pension costs including employer's contribution totalled SEK 1,590 million in 2013. This was an increase of SEK 160 million compared to 2012. Included in the costs for 2013 were among other things pension payments of SEK 419 million from the pension obligation in the contingent liability, fee-determined pensions saving schemes of SEK 522 million and provisions of SEK 162 million for the benefit-determined retirement pension scheme (FÅP). In addition, there is an employer's contribution of SEK 310 million.

As long-term interest rates are still at historically low levels, and as they are expected to remain low for an extended period of time, the RIPS committee decided to lower the discount rate by 0.75 percentage points. The SEK 186 million increase in pension provision including employer's contribution stems from the change in discount rate. For the contingent liability, this means an increase of SEK 935 million including employer's contribution. The discount rate was also lowered by 0.75 percentage points in 2011.

Redemption of pension commitments in contingent liabilities were made totalling SEK 680 million (SEK 420 million in 2001 and SEK 260 million in 2002).

Local income tax

In 2013, the primary municipal tax was 21.12 per cent, while the county council tax to the Västra Götaland Region was 11.13 per cent.

This means that the total local income tax in Gothenburg was 32.25 per cent of the municipally taxable earned income.

In the thirteen municipalities in the Gothenburg region (GR) the primary municipal tax rate varied in 2013 from 19.96 per cent in Partille to 22.37 per cent in Lilla Edet. At 21.12 per cent, Gothenburg has the sixth lowest tax among the GR municipalities.

The City's guarantee commitments for loans

Purpose (MSEK)	2011	2012	2013
Other City companies	776	448	1,674
Private houses, tenant-owner dwellings	8	7	6
Foundations	606	604	603
Associations	186	184	186
Other	2	2	2
Pension commitments	814	815	830
Total guarantee commitments for loans	2,392	2,060	3,301

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

The City's total guarantee commitments for loans were SEK 2,471 million in 2013, an increase of SEK 1,226 million in relation to 2012. The increase can mainly be attributed to the City's own companies.

The Municipal City of Gothenburg did not have to honour any guarantee commitments in 2013.

Apart from surety for loans, the City also stands surety for pension commitments for certain municipal companies, joint statutory authorities and foundations that have not been secured by other pension solutions. The total guarantee commitment for pension commitments was SEK 830 million at year-end, an increase of SEK 15 million compared to 2012.

Budget performance

Compared with budget, the City reported a structural surplus of SEK 520 million, as the City had budgeted

zero earnings for 2013. The structural budgeted earnings reported do not include extraordinary items, items affecting comparability and capital gains.

The budget deviation for the committee sector was marginal in relation to the total volume of costs. The deviation in the central municipal earnings; excluding extraordinary items and items affecting comparability, was also of a lesser nature and is above all explained by slightly higher tax revenue and a slightly lower cost trend than expected. The combined budget deviation in current activities is partly explained by committee earnings being SEK 117 million higher than budgeted. At the same time, the central municipal items showed a surplus of about SEK 400 million compared to budget. This is largely explained by tax revenue being slightly higher than expected.

Forecast accuracy and budget compliance

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

Forecasts of the City's economy were relatively stable in 2013 and the forecast accuracy may thereby be regarded as very good.

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

CLOSING COMMENTS

Sustained structural economic margin

The Municipal City of Gothenburg shows a stable financial position. Net earnings excluding extraordinary items and items affecting comparability meant that the City's structural economic margin could be maintained during the year. This means that the City has the same financial position going into 2014 as it had going into 2013. This is necessary in order to meet the weaker economic margins which were forecast and budgeted for in 2014.

It should also be noted that Gothenburg is facing a sharp increase in volume of investments in coming years. This must be taken into account in future financial planning. A challenge will be lie in determining how much of the investments must be financed through tax revenue and how much through foreign capital in the form of loans. This, in turn, may affect the ability to finance the City's current activities.

Good economic management, the balance requirement and the earnings equalisation reserve

This section provides an analysis of the City's development in relation to the term good economic management and the guidelines adopted by the City Council in 2013. This is followed by a description of the balance requirement and a balance requirement analysis. The section concludes with a report on the City's ability to make provisions to the earnings equalisation reserve (EER).

Good economic management

In 2013, the City adopted guidelines for good economic management and application of an earnings equalisation reserve. These guidelines specify that in its annual budget decisions the City Council must take into account the six orientations in relation to the City's financial situation. These were not in force with the 2013 budget was adopted. Nonetheless, we have conducted a brief analysis of two of these points as regards 2013.

1 Earnings shall total at least 2 per cent of tax revenue. The guidelines include that "The City shall over time strive to achieve an earnings surplus equal to at least two per cent of the City's tax revenue and municipal financial equalisation. The earnings level shall be in line with the City's exposure to risk."

Generally speaking, results between 2 and 3 per cent are considered good economic management since such results give room to over time finance most of the normal volume in investments in a municipality through taxes.

The City's earnings, excluding capital gains and items affecting comparability, averaged 3.6 per cent over the past five-year period.

2 Volumes of investments shall be in line with the City's long-term financing capacity. Over time, the City shall ensure that volumes of investments are in line with the City's long-term financing capacity. A high level of self-financing shall be the goal.

The City of Gothenburg's collective volume of investments for 2013 amounted to SEK 2.4 billion, which was about the same level as for 2012.

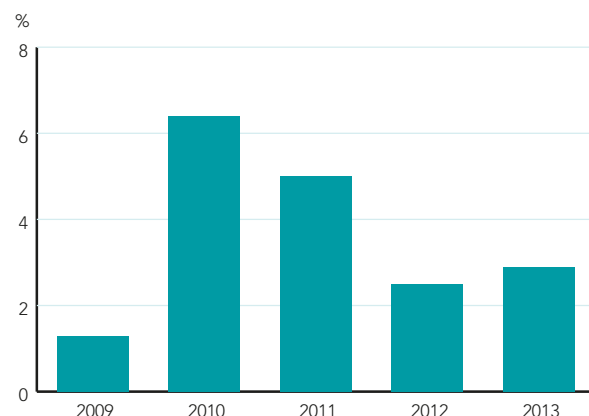
Of the total volume of investment, approximately one-third was financed through external investment income

and the other two-thirds could be financed through the City's own funds. This means that the goal of a high level of self-financing was achieved.

The other four orientations adopted by the City Council in its guidelines for good economic management are:

- The City can (following special rules) use the earnings equalisation reserve to offset changes in external conditions due primarily to economic fluctuations.
- The City shall over time engage in urban development and property development within the framework of good economic management.
- When making a significant decision to enter into a long-term commitment of any form or when disposing of property, the City shall evaluate the financial implications for the City's ability to maintain good economic management.
- Over time, the City shall evaluate and ensure the financial commitments associated with ownership of the City's companies.

City's net earnings, not incl. extraordinary items and items affecting comparability in relation to tax revenue



Balance requirement

The balance requirement means that municipalities and county councils cannot decide on a budget where expenses exceed receipts. If the net earnings are still negative, this must be offset through surplus within three years. Each year, the Annual Report must present a balance requirement analysis as found below:

Balance requirement analysis 2012 and 2013

MSEK	2012	2013
Net earnings for the year	669	9,595
Less all capital gains	-83	-8,905
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 balance requirement analysis, before allocation to EER	586	690
Funds to earnings equalisation reserve (EER)*	-108	-441
Balance requirement analysis for the year after allocation to EER	478	249

* Funds from 2012 net earnings are allocated to the earnings equalisation reserve in the 2013 annual accounts following the law's option of retroactive allocation for 2010-2012.

The City meets the statutory balance requirement in 2013 with earnings not including capital gains amounting to SEK 690 million. After allocating SEK 441 million to the earnings equalisation reserve (EER), the balance requirement earnings amounted to SEK 249 million. Since its implementation in 2000, the City has met the balance requirement every year.

Earnings equalisation reserve (EER)

The City can (following special legislation) use the earnings equalisation reserve to offset changes in external conditions due primarily to economic fluctuations. The legislation is new from 2013, but allows for retroactive allocation for the years 2010 to 2012.

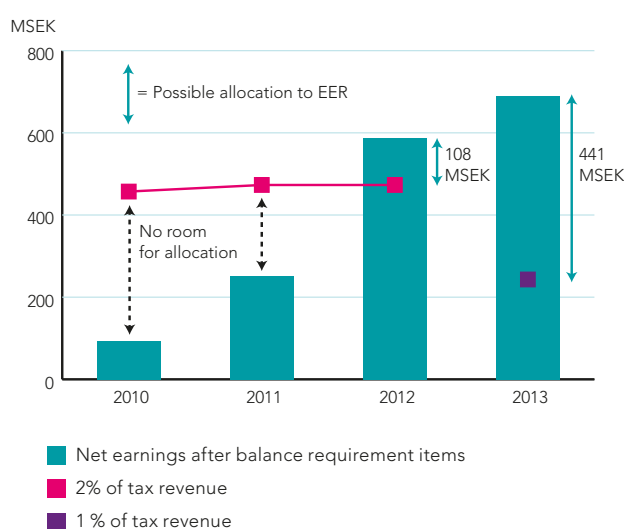
In conjunction with its autumn 2013 decisions regarding guidelines for good economic management and use of an earnings equalisation reserve, the City Council decided that the City shall take the opportunity to allocate funds to EER in the annual accounts for 2013. The decision requires both retroactive allocation for the years 2010 to 2012 and, if possible, allocation from 2013 earnings.

Allocation can be made with the part of the earnings that exceed one or two per cent of tax revenue, general government grants and municipal financial equalisation. It is the City's equity-assets ratio that determines whether the one per cent or the two per cent alternative is used.

For the City, allocation of earnings that exceed two per cent is possible for the years 2010-2012. It is only the earnings from 2012 that reached a level that make retroactive allocation possible. SEK 108 million from 2012 earnings can thus be allocated to EER.

Due to the City's change in equity-assets ratio in 2013, the one per cent alternative can be used as the basis for calculating allocation to EER for 2013 earnings. Thus, for 2013 allocation can be made on the portion of earnings that exceed one per cent of tax revenue, general government grants and municipal financial equalisation. SEK 441 million of earnings from 2013 can thus be allocated to EER. Total allocation is then SEK 549 million. The allocation does not affect net earnings for the year. It is simply a specification of equity.

Possible allocation to EER



Financial key figures

	Annual accounts 2009	Annual accounts 2010	Annual accounts 2011	Annual accounts 2012	Annual accounts 2013
EARNINGS – CAPACITY					
Tax revenue trend	2.5 %	6.1 %	3.6 %	3.3 %	4.1 %
Net cost trend not incl. items affecting comparability	3.2 %	0.6 %	5.2 %	6.3 %	3.7 %
Proportion of running costs	97.4%	99.0%	98.3%	97.2%	96.4%
of which receipts and costs of activities (net)	95.6 %	90.3 %	90.9 %	94.0 %	93.5 %
of which planned depreciation	3.3 %	3.3 %	3.2 %	3.2 %	3.3 %
of which net financial items	-0.2 %	0.0 %	0.9 %	0.3 %	0.3 %
of which non-current items affecting comparability	-1.3 %	5.4 %	3.3 %	-0.3 %	-0.7 %
Net earnings for the year, not incl. extraordinary items and items affecting comparability / tax revenue and municipal financial equalisation	1.3 %	6.4 %	5.0 %	2.5 %	2.9 %
Net earnings for the year, not incl. extraordinary items / tax revenue and municipal financial equalisation	2.5 %	1.0 %	1.7 %	2.8 %	3.6 %
Net earnings for the year / tax revenue and municipal financial equalisation	2.5 %	1.0 %	1.7 %	2.8 %	38.5 %
Degree of self-financing of the year's gross investments	88 %	69 %	76 %	58 %	72 %
Gross investments / gross costs	5 %	5 %	5 %	8 %	8 %
Degree of self-financing of the year's net investments	88 %	73 %	82 %	69 %	108 %
Net investments / gross costs	5 %	5 %	5 %	7 %	5 %
Net investments / depreciation	202 %	177 %	187 %	271 %	193 %
Equity-assets ratio as per the balance sheet	19 %	19 %	19 %	20 %	35 %
Equity-assets ratio incl. all pension commitments	-10 %	-8 %	-10 %	-8 %	11 %
Total debt-equity ratio and degree of provision	81 %	81 %	81 %	80 %	65 %
of which degree of provision	5 %	8 %	9 %	8 %	6 %
of which short-term debt-equity ratio	30 %	27 %	20 %	25 %	24 %
of which long-term debt-equity ratio	46 %	46 %	52 %	47 %	35 %
Primary municipal tax rate	21.30	21.55	21.55	21.12	21.12
RISK AND CONTROL					
Acid-test ratio	93 %	109 %	129 %	108 %	66 %
Net financial assets (MSEK)	-5,824	-4,689	-4,329	-5,366	-5,367
Net borrowings (City's interest-bearing debt) (MSEK)	-2,112	-1,549	-1,929	-2,854	-2,638

DEFINITIONS

PROPORTION OF RUNNING COSTS
= running costs as a % of tax revenue and municipal financial equalisation

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

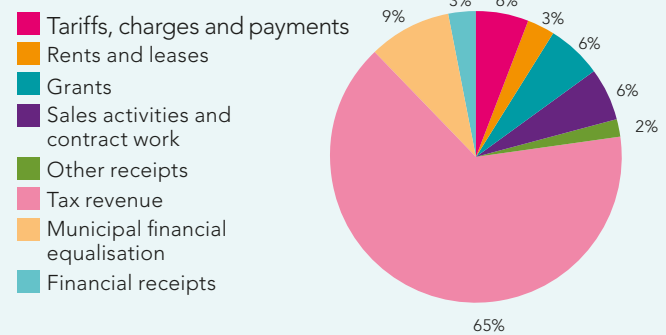
ACID-TEST RATIO = (current receivables + current investments + cash and bank) / current liabilities

FINANCIAL = (financial assets excl. shares and participations + current assets) – (current + long-term liabilities)

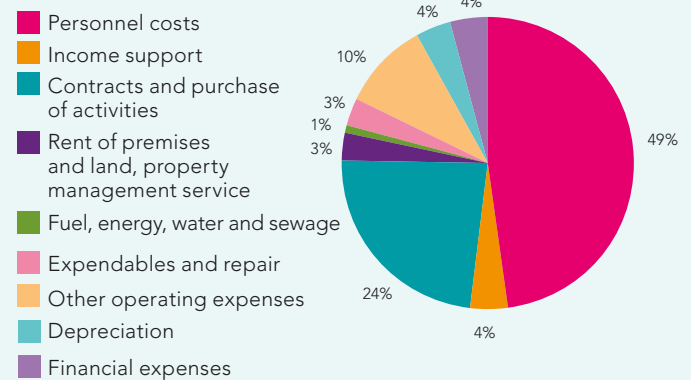
How is SEK 100 of tax money spent?

	SEK
Politics and audit	1
Culture and leisure	4
of which cultural activities	2
of which leisure activities	2
Education	41
of which pre-school activities and childcare	15
of which compulsory school incl. pre-school class	19
of which upper secondary school	7
of which adult education	1
of which other education	1
Health and social care	40
of which health and social care for the elderly	18
of which initiatives for people with functional impairment	4
of which initiatives under LSS/Social Insurance Code	10
of which special transport / national spec. transport	1
of which substance abuse care for adults	2
of which child and youth care, total	5
of which other initiatives for adults	1
Financial assistance	6
Labour market and refugee reception	1
Infrastructure, protection	5
of which streets, roads and parking	2
of which rescue services	2
Business activities incl. communications	2
TOTAL	100

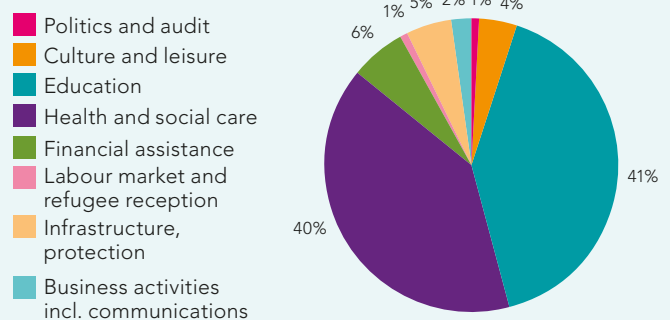
City receipts 2013



City costs 2013



100-kronor note



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.

Coordination and control

Sponsorship commitments are being reported for the first time in this year's annual report. To ensure uniform application 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 that time that every committee and board of directors shall draft an annual list of all sponsorship commitments decided at the board/committee level. Data on the extent of sponsorship is based on the reports received from the committees and companies. This gives a good overall picture of the scope of sponsorship, but no complete figures since the assignment is limited to sponsorship decided at the board or committee level and not sponsorship activities decided by officials.

General

City 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 exchange provides exposure of the company name, trademark or services for the benefit of the sponsor in its business. The City's definition is tied to the tax definition. According to the definition, transactions without anything being required in return are thus not considered sponsorship and are instead considered grants or gifts. The City's total sponsorship commitment for 2013 totalled SEK 19.6 million, which is primarily found in the companies. This amount does not include internal transactions within the City.

Company sector

The companies that are wholly or predominantly funded through contributions of municipal funds through Group contributions, internal charges or other methods do not report sponsorship to any great extent. During the year, Got Event AB decided on a sponsorship commitment for a total value of SEK 100 thousand, Utveckling Nordost AB's sponsorship totalled SEK 120 thousand, while Business Region Göteborg AB and Göteborg & Co did not report any sponsorship activities during the year. Similarly, Upphandlingsbolaget, Försäkrings AB Göta Lejon and Kommunleasing i Göteborg AB did not report any sponsorship.

The largest sponsorship commitments are reported by municipal companies with commercial activities, with Liseberg AB and its subsidiaries in the lead. The sponsorship is focused mainly on children and young people, particularly sports for children and youth. Liseberg AB's sponsorship for the year totalled SEK 7.5 million. The amount relates to free passes in conjunction with sporting events, of which SEK 6.2 million was for Gothia Cup and Partille Cup. Other companies primarily sponsor sporting events or a number of cultural and sporting events. Göteborg Energi AB sponsorship of SEK 3.7 million, of which SEK 2 million went to the European Athletics Indoor Championships. Göteborgs Hamn AB reports SEK 3.2 million, of which SEK 2.4 million went to Göteborgsoperan. Higab AB reported SEK 1 million in sponsorship. Göteborgs Spårvägar AB reports SEK 600 thousand, Grefab AB reports SEK 24 thousand, and Älvstranden Utveckling AB reported SEK 240 thousand. Renova AB's sponsorship totalled SEK 825 thousand.

Förvaltnings AB Framtiden includes the City's housing company. The housing company reports sponsorship of SEK 1.1 million, Bostads AB Poseidon reports SEK 693 thousand, Familjebostäder SEK 210 thousand and Göteborgslokaler SEK 65 thousand.

Other companies in the City of Gothenburg do not report any sponsorship.

Committee sector

City management report sponsorship commitments of SEK 245 thousand. No other committees take part in sponsorship activities. The committee sector supports clubs and cultural life through grants and without anything being required in return. As previously mentioned, this does not fall under the definition of sponsorship and is therefore not recognised as sponsorship.

Financial operations and risk management

Total borrowing for the Group as a whole was SEK 39.4 billion at year-end, an increase of SEK 1.8 billion compared to the same period the previous year. At the same time, the Group had an equity-assets ratio of about SEK 2 billion. The average capital tied up in the total external debt amounted to 2.54 years at year-end and the fixed interest period averaged 3.84 years.

2013 was characterised by changes in the Group's borrowings (excluding Framtiden). In part, issued bonds were fewer in number but larger in volume and in part there has been active work with investor relations. Furthermore, Gothenburg was the first Nordic operator to issue a "green" bond under the framework of the World Bank Group. Credit ratings were kept at the same high level as the year before.

Investor relations

During the year, intensive work was carried out to meet existing and potential investors in City of Gothenburg bonds. The purpose of the meetings was to increase clarity and transparency regarding the City as a borrower. A new website to promote investor relations has been created – <http://finans.goteborg.se>. The website provides access to 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, determines guidelines and risk limits for the financial activities of the City and its wholly owned companies. The risks that are regulated are among others the financing risk, interest risk and counterpart risk. The finance policy is updated annually.

The financial infrastructure

The City obtains its funding on the capital markets via issues of municipal bonds and certificates. One basis for this is to have established capital market programmes. Credit rating is one of the factors that govern what prices have to be paid in the end for bonds issued.

High credit rating

Credit rating institutes Moody's and Standard & Poor's confirmed the City's strong credit rating during the year. The City's credit rating from Moody's has since 2006 been the highest possible, Aaa and from Standard & Poor's since 2007 the next highest, AA+. Both ratings have a stable outlook.

Capital market programmes

In its borrowing the City makes use of its Euro Medium Term Note programme with a limit of EUR 3 billion and its certificate programme with a limit of SEK 3 billion. During the year, the City has also updated the

ECP programme and increased the limit from USD 200 million to USD 500 million. At present, the City has bilateral loans of SEK 4.9 billion. These loans are not included in the capital market programmes.

During the year, the City signed loan facilities with EIB for infrastructure financing totalling SEM 3 billion, of which the City has utilised SEK 1 billion.

Förvaltnings AB Framtiden has two financing programmes of its own on the market – a Swedish certificate programme with a limit of SEK 4 billion and a long-term programme on the MTN market (Medium Term Note) where the borrowing limit is SEK 10 billion.

Capital market programmes (excluding Framtiden)

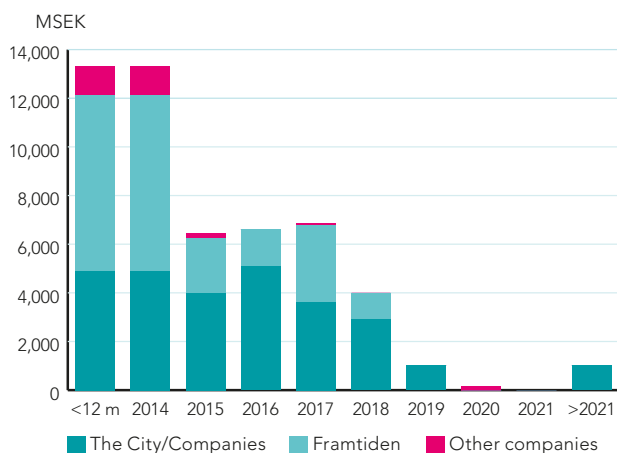
Programme	Loan limit	Degree of utilisation
EMTN	EUR 3 billion	SEK 17.9 billion (EUR 2 billion)
KCP	SEK 3 billion	—
ECP	USD 500 million	—
KOMMUNINVEST	—	SEK 1.3 billion
BILATERAL LOANS	—	SEK 4.9 billion

Debt portfolio

External borrowing for the Group totalled SEK 39.4 billion at year-end, an increase of SEK 1.8 million compared to 2012. At the same time, the Group had an equity-assets ratio of about SEK 2 billion.

The average maturity of total external borrowings at year-end was 2.54 years and the average fixed interest period was 3.84 years. Total borrowings are divided among borrowing via the Treasury (SEK 22.4 billion), the Framtiden Group (SEK 15.3 billion) and loans raised by the companies outside the internal bank (SEK 1.7 billion). The tax-financed debt, net borrowings, totalled SEK 2.6 billion, about 6.6 per cent of total borrowings. The forecast increase in net borrowing did not materialise, which is primarily attributable to payments received from AFA Fora. During the year, borrowing via Kommuninvest occurred particularly in the company sector and at year-end amounted to SEK 1.3 billion.

Maturity structure of borrowings



Counterparty risk

Derivative instruments are used to hedge interest and currency on underlying loans. The nominal value of the derivative portfolio totalled SEK 20.7 billion.

Through derivative contracts, the Group (excluding Framtiden) is exposed to risk that a counterparty cannot fulfil its obligations. Counterparties are both Swedish and international banks. Calculated on the volume of business, 28 per cent of the counterparty risk was with no lower than AA rated counterparties and 84 per cent of the risk with no lower than A3 rated counterparties. 16 per cent of the counterparty risk lies with Baa counterparties.

The City's risk management

Type of risk	Policy	Outcome
Interest rate risk	2–5 years	3.84 years
Financing risk	2–5 years	2.54 years
Counterparty risk	Max. 30% of volume per counterparty	Within policy limits
Currency risk	None	None

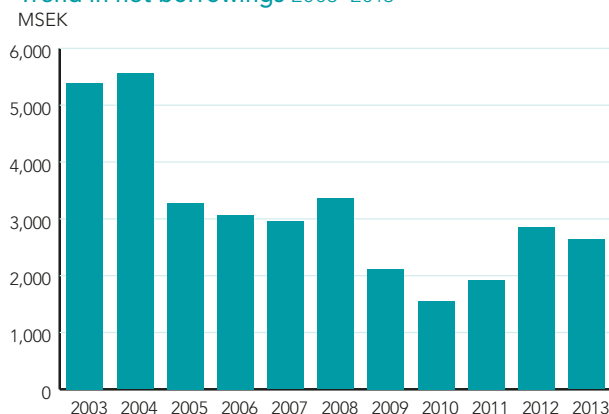
Financing risk

During the coming year, the City has loans of SEK 4.9 billion maturing and Framtiden has SEK 7.2 billion that needs refinancing. The City has binding loan commitments totalling SEK 7 billion.

Trend in net borrowings

Net borrowings (the City's interest-bearing debt) are hedged against rises in interest rates by interest rate swaps. The levels for fixed interest swaps are between 1.42 and 2.90 per cent. The average fixed interest period should be in the interval 2–6 years. At year-end, the average fixed interest period was 9.8 years. This is a planned and reported deviation and is due to the City having chosen to protect part of the debt with a 20-year interest rate swap at 2.36 per cent. The positive market value of the derivative portfolio amounted to SEK 37 million at year-end.

Trend in net borrowings 2003–2013



Significant events after the end of the financial year

At the end of the year, the City Executive Board approved a proposal on financial coordination within the Group. Among other things, the proposal means that borrowing for all companies of the Group is coordinated financially and interest rate risk management is arranged under the City's umbrella. The City Executive Board approved the proposal on 6 February 2014.

Total borrowing for the Group as a whole was SEK 39.4 billion at year-end, an increase of SEK 1.8 billion compared to the same period the previous year.

GREEN BONDS

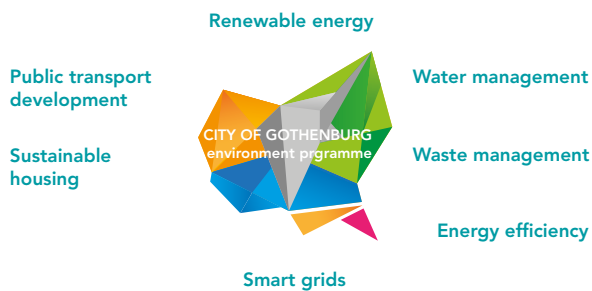
First in the Nordic countries with green bonds

The City of Gothenburg was the first in the Nordic countries to use the framework for green bonds that SEB has developed together with the World Bank Group and another of Swedish investors. The issue of 500 million is part of an issue programme from the City of Gothenburg that could lead to two billion. As part of its environmental programme, the City of Gothenburg plans to issue bonds for financing various environmental projects in the areas of renewable energy, public transport, water treatment, energy efficiency, smart grids, urban planning and waste management.

Eligible projects

Eligible projects comprises a select group of projects that are financed, in whole or in part, by the City of Gothenburg to promote the transition to low carbon dioxide and climate-resilient growth as determined by the City of Gothenburg. Eligible projects can include projects aimed at:

- mitigating climate changes, including investments in low-carbon and clean technologies, such as energy efficiency and renewable energy sources and projects ("Mitigation Projects")
- adapting to climate change, including investments in climate-friendly growth ("Adaptation Projects")
- to a lesser extent (up to 20 per cent), projects related to a environmental sustainability rather than direct climate-related goals.



Project selection

Eligible projects are selected jointly by the City of Gothenburg's Finance department and the Group's environmental managers. These are then reported to the investors. The following projects are financed with green bonds:

1 Eco-cycle & Water Department, Lackarebäck water treatment plant and purification filter

- Construction of the largest ultrafilter in Scandinavia.
- Water treatment through ultrafilter.
- Ultrafilter is an independent micro-biological barrier, which means that there is a good barrier effect even during disturbances.
- Total cost approximately SEK 700 million.

150 MSEK *

Anticipated effects of the project

- 40 per cent increase in capacity.
- Socio-economic benefits in terms of reduced disease outbreak, saving up to 290,000 days in lost productivity between 2014 and 2038.
- Socio-economic benefits in terms of cost savings of 1.4 million hospital days.

2 Göteborg Energi, GoBiGas

- Large-scale production of biogas.
- Effective – high efficiency in production and recovery of waste heat for district heating and electricity.
- Flexible – can tolerate a variable quality of raw material.
- Platform for development in industry and academia.

300 MSEK *

Anticipated effects of the project

- When the plant is in full production, delivery will reach 800–1,000 GWh, equivalent to fuel for 80,000 to 100,000 cars.

3 Gatubolaget, electric cars

- Gatubolaget has purchased a number of electric vehicles for City departments, administrations and companies. The goal was 100 electric vehicles in the City's vehicle fleet by 2015. As early as Tuesday, 10 December 2013, the 100th electric car was delivered to the healthcare team in Angered.

30 MSEK *

* Part of the green bond.

Financial profile – a comparison with other municipalities

One important dimension with regard to governing a municipality is to compare with other municipalities. One tool for financial comparison is the financial profile prepared by the organisation Kommunforskning i Västsverige (KFi). In this section, the profile is used to compare Gothenburg with other municipalities of Västra Götaland and Halland counties. The period analysed is 2010-2012 since the profile for 2013 will not be available until after the summer.

What is the financial profile?

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

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

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

In the analysis below, the most important key figures are treated first. It concludes with a summary assessment of the City of Gothenburg's financial position and trend, compared with the municipalities in Västra Götaland and Halland counties.

Earnings before extraordinary items

A basic requirement for achieving and maintaining good economic management is finding a good balance between current receipts and costs. One measure of this is earnings before extraordinary items. This result contains all the City's current costs and receipts and in relation to the cost of activities should be around 2-3% over a longer period of time in order to enable the City to retain its short-term and long-term manoeuvrability.

For the key figure "earnings before extraordinary items in relation to the gross cost of activities", Gothenburg reported stronger earnings between 2010 and 2012 by 1.5 percentage points, from 0.8 per cent to 2.3 per cent. The corresponding average change for the municipalities in Västra Götaland and Halland was an improvement of 0.1 percentage points, from 2.0 per cent to 2.1 per cent. The conclusion from the above is that Gothenburg showed both a slightly stronger trend in earnings between 2010 and 2012 and average earnings in 2012 compared to the average for the counties.

In 2012, the City had the 22nd strongest earnings in the counties. This meant a 3 in the financial profile, which was the same as in 2010 and 2011.

The City's earnings have, however, been affected during the period by large non-recurrent items affecting comparability. If Gothenburg had not had these items, the City would have had 4s in the financial profile.

Degree of self-financing of investments

When current operations have been financed, enough tax revenue should remain to finance the greater part of investments for the year through tax revenue. This is measured by the key figure "degree of self-financing of investments". If a value of 100% or more is shown for the key figure, it means that the City can self-finance all investments made during the year. This then strengthens the City's financial manoeuvrability. Everything over 100% can be used to repay the City's debts and/or strengthen liquidity.

The average degree of self-financing for the municipalities in the counties was 108 per cent, 87 per cent and 94 per cent for the three years studied. This gave an average degree of self-financing of 96 per cent. For Gothenburg the figures per year were 77 per cent, 85 per cent and 69 per cent. This meant an average degree of self-financing of 77 per cent. In comparison with the county average, Gothenburg's degree of self-financing was marginally weaker during the period.

The points for the degree of self-financing of investments in the financial profile was a 3 for all of the years.

Tax rate

The Gothenburg tax rate in 2012 was SEK 21.12. This was SEK 0.28 lower than the average tax rate among the municipalities in Västra Götaland and Halland, which was SEK 21.40. In 2012, the Gothenburg had the 20th lowest tax in the counties.

This gave the City a 3 in the financial profile, which was the same as in 2010 and 2011. The average tax rate in the counties dropped between 2010 and 2012 from SEK 21.72 to SEK 21.40 as a tax levy exchange was carried out between the county councils in 2012 due to a change in responsible authority for public transport.

Acid-test ratio

The acid-test ratio is a measure of the City's short-term readiness to pay. An unchanged or rising acid-test ratio in combination with an unchanged or improved equity-assets ratio is a sign that the City's total financial manoeuvrability has been strengthened.

Between 2010 and 2012, Gothenburg's acid-test ratio remained unchanged. As of 31 December 2012, it was 109 per cent. The average acid-test ratio among the municipalities in the counties improved during the period by 26 percentage points, from 78 per cent to 104 per cent.

Gothenburg's level of 109 per cent means that the City can easily finance unexpected financial expenses in the short term without having to borrow.

The Gothenburg trend in and level of liquidity meant that the City's points in the financial profile changed from a 3 to a 4 during the period.

However, it is important to study the acid-test ratio together with the equity-assets ratio since liquidity can be improved through borrowing. This strengthens the City's short-term readiness to pay, but weakens the long-term readiness to pay. For Gothenburg, the equity-assets ratio weakened while the acid-test ratio gained strength.

Equity-assets ratio including pension provisions and employer's contribution memoranda

The equity-assets ratio is a measure of the City's long-term financial manoeuvrability. It shows how large a part of the City's assets has been financed by tax revenue. The higher the equity-assets ratio, the less the indebtedness of the City. This report uses "equity-assets ratio including pension provisions and employer's contribution memoranda" to include the pension commitments with associated employer's contribution which are outside of the balance sheet. This gives a better picture of the City's total long-term financial manoeuvrability.

In 2012, Gothenburg had an equity-assets ratio, including pension provisions and employer's contribution memoranda, that was weaker than the average in the counties. The equity-assets ratio was -8 per cent for Gothenburg, compared to the average of 7 per cent.

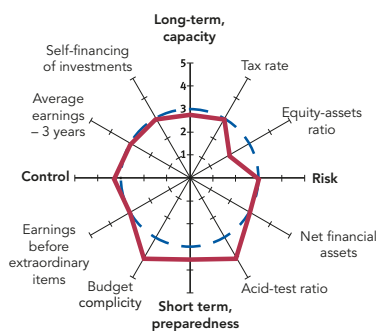
Between 2010 and 2012, Gothenburg reported an unchanged level of -8 per cent in the equity-assets ratio, while the average equity-assets ratio in the counties weakened by 1 percentage point, from 8 per cent to 7 per cent.

Closing comments

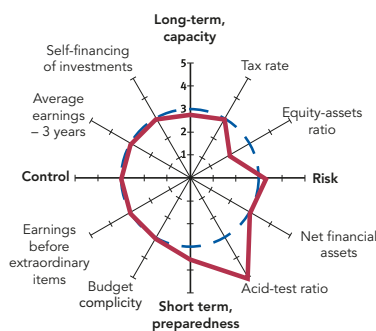
Gothenburg had solid financial development between 2010 and 2012 and has an economy similar to the average municipality in the counties. However, it is important that the City continues to strengthen the economy as the next few years are expected to present significant challenges in the form of increased investments and increased needs due to demographic changes. This will affect the municipal economy and must be met with active financial control.

Financial profiles for the Municipal City of Gothenburg in relation to the municipalities in Västra Götaland and Halland counties

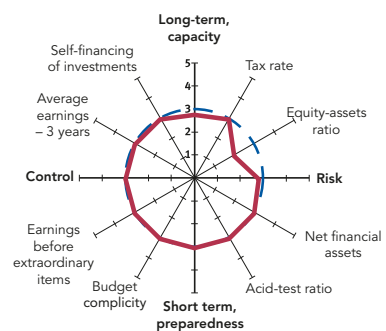
2010



2011



2012



Income statement – the City

Amounts in MSEK	2011	2012	2013
Operating income note 1	7,171	7,009	7,442
Operating expenses note 2	-28,957	-29,488	-30,733
Operating items affecting comparability note 3	-786	73	170
Depreciation and write-downs note 4, 5	-770	-775	-825
Net cost of activities	-23,342	-23,181	-23,946
Tax revenue note 6	20,438	20,814	21,806
Municipal financial equalisation etc note 6	3,529	3,113	3,106
Financial receipts note 7	1,404	1,394	1,118
Financial expenses note 7	-1,618	-1,471	-1,186
Earnings before extraordinary items	411	669	898
Extraordinary receipts note 8	—	—	8,697
Extraordinary costs	—	—	—
Net earnings for the year	411	669	9,595

Balance requirement analysis	2011	2012	2013
Net earnings for the year	411	669	9,595
Less all capital gains	-159	-83	-8,905
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 balance requirement analysis, before allocation to earnings equalisation reserve (EER)	252	586	690
Funds to earnings equalisation reserve (EER) related to 2010-2012	—	-108	—
Funds to earnings equalisation reserve (EER) related to 2013	—	—	-441
Balance requirement analysis for the year after allocation to EER	252	478	249

Balance sheet – the City

Amounts in MSEK	2011	2012	2013
ASSETS			
FIXED ASSETS			
Intangible fixed assets note 5	4	21	21
Tangible fixed assets note 5	14,645	16,081	17,040
Financial fixed assets note 9	14,771	14,817	25,919
Total fixed assets	29,420	30,919	42,980
CURRENT ASSETS			
Stores and stocks	18	19	229
Current receivables note 10	10,328	11,003	6,181
Cash and bank	201	542	2,070
Total current assets	10,547	11,564	8,480
Total assets	39,967	42,483	51,460
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY note 11	7,754	8,423	18,018
of which net earnings for the year	411	669	9,595
PROVISIONS			
Provisions for pensions and similar commitments note 12	1,658	1,815	2,114
Other provisions note 13	2,064	1,636	900
Total provisions	3,722	3,451	3,014
LIABILITIES			
Long-term liabilities note 14	20,339	19,964	17,898
Current liabilities note 15	8,152	10,645	12,530
Total liabilities	28,491	30,609	30,428
Total equity, provisions and liabilities	39 967	42 483	51 460
TOTAL PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Sureties given note 16	2,391	2,060	3,301
Contingent pension commitments note 17	9,400	9,415	10,001
Special employer's contribution note 17	2,281	2,284	2,426
Future leasing expenses note 18	1,562	1,884	2,015
Capital cover guarantee	400	—	—

Cash flow statement – the City

Amounts in MSEK	2011	2012	2013
CURRENT ACTIVITIES			
Net earnings for the year	411	669	9,595
Adjustment for items not affecting liquidity	1,436	1,316	1,144
Funds from activities before change in working capital	1,847	1,985	10,739
Increase (–) / decrease (+) current receivables	826	–675	4,822
Increase (–) / decrease (+) stores and stocks	–1	–1	–210
Increase (+) / decrease (–) current liabilities	–2,554	2,493	1,885
Cash flow from current activities	–1,729	1,817	6,497
INVESTMENT ACTIVITIES			
Investment in intangible fixed assets	—	–19	–24
Sale of intangible fixed assets	1	—	20
Investment in tangible fixed assets	–2,010	–3,278	–2,988
Sale of tangible fixed assets	303	414	224
Investment income	317	703	1,048
Investment in financial fixed assets	—	–17	–8,700
Sale of financial fixed assets	—	31	500
Cash flow from investment activities	–1,389	–2,166	–9,920
FINANCING ACTIVITIES			
Newly raised loans	5,636	3,750	7,390
Repayment of long-term liabilities	–3,252	–4,124	–9,456
Increase (–) / decrease (+) long-term receivables	–1,296	–64	–2,902
Reduction in provisions due to payments	–98	–108	–120
Cash flow from financing activities	990	–546	–5,088
DISBURSEMENT OF GRANTS FOR STATE INFRASTRUCTURE			
Disbursement of grants for state infrastructure	—	–749	–700
Cash flow for the year	–281	341	1,528
Liquid funds at start of year	482	201	542
Liquid funds at year close	201	542	2,070
SPECIFICATION FOR CASH FLOW STATEMENT			
Specification of items not affecting liquidity (MSEK)			
Adjustment for depreciation and write-downs	770	775	825
Adjustment for provisions made	564	345	3
Adjustment for provisions made – pensions	275	243	380
Adjustment for other items not affecting liquidity and capital gains/losses	–173	–47	–64
Total items not affecting liquidity	1,436	1,316	1,144

Notes – the City

1 Operating income

MSEK	2012	2013
Charges	2,082	2,049
Rents and leases	1,136	1,155
Government grants	1,291	1,461
EU grants	57	67
Other grants	293	189
Work performed	57	97
Sales activities and contract work	1,747	1,826
Capital gains	81	118
Other receipts	265	480
Total operating income	7,009	7,442

2 Operating expenses

MSEK	2012	2013
Wages and social security contributions	-14,961	-14,791
Pension costs	-716	-1,449
Financial assistance and introduction compensation	-1,168	-1,175
Rent of premises and land, property management service	-900	-1,072
Contract work and purchased activities	-7,117	-7,718
Fuel, energy, water and sewage	-420	-409
Expendables and repairs	-782	-855
Leasing expenses	-511	-552
Capital losses and disposals	-33	-27
Other operating expenses	-2,880	-2,685
Total operating expenses	-29,488	-30,733

3 Operating items affecting comparability

MSEK	2012	2013
Receipts		
Repayment AFA Fora	381	355
Dissolution, provision and repayment of infrastructure	92	0
Reversal, development fund	—	27
Total receipts affecting comparability	473	382
Costs		
Development fund	-400	0
Changed discount rate	—	-185
Use, development fund	—	-27
Total costs affecting comparability	-400	-212
Total items affecting comparability	73	170

4 Depreciation and write-downs

MSEK	2012	2013
Depreciation, intangible fixed assets	-3	-4
Depreciation, buildings and structures	-717	-770
Depreciation, machinery and equipment	-55	-51
Write-downs	—	—
Total depreciation and write-downs	-775	-825

5 Properties, fixed assets, machinery, equipment and intangible fixed assets

MSEK	Intangi- ble fixed assets	Buildings, land, land improve- ments, land reserve	Proper- ties for activities	Proper- ties for business activities	Public proper- ties	Other proper- ties	New fa- cilities in progress	Ma- chinery, equip., tech. facilities, vehicles	Total
Acquisition value	76	466	13,691	2,973	5,371	1,759	1,734	1,746	27,816
Acc write-downs/depreciation	-56	-78	-5,109	-1,735	-2,989	-320	0	-1,427	-11,714
Book value brought forward	21	388	8,582	1,238	2,382	1,439	1,734	319	16,102
Net investments for the year	24	6	573	51	71	70	1,187	28	2,010
Depreciation for the year	-4	-4	-523	-63	-157	-23	—	-51	-825
Write-downs for the year	—	—	—	—	—	—	—	—	—
Sales/disposals for the year	-20	0	-6	-11	1	-1	0	-9	-46
Reclassifications / transfers	0	5	609	0	351	-210	-957	22	-180
Book value carried forward	21	395	9,234	1,215	2,648	1,275	1,964	309	17,061

6 Tax revenue, municipal financial equalisation, etc.

MSEK	2012	2013
a) Municipal tax revenue		
Preliminary tax revenue, current year	20,576	21,922
Preliminary final settlement, current year	4	-128
Final settlement, previous year	234	12
Total municipal tax revenue	20,814	21,806
b) Municipal financial equalisation, etc.		
Income equalisation	2,545	2,582
Cost equalisation	-454	-465
Settlement grant/charge	256	239
LSS equalisation	39	38
Municipal property charge	727	712
Total mun. financial equalisation	3,113	3,106
Total tax and municipal financial equalisation	23,927	24,912

7 Net financial items and interest rate swaps**a) Financial receipts and expenses**

MSEK	2012	2013
Financial receipts		
Interest receipts	530	400
Interest receipts subsidiaries	856	703
Earnings from shares and participations (incl. dividend)	1	7
Other financial receipts	7	8
Total financial receipts	1,394	1,118
Financial expenses		
Interest expenses	-1,135	-989
Interest expenses subsidiaries	-272	-155
Interest on pension provisions	-31	-26
Other financial expenses	-33	-16
Total financial expenses	-1,471	-1,186
Net financial items	-77	-68

b) Market value interest rate swaps

MSEK	2012	2013
Secured debt	2,100	2,638
Market value interest rate swaps	-70	37

8 Extraordinary receipts

MSEK	2012	2013
Earnings from sale of wholly-owned subsidiary to Göteborgs Stadshus AB	—	8,697
Total extraordinary receipts	—	8,697

9 Financial fixed assets

MSEK	2012	2013
Shares and participations		
Wholly-owned subsidiaries (100%)		
Göteborgs Stadshus AB	500	9,198
Förvaltnings AB Framtiden	1	—
Älvstranden Utveckling AB	500	—
Göteborg & Co Kommunintressent AB	0	—
Total wholly-owned subsidiaries	1,001	9,198
Partly-owned companies		
Renova AB (85%)	96	99
Göteborgsregion. Fritidshamn AB (80%)	1	1
Gryaab AB (71%)	6	6
Johanneberg Science Park AB (40%)	1	1
Lindholmen Science Park AB (16%)	0	0
Göteborgs Tekniska College AB (49%)	0	0
Cityflygplatsen i Göteborg AB (20%)	0	0
Boplatz Göteborg AB (40%)	0	0
Total partly-owned companies	104	107
Change wholly-owned subsidiaries (100%)		
Opening shares and participations	1,001	1,001
Shareholders' contributions paid	—	8,698
Sale of shares and participation	—	-501
Total shares and participations	1,001	9,198
Change partly-owned subsidiaries		
Opening shares and participations	104	104
Purchase of shares and participation	—	3
Sale of shares and participation	—	—
Total shares and participations	104	107
Joint statutory authorities		
Stretered Property (57%)	2	2
Tolkförmedling Väst (22%)	0	0
Greater Gothenburg Rescue Services (70%)	0	0
Total joint statutory authorities	2	2
Long-term receivables Group companies		
Long-term receivables Group companies	13,679	16,581
Total long-term receivables Group companies	13,679	16,581
Other participations		
Basic fund capital and tenant-owner contracts	14	14
Total other participations	14	14
Other companies		
Kommentus	0	0
Kommuninvest cooperative	17	17
Total other companies	17	17
Total financial fixed assets	14,817	25,919

Subsidiaries in Göteborgs Stadshus AB

AB Gothenburg European Office
 Higab AB
 Liseberg AB
 Got Event AB
 Göteborgs Stads Upphandlings AB
 Göteborg Energi AB
 Kommunleasing i Göteborg AB
 Försäkrings AB Göta Lejon
 Göteborgs Gatu AB
 Göteborgs Stadsteater AB
 BRG, Business Region Göteborg AB
 Utveckling Nordost AB
 Fastighets AB Göta Lejon
 Förvaltnings AB Bältespännaren
 Göteborg Port Holding AB
 Göteborgs Spårvägar AB
 Förvaltnings AB Framtiden
 Göteborg & Co Kommuntressent AB

10 Current receivables

MSEK	2012	2013
Short-term receivables Group companies	7,785	3,226
Accounts receivable	524	515
Prepaid expenses/accrued income	1,704	1,202
VAT receivable	182	229
Receivables from the government	398	561
Other current receivables	410	448
Total current receivables	11,003	6,181

11 Equity

MSEK	2012	2013
Equity brought forward	7,754	8,423
Net earnings for the year	669	9,595
Equity carried forward	8,423	18,018
Distribution of equity		
Earnings equalisation reserve	108	549
Other equity	8,315	17,469
Equity carried forward	8,423	18,018

12 Provisions for pensions

MSEK	2012	2013
Benefit-determined retirement pension scheme	1,413	1,667
Collective agreement occupational pension, fixed-term pension, etc.	48	35
Employer's contribution	354	412
Total provision for pensions	1,815	2,114
Change in provision over the year		
Provision brought forward	1,658	1,815
New commitments during the year	212	322
of which newly earned pension	141	123
of which interest and base amount indexation	68	191
of which change in actuarial bases	4	0
of which pension to survivors	6	7
of which miscellaneous	-7	1
Payouts for the year	-86	-81
Change in special employer's contribution for the year	31	58
Total provision for pensions	1,815	2,114
Degree of updating (%)	100	100

13 Other provisions

MSEK	2012	2013
Provision for restoration of landfill (1)		
Reported value at start of year	38	36
Provisions for the period	—	—
Provisions utilised	–2	–2
Unused amounts reversed	—	0
Provision carried forward	36	34
Provision for West Sweden Package (2)		
Reported value at start of year	1,304	696
Provisions for the period	12	—
Provisions utilised	–620	–664
Unused amounts reversed	—	—
Provision carried forward	696	32
Provision for West Sweden Package: land use (3)		
Reported value at start of year	417	421
Provisions for the period	4	0
Provisions utilised	—	—
Unused amounts reversed	—	0
Provision carried forward	421	421
Provision for Gothenburg Port Line (4)		
Reported value at start of year	165	36
Provisions for the period	—	—
Provisions utilised	–129	–36
Unused amounts reversed	—	—
Provision carried forward	36	0
Provision for other infrastructure measures (5)		
Reported value at start of year	98	30
Provisions for the period	—	1
Provisions utilised	–2	–9
Unused amounts reversed	–66	—
Provision carried forward	30	22
Provision for development fund (6)		
Reported value at start of year	—	400
Provisions for the period	400	—
Provisions utilised	—	–27
Unused amounts reversed	—	—
Provision carried forward	400	373
Other provisionsr (7)		
Reported value at start of year	42	17
Provisions for the period	3	4
Provisions utilised	–19	–1
Unused amounts reversed	–9	–2
Provision carried forward	17	18
Total balance brought forward	2,064	1,636
Total provisions for the period	419	5
Total utilised	–772	–739
Total unused amounts reversed	–75	–2
Total balance carried forward	1,636	900

(1) The Eco-cycle Committee is responsible for measures to protect the environment at closed landfills within the City of Gothenburg. The provision refers to a total of 17 closed landfills, of which the provision for Brudaremossen is about 50 per cent. Brudaremossen lies in the Delsjö Lakes water protection area and some of the other closed landfills also lie in areas of great natural value. At some of the landfills there is a risk that private drinking water intakes may be affected. 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. Improvement work is currently in progress at all landfills. As there is uncertainty about future costs, a new provision was made in 2011. Apart from the funds utilised, further measures have been taken at Brudaremossen for SEK 1 million and at other landfills for SEK 1 million. No further provisions were made in 2013.

(2) In 2010 the City concluded an agreement on co-financing of infrastructure measures as part of the West Sweden Package. The amount has been index adjusted up by SEK 0 (12) million.

(3) SEK 400 million concerns land use within the scope of the West Sweden Package. This was entered into the City's income statement and balance sheet in 2011. The amount has been index adjusted up by SEK 0 (4) million.

(4) Concerns an agreement for bringing forward and co-financing the Gothenburg Port Line.

(5) Refers to remaining commitments for the Göta Tunnel and moving forward of certain investments to improve public transport in parts of the City of Gothenburg.

(6) On 6 December 2012, the City Council decided to set up a development fund of SEK 400 million for future initiatives in above all the social dimension. The fund's assets will not replace the committees' ordinary responsibility, but will be mainly 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 shown as items affecting comparability in the respective year's income statement. The fund has been shown in the balance sheet as a provision. It does not meet the criteria that recommendation RKR 10.2 on Provisions requires for a provision.

(7) Other provisions refer to expected damages, unsettled investment grants to associations and foundation.

14 Long-term liabilities

MSEK	2012	2013
Debts to banks, credit institutes, etc.	19,903	17,579
Other long-term liabilities	31	80
Total long-term liabilities	19,934	17,659
Deferred income, regulated over several years		
Connection charges	30	60
Investment grants	—	174
Payments for street costs	—	5
Total deferred income	30	239
Total long-term liabilities and deferred income	19,964	17,898

15 Current liabilities

MSEK	2012	2013
Debts to banks, credit institutes, etc.	1,827	5,317
Debts to banks, credit institutes, etc., Group companies	2,801	1,541
Accounts payable	1,682	1,677
Accrued expenses/ deferred income	3,546	3,573
Personnel taxes	236	231
Other current liabilities Group companies	0	0
Other current liabilities	553	191
Total current liabilities	10,645	12,530

16 Guarantees

MSEK	2012	2013
<i>(Refers to loans and pension commitments)</i>		
Göteborgs Hamn AB	845	798
Göteborg Energi AB	12	235
Other companies	371	1,429
Total guarantees City companies	1,228	2,462
Other guarantees		
Private houses – government home loans	7	6
Foundations	604	603
Associations	184	186
Other	37	44
Total external guarantees	832	839
Total guarantees	2,060	3,301

In November 2012, the City of Gothenburg stood surety jointly and severally as for a debt of its own for all Kommuninvest i Sverige AB's present and future obligations. All 278 municipalities that as of 31 December 2013 were members of Kommuninvest Cooperative have entered into identical guarantee commitments.

A recourse agreement has been concluded between all members of Kommuninvest Cooperative 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, 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 2013 Kommuninvest i Sverige AB's total obligations amounted to SEK 269,402 million and total assets to SEK 271,338 million. The City's share of the total obligations was SEK 2,076 million and its share of total assets was SEK 2,083 million.

17 Pension commitments

MSEK	2012	2013
Pension commitments PA-KL active	4,707	4,807
Pension commitments PA-KL retired	4,232	4,723
Pension commitments annuity	431	434
Total pension commitments PA-KL	9,370	9,964
Pension commitments managers' agreements	34	28
Other pension commitments	11	9
Total pension commitments	9,415	10,001
Special employer's contribution	2,284	2,426
Total pension commitments and special employer's contribution	11,699	12,427

Redemption of pension commitments in contingent liabilities were made totalling SEK 680 million (SEK 420 million in 2001 and SEK 260 million in 2002).

18 Future leasing expenses

MSEK	2012	2013
Operational leasing agreements		
Future minimum leasing fees (payments to lessor)		
– within one year	290	300
– within one to five years	673	749
– later than five years	921	966
Total leasing expenses	1,884	2,015

Accounting principles

– the City and combined accounts

One of accounting's most important tasks is to constitute a basis for relevant assessments and decisions. For this to be done the various accounting principles must be shown in an open and informative manner. This section serves to describe accounting principles used by the City of Gothenburg, in both the municipal city and in the combined accounts.

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

principles can be noted in regards to write-downs, connection charges, investment grants, component depreciation and provisions.

In 2014, the City will begin work to see if and how component depreciation shall be applied in the municipal accounting.

GENERAL

Deviations from current recommendations

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 13.2 Accounting of Rental/Leasing Agreements and RKR 8.2 Combined Accounts.

RKR 16.2 Accounting of Cash Flows, RKR 18 Receipts from Charges, Grants and Sales and RKR 19 Write-downs were not applied to the combined accounts. Work is in progress to adapt the cash flow statement, with possible introduction in 2014. This also applies to the recommendation related to write-downs. A detailed description of the deviations is given under each heading.

Accounting principles changed in 2013

Beginning in 2013, investment grants are recognised as deferred income in accordance with RKR 18 Receipts from Charges, Grants and Sales. This means that they are accrued as a revenue in line with the depreciation schedule for the asset to which the investment grant is attributable.

Beginning in 2013, new development assets are reported as current assets.

Possible upcoming accounting principle changes in municipal accounting and the combined accounts.

Beginning in 2014, the K3 regulatory framework for municipal companies will be introduced in the City of Gothenburg. This means that there will be some accounting differences when it comes to the principles applied for the combined accounts. A review and synchronisation between K3 and the combined accounts will be made as far as possible in the coming years. Different

INCOME STATEMENT

Accounting of tax revenue

The City's reported tax revenue consists of preliminary tax payments credited to the City 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 SKL's December forecast, in accordance with recommendation RKR 4.2 Accounting of Tax Revenue.

Other receipts

Utility and connection charges in the City are from 2012 reported as deferred income among long-term liabilities and accrued over the period of use of the facility. The connection charges were previously entered as a receipt in their entirety. Income in the City for 2013 was SEK 31 million, of which SEK 2 million was entered as a receipt during the year. In 2012, the income was SEK 31 million for utility and connection charges, of which SEK 1 million was entered as a receipt during the year.

Göteborgs Energi AB enters its connection charges as receipts when delivery of the connection is started, which is not adjusted in the combined accounts. Connection charges entered as receipts in the combined accounts totalled SEK 95 (89) million in 2013.

Items affecting comparability

Items affecting comparability are shown separately 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 kind that it is not expected to occur often or regularly.

Included in the earnings for 2012 and 2013 were a number of non-recurring receipts and costs affecting

comparability. In 2012, the City received SEK 381 million in repaid insurance premiums from AFA and a provision for public transport amounting to SEK 92 million was reversed. This was balanced by the City making a provision of SEK 400 million to a development fund. This means that the items affecting comparability amounted to SEK 73 million net.

In 2013, the City received an additional SEK 355 million in repaid insurance premiums from AFA and the provision for the development fund was dissolved in the amount of SEK 27 million. At the same time, the change in discount rate for the City's pension commitments, RIPS, meant a cost of SEK 185 million, including employer's contribution. In addition, SEK 27 million of the funds allocated to the development fund in 2012 was used. This means that the items affecting comparability amounted to SEK 170 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, the City of Gothenburg decided on a major restructuring of the company sector. Förvaltnings AB Framtiden, Älvstranden Utveckling AB and Göteborg & Co Kommunintressent AB were transferred to Göteborgs Stadshus AB and Higab AB, respectively. The sale means that the City reported an extraordinary receipt of SEK 8,697 million in 2013. At the same time, the City made a shareholder contribution to Göteborgs Stadshus AB at an amount equal to the extraordinary income. This item has been classified as extraordinary because it cannot be considered a municipal matter to buy and sell companies. This is specified in the appendices to RKR 3.1 Reporting of Extraordinary Items and Information for Comparative Purposes.

The effect of the transaction on the balance sheet means that the City's financial assets in the form of shares increased by SEK 8,697 million. This affected e.g. the equity-assets ratio level, which increased significantly. Please note that the transfer of the companies to Göteborgs Stadshus AB is a pure intra-group transaction and is therefore eliminated from the combined accounts.

Loan expenses in connection with investments

According to RKR recommendation no. 15.1, loan expenses in connection with investments can be reported by both the main rule and the alternative rule. The main rule means that the loan expenses are charged to earnings and the alternative rule means that the loan expenses, under certain conditions, may be charged to the acquisition value of the facility.

In 2013, the City of Gothenburg's committees capitalised loan expenses of SEK 33 (22) million as fixed assets. In the combined accounts, loan expenses of SEK 37 (49) million were capitalised.

Leasing

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

Leasing agreements signed before 2003 and leasing agreements with a term of three years or less are regarded, in accordance with RKR 13.2 Accounting of Rental/Leasing Agreements, as operational agreements and shown as rental agreements.

According to RKR 13.2 Accounting of Rental/Leasing Agreements, financial leasing of fixed assets is shown as a fixed asset and the debt to the lessor is shown in the balance sheet. Since the current value of financial leasing agreements comprises a smaller part in relation to the value of total assets, all leasing agreements are shown 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 (fixed assets and liabilities in the balance sheet).

BALANCE SHEET

Intangible fixed assets

Intangible fixed assets are shown at acquisition cost less depreciation according to plan and any write-downs.

In the combined accounts, intangible fixed assets consist among other things of goodwill. Goodwill is the amount by which the acquisition value exceeds the actual 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.

Tangible fixed assets

In the City of Gothenburg an asset is regarded as a fixed asset if its life exceeds three years and the acquisition cost exceeds half a basic amount. Fixed assets are valued at acquisition cost with an addition for value raising investments and deduction for planned depreciation and write-downs, if any. From 2013 the receipts will not reduce the acquisition cost, but will be accrued over the period of use.

Agreements entered into on grants made by the government or other legal person for investments in fixed assets that the City of Gothenburg is not going to own or have recourse to, are shown as a cost in the income statement and a provision in the balance sheet when the agreement is signed.

Depreciation of tangible fixed assets is normally made for the estimated period of use, with linear depreciation based on the acquisition cost, not including any residual value. Depreciation begins from the time the asset is put into use.

Important depreciation periods

	Years
Expenses brought forward for development work and similar work	5
Goodwill	5–10
Land improvements	20–50
Buildings	20–50
Kiosks, pavilions, barracks	10
Machinery, technical facilities and equipment	5–10
Personal computers and it equipment	3

A review of the period of use is made if there are circumstances that make it necessary, such as changes in activities, technical innovations etc. The period of use of assets is not normally reviewed if the depreciation time is 10 years or less.

No depreciation is made of assets in the form of land, art and work in progress.

Development properties

Beginning in 2013, new development assets are reported as current assets. Work to review the reporting and classification of development properties will continue in 2014.

Financial assets and liabilities

Financial assets and liabilities are generally shown as long-term items. Reclassification to a current item occurs when repayment is made or when the financial item is not extended.

Pensions

The City's pension liability is accounted for under the statutory "mixed model", which means that all pensions earned before 1998 under earlier pension schemes are not entered as a provision, but shown as a contingent liability. Expected future special employer's contributions are also shown as a memorandum item. Payments concerning pension benefits earned before 1998 are shown as a cost in the income statement. Pension benefits earned in pension schemes from 1998 onwards are shown as a cost in the income statement and a provision in the balance sheet. A special employer's contribution of 24.26 per cent of pension provisions made is also reserved under provisions.

The City of Gothenburg calculates the current pension liability as specified in the guidelines, RIPS 07.

Redemption of pension commitments in contingent liabilities were made totalling SEK 680 million (SEK 420 million in 2001 and SEK 260 million in 2002).

The degree of updating of the pensions was 100 (100) per cent in 2013.

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 landfills 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. The calculation is then continually updated. Landfills in the City of Gothenburg have no current value estimate and the change in the provision is shown directly in the income statement instead of as a contingent liability. Thus the City of Gothenburg does not in these sections comply with RKR 10.2 Provisions and Contingent Liabilities.

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

According to RKR 10.2 informal obligations shown as provisions in Group companies should be reclassified as contingent liabilities in the combined accounts. Only some adjustments for this are made in the combined accounts. Thus the City of Gothenburg does not in these sections comply with RKR 10.2 Provisions and Contingent Liabilities.

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 discharge are shown as contingent liabilities. Under contingent liabilities are found the City's guarantee commitments and the part of pension commitments older than 1998.

COMBINED ACCOUNTS

General

The combined accounts are prepared in accordance with RKR 8.2 Combined Accounts, with certain deviations as regards RKR 16.2 Accounting of Cash Flows, RKR 18 Receipts and RKR 19 Write-downs.

The City of Gothenburg conducts extensive activities, primarily through wholly or partly owned limited companies, though also through joint statutory authorities, where the City, directly or indirectly has more than half the votes or in some other way has considerable influence.

Companies whose activities are of insignificant scope for the combined accounts are excepted. The companies

excepted are Cityflygplatsen i Göteborg AB and Göteborgs Tekniska College AB.

The Financial Accounting Standards Council and the Accounting Standards Board give recommendations, instructions and statements for the companies' accounting. For joint statutory authorities, the Municipal Accounting Act applies with attached recommendations.

Differences in accounting principles between the companies and the City may occur because different recommendations are applied for the City and the companies respectively. This is among other things the case for leasing and accounting of projects in progress. In the combined accounts, effects of importance arising from differences in accounting principles for companies and the City are adjusted on the basis of municipal accounting principles.

Consolidation principles

The combined accounts are prepared in accordance with the acquisition method rather than following proportional consolidation. This means that the parent company indirectly acquires the subsidiary's assets and liabilities, valued at actual value. In the combined balance sheet, the parent company's book value of its share in the subsidiary is eliminated against the acquired share of the subsidiary's equity. In the combined accounts equity, therefore, is 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 shown in the income statement. The minority share of net earnings for the year is shown in the balance sheet. Subsidiaries disposed of are included in the earnings until the point of disposal. 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 importance have been eliminated.

Associated companies

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

Untaxed reserves

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



One of accounting's most important tasks is to constitute a basis for relevant assessments and decisions.

District committees – financial performance

The district councils' situation stabilised in 2013 after the intense and turbulent years that followed the reorganisation of 2011. This was also expressed in a slowdown in the cost trend and a more stable economic situation.

Gothenburg is from 2011 divided into 10 district committees. The committees' activities are almost entirely financed by City grants. City grants to the district committees, which are based on the size and composition of the population in each district, finance the district's net costs for pre-school, compulsory school, elderly care, services for people with functional impairment, income support, etc.

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

Financial performance

The difference between the City grants and net costs is the committees' earnings. A committee can finance a deficit by using a surplus from previous years. From 2009, a limit was imposed on the committees, whereby they cannot use equity over a limited level without the approval of the City Executive Board.

Net earnings 2013

Committee (MSEK)	Net cost	City grants	Net earnings for the year
District committees' population frame	-18,716	18,715	-1
Resource committee assignments	-176	182	7
Total DCs	-18,892	18,897	5

In 2013, the district committees reported virtually zero earnings compared to budgeted earnings of SEK - 80 million. Five district committees reported positive earnings, one reported earnings near zero and four reported negative earnings. Of those who reported negative earnings, this was planned in the initial budget decisions for two committees. However, for Centrum and Askim-Frölunda-Högsbo, it was the result of an unplanned cost increase.

Slowed cost and personnel volume trend

The increase in both net costs and personnel volume was lower than in 2012. The trend was particularly notable in elderly care and in individual and family care.

It was only in relation to schools that the cost trend was higher than in 2012. This can be largely explained by a larger increase in students in 2013 compared to 2012.

Cost and personnel volume trend for the population frame

Change in per cent	2011	2012	2013
Net cost	4.4	5.4	4.3
Payroll expense	3.2	5.6	3.7
Personnel volume, no. of hours worked	1.7	2.4	1.2

Net cost change per activity

Change in per cent	2011	2012	2013
Pre-school	8.6	8.1	6.6
Compulsory and special needs school and childcare	3.3	4.9	6.8
Elderly care	3.0	3.7	1.0
Individual and family care	2.3	4.2	1.5
Functional impairment	7.0	6.7	5.1

Assessment of the future

The district councils are facing huge challenges, especially when it comes to goal achievement for schools and providing quality care to our elderly. In the long term, the cost trend must be further slowed except for that which is required based on price, salary and population trends.

Departmental committees – financial performance

Overall, the departmental committees report earnings for 2013 that deviate positively from both the budget and the previous year's accounts. The activities in several of the committees are marked by the load resulting from the large projects and initiatives underway in urban development, housing supply and traffic development.

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, traffic 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 2013 of SEK -16 million, which is SEK 31 million better than budget. Net income for the year was also a positive deviation compared to the 2012 accounts, when the combined net earnings were SEK -27 million. The committees' equity at year-end was SEK 367 million.

In total, the committees reported costs of SEK 14.1 billion for 2013, of which the majority, SEK 9.8 billion, was financed through City-internal or external receipts. The remaining SEK 4.3 billion was financed through municipal grants.

Indexation of facilities and premises

An important part of the activities conducted by the City's departmental committees is indexation and development of existing facilities and premises. The departmental committees invested about SEK 500 million in 2013, which is broadly in line with the previous year. The committees have begun work to establish long-term maintenance plans. The work aims to increase advanced planning of initiatives and increase transparency.

Committees' investments

The total investment scope of the committees for 2011-2014 is approximately SEK 9 billion. The investment plans spanning several years have resulted in better and more long-term planning conditions for the committees.

The committees' investment expenditure for 2013 was SEK 2.4 billion, representing an unchanged investment level compared to the previous year. The level is expected to increase slightly in 2014. The year saw major investments which include construction of pre-schools, investments related to the West Sweden Package and investments related to water and sewage.

New assignments and reorganisations

The Eco-cycle and Water Committee was formed in 2012, with work in the new organisation beginning at the end of 2012. The committee is the result of a merger of Göteborg Vatten and the Eco-cycle Office. The merger was intended to collect both purchasers and contractors in the same organisation. In addition to the regular operations, the year also involved work in establishing the new organisation. Similar work was also carried out for the newly established Committee for Consumer and Citizen Services. Contact centre operations began at the start of the year, providing citizens guidance and information regarding the City's services. A new organisation for coordinated development of services and e-services was also founded during the year.

Assessment of the future

The City's visions and goals for urban development, housing supply and traffic development are extensive. The large investments in urban development and infrastructure pose huge challenges for both the organisation and the City's economy. They involve, for example, increased residential construction, the West Sweden Package and development in the Älvstaden area. At present, planning is largely strategic in nature in that it adds structure and sets the stage for implementation over many years to come.


Operational accounts – committees

MSEK	Receipts	Costs	Net costs	Citygrants	Year's net earnings	Equity carried forward
DISTRICT COMMITTEES						
Angered	259.3	-2,809.4	-2,550.1	2,560.9	10.8	110.8
Askim Frölunda Högsbo	452.9	-2,619.3	-2,166.5	2,129.6	-36.9	24.9
Centrum	382.3	-1,732.8	-1,350.4	1,334.9	-15.5	3.1
Lundby	347.6	-1,630.3	-1,282.7	1,283.1	0.4	44.6
Majorna Linné	445.3	-2,170.6	-1,725.3	1,729.9	4.6	27.9
Norra Hisingen	370.1	-2,172.5	-1,802.4	1,795.7	-6.7	40.6
Västra Göteborg	392.3	-2,306.9	-1,914.5	1,948.1	33.6	68.3
Västra Hisingen	306.9	-2,368.6	-2,061.7	2,070.5	8.8	62.1
Örgryte Härlanda	342.9	-2,052.2	-1,709.3	1,702.7	-6.6	43.1
Östra Göteborg	254.9	-2,408.3	-2,153.4	2,159.4	6.1	36.7
Resource committee assignments	47.9	-223.6	-175.6	182.2	6.5	24.4
TOTAL DISTRICT COMMITTEES	3,602.6	-22,494.5	-18,891.9	18,897.1	5.1	486.7
DEPARTMENTAL COMMITTEES WITH SPECIAL FOCUS						
Planning and Building Committee	135.7	-236.7	-101.1	99.3	-1.8	24.9
Property Management Committee	397.2	-426.0	-28.8	30.2	1.4	18.3
Special Transportation Services Committee	130.8	-307.3	-176.5	184.4	7.9	25.4
Sports and Associations Committee	128.3	-463.7	-335.4	339.7	4.3	20.2
City Management	567.6	-884.4	-316.8	321.2	4.4	16.4
Committee for Consumer and Citizen Services	36.8	-63.2	-26.4	27.9	1.5	5.5
Cultural Affairs Committee	114.7	-425.7	-311.0	317.0	6.0	21.1
Supply of Premises Committee	2,526.9	-2,292.9	234.0	-217.2	16.8	55.4
Environmental and Climate Committee	53.2	-102.9	-49.7	51.3	1.6	6.1
Committee for Intraservice	428.9	-428.9	0.0	—	0.0	0.0
Parks and Landscape Committee	381.7	-564.0	-182.3	185.4	3.1	28.2
Committee for Allocation of Social Welfare	510.5	-928.7	-418.2	420.2	2.0	32.0
Road Traffic Committee	1,503.6	-1,962.8	-459.2	458.9	-0.3	19.2
Education Committee	687.0	-2,147.2	-1,460.2	1,453.5	-6.7	29.1
Electoral Committee	0.3	-1.8	-1.5	1.3	-0.3	0.6
Adult Education Committee	64.2	-429.2	-365.0	380.2	15.2	35.2
Chief Guardians' Committee	1.2	-17.0	-15.8	16.0	0.2	-5.6
DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS						
Eco-cycle and Water Committee	1,170.4	-1,222.9	-52.4	—	-52.4	25.1

MSEK	Receipts	Costs	Net costs	City grants	Year's net earnings	Equity carried forward
OTHER DEPARTMENTAL COMMITTEES AND ALLOCATIONS						
Archives Committee	39.7	-58.1	-18.4	18.5	0.1	-0.7
Business Region Göteborg AB	—	-11.2	-11.2	11.2	0.0	—
Prop. Man. Comm. transfer payments	—	-67.6	-67.6	52.5	-15.1	-14.9
GBG & Co Träffpunkt AB	—	-111.8	-111.8	111.8	0.0	—
Sports and Associations Committee:	—	-31.1	-31.1	31.2	0.1	—
Adult Education Associations	7.0	-36.5	-29.5	30.5	1.0	2.7
Auditors' Office	—	-299.1	-299.1	299.1	0.0	—
Greater Gothenburg Fire and Rescue Services	0.0	-44.0	-44.0	44.0	0.0	-0.0
Safe Beautiful City	4.0	-19.9	-15.9	11.4	-4.5	3.1
CHIEF GUARDIANS COMMITTEE FEES	8,889.6	-13,584.7	-4,695.1	4,679.4	-15.7	347.3
TOTAL DEPARTMENTAL COMMITTEES						
TOTAL COMMITTEES	12,492.2	-36,079.2	-23,587.0	23,576.5	-10.5	833.9
Central municipal items	34,218.7	-1,036.8	33,181.9	-23,576.5	9,605.4	17,184.5
MUNICIPAL CITY TOTAL	46,710.9	-37,115.9	9,595.0	0.0	9,595.0	18,018.4
JOINT STATUTORY AUTHORITIES						
Stretered Property	0.3	-0.2	0.1	—	0.1	15.1
Greater Gothenburg Rescue Services	629.0	-625.7	3.3	—	3.3	96.0
Acquisition company Gothenburg joint statutory authorities	—	-0.4	0.4	—	-0.4	3.4
Minority interest	—	-1.1	1.1	—	-1.1	-35.6
TOTAL JOINT STATUTORY AUTHORITIES	629.4	-627.4	2.0	—	2.0	78.9

Investment and development accounts

MSEK	Property Management Committee	Premises Committee	Parks and Landscape Committee	Sports and Associations Committee	Road Traffic Committee	Eco-cycle and Water Committee	Total
INVESTMENTS							
Expenses/purchases	301	868	50	93	718	364	2,394
Grants, government and EU	—	-21	-4	—	-436	—	-461
Income excl. sales	-243	-9	-3	-1	-27	—	-283
NET INVESTMENTS excl. sales	58	838	43	92	255	364	1,650
Income, sales	-58	—	—	—	—	—	-58
NET INVESTMENTS incl. sales	0	838	43	92	255	364	1,592
DEVELOPMENT							
Expenses/purchases	270	—	10	—	266	54	600
Income excl. sales	-69	—	—	—	-235	—	-304
NET DEVELOPMENT excl. sales	201	—	10	—	31	54	296
Income, sales	-166	—	—	—	—	—	-166
NET DEVELOPMENT incl. sales	35	0	10	0	31	54	130
INVESTMENTS AND DEVELOPMENT incl. sales	35	838	53	92	286	418	1,722



4

COMBINED ACCOUNTS FINANCIAL ANALYSIS AND ACCOUNTS

Group accounts are referred to as combined accounts in the municipal sector. In this block, the combined account's financial position and development are analysed from a number of perspectives. The statutory financial statements and additional information are also 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 it. 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 good business quality.

100 Income statement, balance sheet, cash flow statement

The financial statements of the combined accounts are presented here.

103 Notes – combined accounts

Notes to the financial statements are found here.

106 Internal transactions

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

107 Earnings and investment analysis of some large groups and companies

This page presents a brief financial description of a number of large groups and companies. This includes Göteborgs Stadshus AB, Göteborg Energi AB, Göteborgs Hamn AB, Liseberg AB, Älvstranden Utvecklings AB, Förvaltnings AB Framtiden and Göteborgs Spårvägar AB.

111 Groups and companies in figures

A number of financial key figures are shown in tabular form for each group or company. They regard 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 net earnings for the year reported in the combined accounts, excluding non-recurrent items, were SEK 1.4 billion. The earnings are virtually unchanged compared to the earnings of the previous year.

However, net earnings for the year including non-recurrent items declined by SEK 1.4 billion, from SEK 2.9 billion to SEK 1.5 billion when comparing 2012 with 2013. The explanation to this is that 2012 earnings included receipts affecting comparability amounting to almost SEK 1.4 billion, largely attributable to capital gains for a sale of a company.

The volume of investments declined by SEK 0.8 billion, from SEK 7.2 billion in 2012 to 6.4 billion in 2013.

The long-term financial manoeuvrability in the form of the equity-assets ratio increased by one per cent compared to the previous year, totalling 30 per cent at the end of 2013.

Description of the financial model

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

developments. These four aspects, labelled earnings – capacity and risk – control, comprise the cornerstones of the model.

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

Income statement for the City, joint statutory authorities and companies

MSEK	Operating income	Operating income incl. depreciation	Net operating expenses	Net financial items incl. tax revenue	Earnings after net financial items	Taxes and extraordinary items	Year's net earnings
The City	7,612	-31,558	-23,946	24,844	898	8,697	9,595
Joint statutory authorities	625	-588	37	-34	3	-1	2
Companies	18,260	-16,740	1,520	-756	764	-109	655
of which							
Göteborg Energi AB	7,125	-6,525	600	111	711	-108	603
Förvaltnings AB Framtiden	5,644	-4,922	722	-510	212	-50	162
Göteborg Port Holding AB	639	-486	153	-25	128	-24	104
Renova AB	1,207	-1,245	-38	-33	-71	32	-39
Liseberg AB	977	-916	61	-8	53	-13	40
Higab AB*	1,181	-795	386	-191	195	-47	148
Other companies	3,120	-3,467	-347	623	276	145	421
Eliminations companies	-1,633	1,616	-17	-723	-740	-44	-784
Eliminations Group	-3,772	3,760	-12	0	-12	-8,698	-8,711
Total Group 2013	22,724	-45,125	-22,401	24,054	1,652	-111	1,541
Total Group 2012	22,750	-43,938	-21,187	23,990	2,802	132	2,934

*Higab AB = incl. Älvstranden Utveckling AB and Fastighets AB Rantorget.

Turnover increased by almost SEK one billion

The City of Gothenburg Group reported receipts (turnover) of about SEK 48 billion in 2013, of which tax revenue and municipal financial equalisation were over

half. Compared to 2012, receipts increased by about two per cent, or almost SEK one billion, predominantly attributable to increased tax revenue in the City.

In the company sector, receipts from activities increased by one per cent compared to the previous year, with Förvaltnings AB Framtiden responsible for the lion's share of the increase in receipts.

Net turnover

MSEK	2011	2012	2013
Net turnover	48,930	47,201	48,230
of which the City	32,541	32,330	33,472
of which companies	19,518	18,436	18,670

Unchanged earnings excluding non-recurrent items

Net earnings for the year for the combined accounts, excluding non-recurrent items, totalled SEK 1.4 billion, of which the City and the companies accounted for about SEK 700 million each. The earnings are largely unchanged compared to the previous year.

The City accounted for 58 per cent of net earnings. The positive earnings in the company sector are mainly attributable to Göteborg Energi AB, which contributed about SEK 700 million to the companies' positive results. Higab AB, Liseberg AB and Förvaltnings AB Framtiden are further examples of companies that contributed to the positive results.

In 2012 and 2013, both the City and the companies had several large items that were non-recurrent in nature, of which some intragroup ones were eliminated at the group level.

Within the company sector, in 2012 there was an external non-recurring receipt from a capital gain of SEK 1.3 billion from the sale of Skandia Container Terminal AB within the Göteborg Port Holding Group.

Included in the City's earnings for 2012 and 2013 were a number of non-recurring extraordinary items and items affecting comparability. During both years, the City received repayment of insurance premiums from AFA amounting to SEK 400 million each year. A changed discount rate in 2013 and development fund provision in 2012 resulted in costs affecting comparability in the amounts of SEK 200 million and 400 million, respectively.

During the year, the City of Gothenburg began major restructuring of the City's companies. The new structure means that all of the City's directly and indirectly wholly-owned or partly-owned companies will be organised into one Group, with Göteborgs Stadshus AB as parent company. As part of this change, Förvaltnings AB Framtiden, Älvstranden Utveckling AB and Göteborg & Co Kommunintressent AB were transferred to Göteborgs Stadshus AB and Higab AB, respectively. The sale means that the City reported an extraordinary income of SEK 8.7 billion in 2013. At the same time, the City made a shareholder contribution to Göteborgs Stadshus AB at an amount equal to the extraordinary income. These items were eliminated from the combined accounts as they are intragroup transactions. However, these transactions have produced effects in the income statement and balance sheet for the City and the affected companies.

Net earnings for the City and companies

MSEK	2011	2012	2013
Earnings after financial items	898	2,802	1,652
of which the City	411	669	898
of which companies	506	2,185	764
Net earnings for the year	752	2,934	1,541
of which the City	411	669	9,595 *
of which companies	366	2,301	655
Net earnings for the year excl. items affecting comparability and extraordinary items	1,623	1,552	1,371
of which the City	1,197	596	728
of which companies	281	992	655

* For further information, see block 3 and the analysis of the City's economy.

Volume of investments

There is a great need of investments in order to handle the continued development and growth of the City in the form of increased population and increased activity. The Group's investment volume is at a high level, but decreased compared to the previous year. Excluding investment income, the Group's gross investments totalled SEK 6.4 billion, which was a decrease of SEK 0.8 billion. This decrease is mainly attributable to the company sector.

The City's gross investments declined only marginally compared to the previous year. During the year, the City received temporarily increased investment income, causing the City's investments including investment income declined compared to the previous year.

Of the company sector's SEK 3.9 billion investment volume, a large proportion was new investments of different types. Förvaltnings AB Framtiden and Göteborg Energi AB accounted for SEK 2.4 billion of the companies' investments, making up 61 per cent of the companies' total volume of investments. This consisted of new production and remodelling of housing units as well as investments in the GoBiGas biogas plant. Other companies with a large volume of investments in 2013 were Kommunleasing i Göteborg AB, Higab AB and Liseberg AB. Together, their investments totalled almost SEK 1.2 billion.

Investments for the City and companies

	2011	2012	2013
Investments including investment income (MSEK)	5,895	6,682	5,571
of which companies	4,469	4,611	3,942
of which the City	1,438	2,083	1,592
Investments excluding investment income (MSEK)	6,283	7,244	6,413
Volume of investments / gross costs (%)	14	17	14
of which the City	5	7	5
of which companies	30	33	29

Unchanged level of self-financing of investments

Investment financing through own resources in 2013 was 97 per cent, which was an unchanged level compared to the

previous year. However, an increased degree of financing within the City at 39 per cent as the result of a number of investment income items non-recurrent in nature. In contrast, the company sector's degree of financing decreased.

Degree of self-financing of investments

Per cent	2011	2012	2013
Degree of financing of investments	78	97	97
of which the City	82	69	108
of which companies	70	101	94

Total assets of nearly SEK 81 billion

Total assets were SEK 80.8 billion, of which the City accounted for about SEK 51 billion and the companies 62 billion.

The City's total assets increased by 20 per cent, or almost SEK nine billion, as a result of the initiated restructuring work between the City and Göteborgs Stadshus AB.

In the company sector, Förvaltnings AB Framtiden and Göteborg Energi AB were responsible for the greater part of the assets. These two companies were responsible for about half of the company sector's total assets.

Return on equity and total assets are examples of profitability measures, which describe the earnings in relation to capital investment. The size depends on the industry and risk-taking. Comparisons can often be made over time and within each industry.

Return on equity for the City was 6 per cent for 2013, a decline compared to the previous year. Return on total assets for the Group was also at the same level as 2012, staying at 3–4 per cent over the past three-year period.

In this context, it is important to note that these measures should only be considered an indicator over time, as these key figures are not used in management of the combined accounts.

Some key figures from the balance sheet

MSEK	2011	2012	2013
Total assets	75,295	78,096	80,800
of which the City	39,967	42,483	51,460
of which companies	60,018	61,977	61,627
Return on equity	3.9	13.1	6.4
Return on total assets	3.9	4.3	4.1

Balance sheet for the City, joint statutory authorities and companies

MSEK	Fixed assets	Current assets	Total assets	Equity*	Provisions	Long-term liabilities	Current liabilities	Total equity & liabilities
The City	42,980	8,480	51,460	18,018	3,014	17,898	12,530	51,460
Joint statutory authorities	239	524	763	115	475	1	172	763
Companies	56,313	5,314	61,627	15,777	4,448	23,203	18,199	61,627
of which								
Förvaltnings AB Framtiden	26,630	383	27,013	8,678	1,448	8,120	8,767	27,013
Göteborg Energi AB	12,306	2,348	14,654	5,589	1,540	4,660	2,865	14,654
Higab AB**	8,632	371	9,003	670	400	5,871	2,062	9,003
Göteborg Port Holding AB	2,616	668	3,284	476	478	1,073	1,257	3,284
Renova AB	1,556	415	1,971	346	161	1,015	449	1,971
Liseberg AB	1,428	100	1,528	749	67	482	230	1,528
Other companies	17,433	2,727	20,160	13,351	1,228	1,983	3,598	20,160
Eliminations companies	-14,288	-1,698	-15,986	-14,082	-874	-1	-1,029	-15,986
Eliminations Group	-26,745	-6,305	-33,050	-9,946	-166	-14,421	-8,517	-33,050
Total Group 2013	72,787	8,013	80,800	23,964	7,771	26,681	22,384	80,800
Total Group 2012	71,030	7,066	78,096	22,432	8,342	31,677	15,645	78,096

* Minority interest is included in equity.

** Higab AB = incl. Älvstranden Utveckling AB and Fastighets AB Rantorget.

Improved 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 the change in assets. The equity-assets ratio for 2013 was 30 per cent, which was a one-per cent increase compared to the previous year. The equity-assets ratio according to the fully funded model was 14 per cent for 2013, compared to 13 per cent for 2012.

The Group equity-assets ratio was 40 per cent for the nation and 20 per cent according to the fully funded model. This means that the City of Gothenburg is slightly below average. The City's large Group with branches that have a high level of loan financing contributes to a lower equity-assets ratio within the Group compared to the national average.

The is no general level for how high the equity-assets ratio should be for a Group the side of the City of Gothenburg. A high equity-assets ratio increases manoeuvrability and the ability to handle fluctuations in the earnings trend.

However, it is more important that the groups and companies in the combined accounts have a good equity-assets ratio. Otherwise, there is a risk of the City as owner having to contribute funds if the companies have 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.

Equity-assets ratio

Per cent	2011	2012	2013
Equity-assets ratio (mixed model)	26	29	30
Equity-assets ratio (full funding)	10	13	14

Reduced indebtedness

The total debt-equity ratio was 70 per cent, a reduction of three percentage points compared to the previous year. This was positive for the Group's net financial items, while the reduced indebtedness meant reduced financial risk for the Group.

Total borrowing for the Group was SEK 39.4 billion at year-end, an increase of SEK 1.8 billion compared to the same period the previous year. At the same time, the City had an acid-test ratio of about SEK 2 billion.

Within the Group, the long-term debt-equity ratio and degree of provisions decreased while the short-term debt-equity ratio increased compared to the previous year.

Long-term liabilities decreased in both the City and the companies, which reduces the long-term debt-equity ratio. The short-term debt-equity ratio increased by 8 per cent within the Group, primarily attributable to the company sector. The City's short-term debt-equity ratio decreased, despite increased current liabilities due to the increased total assets. The main reason for the increase is that the short-term proportion of the companies' long-term liabilities increased. This also occurred in the City. In 2013, provisions decreased by SEK 0.6 billion, which can be attributed to both the City and the company sector.

Debt-equity ratio

Per cent	2011	2012	2013
Total debt-equity ratio	74	71	70
of which degree of provision	12	11	10
of which short-term debt-equity ratio	20	19	27
of which long-term debt-equity ratio	42	41	33
of which the City	81	80	65
of which companies	79	76	74

Reduced liquidity

Short-term manoeuvrability for the year in the form of the acid-test ratio was 33 per cent for 2013, a decline of nine per cent compared to the previous year. The City's acid-test ratio declined sharply to 66 per cent (108).

The large difference between years can be attributed to changes in the financial structure. Similarly, the companies' acid-test ratio declined 15 per cent to 26 per cent.

The City's serves as internal back for several of the municipal companies. The City has in recent years had an acid-test ratio level where the City, in a short and medium-term financial perspective, does not need to take drastic measures to meet financial payment.

Net financial assets weakened

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

Between 2012 and 2013, net financial assets weakened by SEK 0.8 billion from -39.8 billion to -40.6 billion. The decrease is primarily attributable to the company sector. Net financial assets were SEK -36.3 billion for the companies and SEK -4 billion for the City.

Net financial assets

MSEK	2011	2012	2013
Net financial assets	-39,163	-39,772	-40,631

Pension commitments totalled SEK 16 billion

Göteborgs Stad's Group's total pension commitments for 2013 amounted to approximately SEK 16 billion, an increase of SEK 1.1 billion compared to the previous year. The main reason for the increase was a change in the discount rate for the City's pension obligations, RIPS. Of the total pension commitment, SEK 12.6 billion was for pensions and special employer's contribution older than 1998. These commitments are not recognised as a provision in the balance sheet, but rather a contingent liability in accordance with the Municipal Accounting Act.

Closing comments

Göteborgs Stad Group continues to report a solid earnings level, which is considered good economic management. The larger individual companies have in recent years reported stable good or satisfactory earnings, which minimises the risk for the City, as owner, and creates greater financial manoeuvrability for the individual companies.

However, a large group always requires active governance to minimise the risks related to factors such as market downturns. A future ownership challenge will be controlling the large investments needed both in the City and in the individual companies.

The following units are included in the combined accounts 2013

MUNICIPAL CITY OF GOTHENBURG Operating income MSEK 32,289 Assets MSEK 51,460 Earnings MSEK 9,595	FÖRVALTNINGS AB FRAMTIDEN Operating income MSEK 5,644 Assets MSEK 27,013 Earnings MSEK 161 11 subsidiaries	GÖTEBORG ENERGI AB Operating income MSEK 7,125 Assets MSEK 14,654 Earnings MSEK 603 15 subsidiaries
JOINT STATUTORY AUTHORITIES GREATER GOTHENBURG FIRE AND RESCUE SERVICES Operating income MSEK 614 Assets MSEK 744 Earnings MSEK 3	GÖTEBORG PORT HOLDING AB Operating income MSEK 639 Assets MSEK 3,284 Earnings MSEK 104 2 subsidiaries	LISEBERG AB Operating income MSEK 977 Assets MSEK 1,529 Earnings MSEK 40 4 subsidiaries
HIGAB AB Operating income MSEK 756 Assets MSEK 5,308 Earnings MSEK 147 2 subsidiaries	ÄLVSTRANDEN UTVECKLING AB Operating income MSEK 425 Assets MSEK 4,361 Earnings MSEK 11 2 subsidiaries	GÖTEBORGS SPÅRVÄGAR AB Operating income MSEK 1,277 Assets MSEK 688 Earnings MSEK 1 2 subsidiaries
RENOVA AB Operating income MSEK 1,207 Assets MSEK 1,971 Earnings MSEK –39 3 subsidiaries	KOMMUNLEASING I GÖTEBORG AB Operating income MSEK 398 Assets MSEK 2,509 Earnings MSEK 70	GÖTEBORGS GATU AB Operating income MSEK 218 Assets MSEK 392 Earnings MSEK –1
GRYAAB AB Operating income MSEK 309 Assets MSEK 1,379 Earnings MSEK 1	GÖTEBORG & CO KOMMUNINTRESSENT AB Operating income MSEK 266 Assets MSEK 97 Earnings MSEK 0 1 subsidiaries	FÖRSÄKRINGS AB GÖTA LEJON Operating income MSEK 96 Assets MSEK 283 Earnings MSEK –3 1 subsidiaries
GOT EVENT AB Operating income MSEK 183 Assets MSEK 160 Earnings MSEK –133 1 subsidiaries	BUSINESS REGION GÖTEBORG AB Operating income MSEK 102 Assets MSEK 73 Earnings MSEK –26	GÖTEBORGS STADS UPPHANDLINGS AB Operating income MSEK 48 Assets MSEK 27 Earnings MSEK –4
GÖTEBORGSREGIONENS FRITIDSHAMNAR AB Operating income MSEK 51 Assets MSEK 102 Earnings MSEK 1	GÖTEBORGS STADSTEATER AB Operating income MSEK 61 Assets MSEK 58 Earnings MSEK –76	BOPLATS GÖTEBORG AB Operating income MSEK 14 Assets MSEK 11 Earnings MSEK 0

Income statement – combined accounts

Amounts in MSEK	2011	2012	2013
Operating income note 19	24,427	22,677	22,554
Operating expenses notes 20, 33	-41,388	-40,286	-41,348
Operating items affecting comparability note 21	-871	73	170
Depreciation and write-downs note 23	-3,697	-3,651	-3,777
Net cost of activities	-21,529	-21,187	-22,401
Tax revenue note 6	20,437	20,814	21,806
Municipal financial equalisation etc note 6	3,529	3,113	3,106
Financial receipts note 25	537	597	764
Financial expenses note 25	-2,076	-1,844	-1,623
Financial items affecting comparability note 24	—	1,309	—
Earnings before extraordinary items	898	2,802	1,652
Current and deferred tax	-136	130	-120
Minority share	-10	2	9
Net earnings for the year	752	2,934	1,541

Balance sheet – combined accounts

Amounts in MSEK	2011	2012	2013
ASSETS			
FIXED ASSETS			
Intangible fixed assets note 22	611	537	459
Tangible fixed assets note 22	67,287	70,009	71,906
Financial fixed assets note 26	582	484	422
Total fixed assets	68,480	71,030	72,787
CURRENT ASSETS			
Stores and stocks	458	475	720
Current receivables note 27	5,474	5,579	4,729
Short-term investments	190	182	174
Cash and bank	693	830	2,390
Total current assets	6,815	7,066	8,013
Total assets	75,295	78,096	80,800
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY note 28	19,273	22,167	23,699
of which net earnings for the year	752	2,934	1,541
MINORITY INTEREST	239	265	265
PROVISIONS			
Provisions for pensions and similar commitments note 29	2,947	3,117	3,477
Deferred tax liability	3,351	3,017	2,960
Other provisions note 30	2,925	2,208	1,334
Total provisions	9,223	8,342	7,771
LIABILITIES			
Long-term liabilities note 31	31,777	31,677	26,681
Current liabilities note 32	14,783	15,645	22,384
Total liabilities	46,560	47,322	49,065
Total equity, provisions and liabilities	75,295	78,096	80,800
Pledged assets and contingent liabilities note 34	26,252	22,518	20,013

Cash flow statement – combined accounts

Amounts in MSEK	2011	2012	2013
CURRENT ACTIVITIES			
Earnings after financial items	898	2,802	1,652
Reversal of depreciation and write-downs	3,697	3,651	3,777
Current tax paid	-141	-125	-86
Adjustment for items not affecting liquidity, see specification	960	-532	-498
Total liquid funds from operations	5,414	5,796	4,845
NET INVESTMENTS			
Intangible fixed assets	-79	-43	-44
Tangible fixed assets	-5,513	-6,354	-5,659
Shares and participations	0	25	5
Total net investments	-5,592	-6,372	-5,698
FINANCING			
Increase (-) / decrease (+) long-term receivables	51	73	57
Increase (-) / decrease (+) long-term liabilities	3,788	-100	-4,996
Total financing	3,839	-27	-4,939
CHANGE IN TIED UP CAPITAL			
Increase (-) / decrease (+) stores and stocks	-77	-17	-245
Increase (-) / decrease (+) current receivables	-271	-105	858
Increase (-) / decrease (+) current liabilities	-3,662	862	6,739
Total change in tied up capital	-4,010	740	7,352
Change cash and bank (liquid funds)	-349	137	1,560

SPECIFICATION FOR CASH FLOW STATEMENT	2011	2012	2013
Items not affecting liquidity			
Change in pension provisions, etc.	298	170	360
Change in other provisions	643	-717	-874
Adjustment for other items not affecting liquidity	19	15	16
Total items not affecting liquidity	960	-532	-498

Notes – combined accounts

19 Operating income

MSEK	2012	2013
Charges	7,677	12,910
Rents and leases	7,160	2,186
Government grants	890	802
EU grants	95	209
Other grants	960	1,408
Work performed	241	261
Sales activities and contract work	2,802	2,155
Capital gains	135	61
Other receipts	2,717	2,562
Total operating income	22,677	22,554

20 Operating expenses

MSEK	2012	2013
Wages and social security contributions	-18,606	-18,432
Pension costs	-1,131	-1,824
Other personnel costs	-326	-117
Financial assistance and introduction compensation	-1,168	-1,175
Contract work and purchased activities	-6,943	-7,075
Cost of premises	-313	-535
Expendables and repairs	-1,647	-1,688
Fuel, energy, water and sewage	-5,578	-5,533
Leasing expenses	-175	-205
Capital losses and disposals	-97	-151
Other operating expenses	-4,302	-4,613
Total operating expenses	-40,286	-41,348

21 Items affecting comparability

MSEK	2012	2013
Receipts		
Repayment AFA Fora	381	355
Dissolution, provision and repayment infrastructure	92	0
Reversal, development fund	—	27
Total receipts affecting comparability	473	382
Costs		
Development fund	-400	—
Changed discount rate	—	-185
Use, development fund	—	-27
Total costs affecting comparability	-400	-212
Total items affecting comparability	73	170

22 Properties, facilities, machinery and equipment

MSEK	Goodwill	Other intangible assets	Buildings and land	New facilities in progress	Machines and technical facilities	Other equipment	Total
Acquisition value	541	795	73,728	3,548	21,577	10,497	110,686
Accumulated write-ups	—	—	3,630	—	2	—	3,632
Accumulated depreciation	-362	-379	-26,030	-3	-9,871	-5,129	-41,774
Accumulated write-downs	-54	-4	-1,354	-100	-303	-183	-1,998
Book value brought forward	125	412	49,974	3,445	11,405	5,185	70,546
Net investments for the year	—	64	1,081	3,338	161	1,801	6,445
Sales/disposals for the year	—	-20	-29	—	-41	-91	-181
Depreciation for the year	-27	-91	-2,092	—	-855	-717	-3,782
Reversed write-downs for the year	—	—	60	—	—	—	60
Write-downs for the year	—	—	-84	-8	-48	85	-55
Reclassifications/transfers	—	-4	2,394	-2,626	1,023	-1,455	-668
Book value carried forward	98	361	51,304	4,149	11,645	4,808	72,365

23 Depreciation and write-downs

MSEK	2012	2013
Depreciation, intangible fixed assets	-114	-118
Depreciation, buildings and structures	-2,017	-2,092
Depreciation, machinery and equipment	-1,514	-1,572
Write-downs	-6	5
Total depreciation and write-downs	-3,651	-3,777

24 Financial items affecting comparability

MSEK	2012	2013
Sale of company in Göteborg Port Operation AB	1,309	—
Total financial items affecting comparability	1,309	—

25 Financial receipts and expenses

MSEK	2012	2013
Financial receipts		
Interest receipts	535	415
Earnings from shares and participations	37	333
Other financial receipts	25	16
Total financial receipts	597	764
Financial expenses		
Interest expenses	-1,784	-1,569
Interest on pension costs	-60	-37
Other financial expenses	0	-17
Total financial expenses	-1,844	-1,623
Net financial items	-1,247	-859

26 Financial fixed assets

MSEK	2012	2013
Shares and participations	164	159
Deferred tax claim	3	3
Other long-term receivables	317	260
Total financial fixed assets	484	422
Shares and participations		
	Book value	Book value
Associated companies		
Lerum Fjärrvärme AB	48	51
FordonsGas Sverige AB	41	42
Other companies	32	21
Total associated companies	121	114
Other companies		
Lerum Energi AB	23	26
Kommuninvest cooperative	17	17
Other companies	3	2
Total other companies	43	45
Total shares and participations	164	159

27 Current receivables

MSEK	2012	2013
Accounts receivable	1,525	1,370
Prepaid expenses/accrued income	2,608	1,844
Receivables from the government	759	974
Other receivables	687	541
Total current receivables	5,579	4,729

28 Equity

MSEK	2012	2013
Equity brought forward	19,273	22,167
Other adjustments *	-40	-9
Net earnings for the year	2,934	1,541
Equity carried forward	22,167	23,699

* Other adjustments regard a change in the tax rate from 26.3% to 22% (MSEK 51) and correction of the opening balance (MSEK -91) for 2012. Regards a change in the Group structure (MSEK -6) and the minority share of Group contributions applies (MSEK -3) for 2013.

29. Pensions

MSEK	2012	2013
Pension provision		
Benefit-determined retirement pension scheme	2,627	2,937
Collective agreement occupational pension, fixed-term pension, etc.	59	37
Employer's contribution	431	503
Total pensions	3,117	3,477
Change in provision over the year		
Provision brought forward	2,947	3,117
New commitments during the year	282	436
of which newly earned pension	164	166
of which interest and base amount indexation	105	249
of which change in actuarial bases	14	10
of which pension to survivors	6	7
of which miscellaneous	-7	4
Payouts for the year	-149	-146
Change in special employer's contribution for the year	37	70
Total pensions	3,117	3,477

30 Other provisions

MSEK	2012	2013
West Sweden Package	1,117	453
Swedish Transport Administration public transport	28	19
Restoration of landfills (Eco-cycle)	36	34
Provision for future commitments (Älvstranden)	114	89
Sale of Västra Eriksberg (Älvstranden)	85	63
Restoration of dredging landfill	28	43
Write-down of project (Higab)	31	24
Restoration of landfills (Renova)	23	11
Actuarial provision (Port of Gbg)	22	8
Loss contract	16	3
Provision for restructuring	31	19
Guarantee commitments	78	49
Provision Gothenburg Port Line	121	25
Future environmental measures	41	71
Development fund (City)	400	373
Other	37	50
Total other provisions	2,208	1,334
Change in other provisions over the year		
At start of year	2,925	2,208
Additional provisions	577	97
Amounts utilised	-1,113	-892
Reversed unused amounts	-87	-71
Reclassification, etc.	-94	-8
Total other provisions	2,208	1,334

31 Long-term liabilities

MSEK	2012	2013
Debts to banks, credit institutes, etc.	31,421	26,293
Other long-term liabilities	137	53
Total long-term liabilities	31,558	26,346
Deferred income, regulated over several years		
Connection charges	119	155
Investment grants	—	175
Payments for street costs	—	5
Total deferred income	119	335
Total long-term liabilities and deferred income	31,677	26,681

32 Current liabilities

MSEK	2012	2013
Debts to banks, credit institutes, etc.	5,960	12,872
Accounts payable	2,931	2,818
Accrued expenses/deferred income	5,829	5,759
Personnel taxes	272	277
Debts to the government	71	68
Other current liabilities	582	590
Total current liabilities	15,645	22,384

33 Leasing expenses

MSEK	2012	2013
Leasing fees paid for the year	175	205
Contracted future leasing fees		
Maturity within one year	113	116
Maturity within two to five years	227	246
Maturity later than five years	42	278

34 Pledged assets and contingent liabilities

MSEK	2012	2013
Guarantees		
Private houses – government home loans	7	6
Foundations	604	603
Associations	184	186
Other	37	44
Total guarantees	832	839
Pension commitments		
Pension commitments PA-KL active	4,718	4,817
Pension commitments PA-KL retired	4,422	4,917
Pension commitments annuity	431	434
Total pension commitments PA-KL	9,571	10,168
Pension commitments managers' agreements	34	28
Other pension commitments	11	9
Guarantee commitments FPG/PRI	7	7
Total pension commitments	9,623	10,212
Special employer's contribution	2,285	2,426
Total pension commitments and special employer's contribution	11,908	12,638
Other contingent liabilities*	528	544
Pledged assets	9,250	5,992

* Göteborg Energi AB as bank guarantees for considerable sums.

Internal transactions and contract companies

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

Extensive internal sales occur within the City of Gothenburg Group by the Göteborg Energi Group of district heating and electricity to other units in the City of Gothenburg. The Eco-cycle and Water Committee also has extensive internal sales to other units. According to a decision by the City Council, the City's investments in movable property are financed by 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 constitutes the internal bank function within the Municipal City of Gothenburg. The Finance department has guarantee commitments to the City companies. The City stands surety for loans and for certain pension obligations.

Sales

MSEK	Com- panies	The City	Joint statutory authorities	Total
Seller				
Companies	—	2,800	13	2,813
The City	555	—	14	569
Joint statutory authorities	9	392	—	401
Total	564	3,192	27	3,783

Interest

MSEK	Com- panies	The City	Joint statutory authorities	Total
Interest				
Companies	—	155	—	155
The City	703	—	—	703
Joint statutory authorities	—	4	—	4
Total	703	159	—	862

Lending

MSEK	Com- panies	The City	Joint statutory authorities	Total
Lender				
Companies	—	1,615	—	1,615
The City	19,739	—	—	19,739
Joint statutory authorities	—	397	—	397
Total	19,739	2,012	—	21,751

Surety

MSEK	Com- panies	The City	Joint statutory authorities	Total
Surety issuer				
Companies	—	—	—	—
The City	2,326	—	136	2,462
Joint statutory authorities	—	—	—	—
Total	2,326	—	136	2,462

Group and shareholders' contributions received/paid by Göteborgs Stadshus AB in 2013

Companies (MSEK)	Shareholders' contribution paid	Group contribution received from	Group contribution paid to
Göteborg Energi AB	—	163	—
Göteborg Port Holding AB	64	100	—
Higab AB	79	124	—
Liseberg AB	19	31	—
Göteborgs Stads Upphandlings AB	—	—	4
Göteborgs Spårvägar AB	18	23	—
Got Event AB	—	—	180
Business Region Göteborg AB	—	—	34
Göteborgs Stadsteater AB	—	—	99
Kommunleasing i Göteborg AB	—	—	87
Total	180	441	404

Analysis of large groups and companies

The City of Gothenburg has a number of wholly and partly owned groups and companies. The operating income of these was SEK 18.3 billion (18.2). Earnings after financial items for the City's groups and companies amounted to SEK 764 million (2,185) and combined investments were SEK 3.9 billion (4.5).

In 2013, the City Council decided on a new company structure for the City's companies. The new structure means that all of the City's companies will be organised into one Group, with Göteborgs Stadshus AB as parent company. The largest groups are Förvaltnings AB Framtiden, which consists of the public housing companies, Göteborg Energi AB, Göteborgs Spårvägar AB and Göteborgs Hamn AB. Amounts in brackets refer to last year's outcome.

Net earnings for the year and activities in 2013

On 5 December 2013, the Gothenburg City Council decided on a new company structure for the City's companies as of 2014. The new structure means that all of the City's directly and indirectly wholly-owned or partly-owned companies will be organised into one Group, with Göteborgs Stadshus AB as parent company. As part of this work, Göteborgs Stadshus AB acquired Förvaltnings AB Framtiden and Göteborg & Co Kommunintressent AB in 2013, while Higab AB acquired Älvstranden Utveckling AB. Another acquisition took place on 2 January 2014.

Göteborgs Stadshus AB

Göteborgs Stadshus AB (formerly Göteborgs Kommunala Förvaltnings AB) has been the parent company of one of the City of Gothenburg's wholly owned groups since 1996. Included in the Group are 18 directly owned subsidiaries and two dormant subsidiaries. The largest companies in the group are Förvaltnings AB Framtiden, Göteborg Energi AB, Göteborgs Hamn AB, Göteborgs Spårvägar AB, Higab AB and Liseberg AB.

The main purpose of the group is to create financial coordination between the companies in the group. The group reported operating income of SEK 11,011 million (11,505) and earnings after financial items of SEK 612 million (1,909). The weakening compared to the previous year is largely due to the sale of Skandia Container Terminal AB, which generated a capital gain that affected the earnings in 2012.

The group's equity-assets ratio was 27.3 per cent (24.3). The group's total assets increased significantly in conjunction with the acquisition of Förvaltnings AB Framtiden, Älvstranden Utveckling AB and Göteborg & Co Kommunintressent AB.

Förvaltnings AB Framtiden*

The company is the parent company of the municipal housing companies. The group manages a total of over 70,000 flats. The group's operating income rose by 3 per cent to SEK 5,644 million (5,499). Earnings after financial items totalled SEK 212 million (197). Earnings were favourably affected by higher rent income from flats.

The group's operating expenses increased by SEK 33 million to SEK 2,230 million. The tariff charges make up 42 per cent of the total operating expenses and reduced by SEK 7 million in comparison with the previous year. Reductions were primarily in costs for heating and electricity. Costs for planned maintenance totalled SEK 808 million (776) and costs for extended maintenance were SEK 454 million (392).

The group reported a number of items affecting comparability totalling SEK -43 million (30). The largest individual item relates to provision of subsidy attributable to introduction of the "Framtidens Bredband" broadband project.

In all, the supplied delivered 203 new tenant dwellings (339) and 117 freehold dwellings (76) in 2013.

The investment expenditure for 2013 was SEK 1,023 million (1,221). The Group's investments consist of investments in new construction and investments in existing properties in the form of standard-improvement measures and measures to reduce e.g. energy consumption in buildings. Projects completed in 2013 include Mandelpotatisen, total spending SEK 213 million, and Backa Södra, total spending SEK 161 million.

Förvaltnings AB Framtiden's annual report is prepared in accordance with IFRS in the group accounts. For this reason, there are deviations from the values in the combined accounts.

Göteborg Energi AB *

Göteborg Energi AB is the parent company of a Group with products in district heating, electricity market, mains supply, cooling, gas, gas grid, energy services renewable electricity and data and telecommunications.

The group's earnings after financial items totalled SEK 711 million (512). The earnings improvement for 2013 is primarily due to the capital gain that occurred when the wholly-owned subsidiary Falbygden Energi AB was sold.

The group's net turnover was SEK 6,922 million (6,956), of which about 40 per cent was for district heating and 40 per cent was for the electricity market. A cold start to the year had a positive effect on district heating's turnover. Turnover for the electricity market declined due to lower electricity prices. This was counteracted to some degree by higher volumes. Turnover for mains supply also reduced due to lower volumes.

The group is making major investments for the conversion to renewable energy production, particularly in biogas. Investment expenditure for the year was SEK 1,348 million (1,470). SEK 1,105 million (1,266) is new investment and SEK 243 million (202) is reinvestment.

The construction of GoBiGas stage I continues. The year saw the first successful gasification of pellets in the GoBiGas plant. Opening of the plant is planned for March 2014. Project expenditure is estimated at SEK 1,295 million, with the accumulated outcome up to 31 December 2013 totalling SEK 1,089 million. Another large project underway is the remodelling and expansion of the head office. The project is expected to be completed in 2014, with expenses totalling SEK 360 million.

Göteborgs Hamn AB *

The group's earnings after financial items were SEK 429 million (221) and operating income was SEK 640 million (652). The reduced turnover is explained by a decline in volumes, particularly in relation to containers, RORO and the energy segment. In all, the quantity of goods from the Port of Gothenburg declined from 41.7 million metric tons in 2012 to 38.9 million metric tons in 2013.

Through the restructuring, Port of Gothenburg AB has got a partly changed role, where parts of the new assignment are to meet requirements for a well-functioning infrastructure, market the Port of Gothenburg as an important goods hub in northern Europe and carry out its role of port authority.

The improved earnings in relation to the previous year are mostly due to the favourable effect on earnings from a dividend of SEK 299 million from Göteborg Port Operation AB.

The company's investment for 2013 amounted to SEK 140 million (128). Large projects underway during the year include new construction of a new dock in the container terminal. This project is expected to reach completion in 2015 and the project is expected to cost SEK 386 million. As of 31 December 2013, the accumulated outcome was SEK 169 million. The property Arken was also acquired during the year. The acquisition ensures access to land that is strategically situated close to the terminal operation. Other ongoing projects include construction of a logistics centre in Arendal, with an investment outlay of SEK 119 million.

*The annual reports of Göteborg Energi AB and Göteborgs Hamn AB are prepared with application of RR29 in the group accounts. For this reason, there are deviations from the values in the combined accounts.



Göteborgs Spårvägar AB's operating income decreased during the year.

Photo: Jeanette Larsson

Göteborgs Spårvägar AB

Operating income during the year decreased to SEK 1,277 million (1,523). The reduction in the group's turnover is largely an effect of reduced activity because the group lost contracts in connection with procurement. The group reported earnings after financial items totalling SEK 4 million (29).

The group's subsidiary GS Buss AB reported earnings of SEK -24 million (-31). In 2012 Västtrafik effected a procurement for bus services on Hisingen. GS Buss AB was not allocated any services. From midway through 2013, the company therefore only operates services in Centrum. The contract comprises 50 buses and extends to 2021. The subsidiary GS Spårvagn AB runs its operations by order of VGR, in accordance with an agreement. The company reported earnings of SEK 13 million (16). On 30 December 2013, the company merged with the parent company Göteborgs Spårvägar AB. Earnings for GS Trafikantservice AB amounted to SEK 12 million (7).

The parent company was tasked with responsibility for the procurement of 100 new trams. In an initial stage, the new trams shall cover the need to replace 40 cars from the 1960s, with the first cars expected to be delivered in 2017. In 2013, all trams of type M32 (Ansal-

doBreda Sirio) were delivered and put into service. Major problems, e.g. rust, have negatively impacted the availability of the cars and services ordered by Västtrafik could not be delivered in sufficient scope.

Higab AB

Higab AB reported operating income of SEK 730 million (682). Earnings after financial items totalled SEK 179 million (111). The earnings improvement is largely due to capital gains in conjunction with property transactions. During the year, the company sold the subsidiary Fastighets AB Parkgatan and the property Arken. Through the City Council's decision on a new company structure in the City, Higab AB is now the parent company of the City's premises management companies. The company therefore acquired Älvstranden Utveckling AB from the City of Gothenburg on 30 December 2013.

Higabs AB's investment expenditure for the year was SEK 273 million (416). The lower investment level is primarily because construction of Angered Arena was completed in 2012, which explains the decrease compared to 2013. Large projects underway within the group are largely made up of refurbishment and reconstruction of the Stadsbiblioteket library and City Hall. These projects are expected to reach completion in 2014.

Liseberg AB

The group's operating income increased slightly during the year, amounting to SEK 977 million (974). Earnings after financial items totalled SEK 53 million (74). A total of 2.1 million (2.2) guests visited the amusement park in the summer, a 2 per cent decline compared to the previous year. For the first time ever, Christmas at Liseberg remained open between Christmas and New Year's, with visitors totalling 50,000 during that time. In all, Christmas at Liseberg attracted 532,000 (470,000) guests. Hotel and restaurant operations showed good results in 2013.

During the year, a large property was acquired to enable expansion of the amusement park. The group also began reorganisation with the aim of clarifying management and governance and to reduce redundant functions. Among other things, there was activity transition for the subsidiaries. Remaining activities in the subsidiaries consist of property management.

Liseberg AB's investment expenditure for 2013 was SEK 382 million (136). The single largest new investment was in attraction project Helix, a new roller coaster expected to be completed in spring 2014. The estimated cost of the project is SEK 239 million.

Göteborgs Gatu AB

The company comprises the business area of Technical Services. The company reported operating income of SEK 218 million (217). During the year, the company exhibited good order intake and lower operating expenses. Earnings after financial items totalled SEK 0.1 million (13). The earnings include an increased cost for pensions in the company amounting to SEK 11 million.

Kommunleasing i Göteborg AB (KLAB)

The company's operating income decreased to SEK 398 million (435). Earnings after financial items totalled SEK -3 million (9).

All of the 403 buses that KLAB acquired from Göteborgs Spårvägar AB in 2009 have now been sold. During the year, the City of Gothenburg tasked the company to finance additional trams through leasing in connection with new procurement. The estimated acquisition value is SEK 1,355 million.

Investments in the company comprise investments in leasing assets. These assets are leased to organisations within the City of Gothenburg. The role of the company is to rent out movable property, such as equipment, vehicles and construction machinery, to the committees, departments and companies of the City of Gothenburg.

Renova AB

The group's operating income decreased by 6 per cent, amounting to SEK 1,207 million (1,283). The decrease in earnings is largely due to lower earnings within the segments waste, fuel and business customers. Earnings after financial items totalled SEK -71 million (12). Earnings were negatively impacted by a write-down of the Marieholm plant.

During the year, Renova prepared for reorganisation that will divide operations into two components: a parent company that will handle the activities that its municipal part-owners assign without procurement and a subsidiary that will operate on the commercial market.

Renova AB invested SEK 78 million (109) in 2013. Investments primarily comprise reinvestments in the Sävsnäs plant.



During the year, Renova prepared for reorganisation that will divide operations into two components.

Photo: Jeanette Larsson

Älvstranden Utveckling AB

The group's operating income totalled SEK 425 million (394). Rent receipts remain virtually unchanged compared to the previous year. Group earnings after financial items totalled SEK 22 million (85). The lower earnings compared to 2012 are primarily due to lower write-down reversals. During the year, previously written-down facilities were reversed at SEK 27 million (109). 973 housing units were completed in the Älvstranden area during the year, with the activity directed by the company's consortium partners.

Älvstranden Utveckling AB's investment expenditure for 2013 was SEK 111 million (138). The company is running several projects concerning sales commitments made in connection with the transfer of land. One example is the construction of infrastructure in Västra Eriksberg – a project that began in 2005 and is expected to be completed in 2019. The current forecast for the project as a whole is SEK 406 million and worked up outcome totals SEK 341 million.

Other major projects comprise infrastructure at Östra Kvillebäcken, where accumulated outcome is SEK 36 million and the forecast for the project as a whole is SEK 66 million; infrastructure Stora Torp with a forecast of SEK 83 million and accumulated outcome of SEK 59 million; and infrastructure Inre Sannegården with accumulated outcome of SEK 68 million and project expenditure estimated at SEK 79 million.

Gryaab AB

The company's operating income increased to SEK 309 million (297). The earnings increase consists primarily of increased contributions from owner municipalities. Earnings after financial items totalled SEK -21 million (-15). The negative earnings are the effect of the board's decision to reduce the company's untaxed reserves. The main role of the company is to collect and treat wastewater from owner municipalities. 115 million cubic metres of water (136) were treated during the year.

Company investments in 2013 amounted to SEK 122 million, compared to SEK 37 million the previous year. One major project started during the year was investment in a nitrogen removal facility. The project as a whole is estimated at SEK 360 million. A new operations centre is being planned, with expected completion by 2017. Investment expenditure for this is SEK 74 million.

Total investments in groups and companies 2012–2013

MSEK	Annual accounts 2012	Budget whole year 2013	Annual accounts 2013
Förvaltnings AB Framtiden	1,221	1,526	1,023
Göteborgs Energi AB	1,470	1,584	1,348
Älvstranden Utveckling AB	138	227	111
Kommunleasing i Göteborg AB	564	348	396
Renova AB	109	136	78
Higab AB	416	412	273
Göteborgs Hamn AB	128	224	140
Liseberg AB	136	228	382
Gryaab AB	37	150	122
Göteborgs Gatu AB	76	84	97
GREFAB	15	10	2
Göteborgs Spårvägar AB	215	31	45
Got Event AB	14	19	17
Göteborgs Stadsteater AB	5	8	3
Försäkrings AB Göta Lejon	1	1	2
Göteborg & Co AB	2	0	0
BRG AB	0	1	0
Göteborgs Upphandlings AB	1	0	1
Boplat i Göteborg AB	4	3	3
Eliminations	-15	0	-100
Total	4,537	4,992	3,942

Groups and companies in figures

MSEK	Operating income	Earnings after fin items	Year's net earnings	Total assets	Equity	Equity-assets ratio	Year's investments
Förvaltnings AB Framtiden	5,644	212	161	27,013	8,673	32	1,023
Göteborg Energi AB	7,125	711	603	14,654	5,448	37	1,348
Göteborgs Spårvägar AB	1,277	4	1	688	384	56	45
Göteborgs Hamn AB	640	429	404	3,023	1,501	50	140
Renova AB	1,207	-71	-39	1,971	346	18	78
Liseberg AB	977	53	40	1,529	749	49	382
Higab AB*	730	179	145	5,111	687	13	273
Älvstranden Utveckling AB*	425	22	11	4,361	521	12	111
Göteborgs Gatu AB	218	0	-1	392	51	26	97
Kommunleasing i Göteborg AB	398	-3	70	2,509	103	31	396
Gryaab AB	309	-21	1	1,379	10	5	122
Göteborg & Co Kommunintressent AB	266	0	0	97	10	10	0
Got Event AB	183	-174	-133	160	33	21	17
BRG Business Region Göteborg AB	102	-33	-26	73	52	71	0
Försäkrings AB Göta Lejon	96	-5	-3	283	184	65	2
Göteborgs Stadsteater AB	61	-97	-76	58	21	52	3
Göteborgsregionens Fritidshamn AB, GREFAB	51	4	1	102	13	15	2
Göteborgs Stads Upphandlings AB	48	-4	-4	27	17	63	1
Boplat Göteborg AB	14	0	0	11	3	36	3
Göteborgs Stadshus AB	0	667	655	14,235	12,430	87	0
Dormant company	0	0	0	0	0	0	0

* As of 30 December 2013, Higab AB and Älvstranden Utveckling AB are under a single group known as Higab AB.

Auditor's report

AUDITOR'S REPORT FOR 2013

concerning the City of Gothenburg Executive Board and Committees and the combined annual accounts
Municipal City of Gothenburg, reg. no. 212000-1355

We, the auditors for the Executive Board and Committees of the City of Gothenburg (the Municipal City), are appointed by the Gothenburg City Council.

The Executive Board and Committees are responsible for activities being conducted in a purposeful and financially satisfactory manner, for the accounts and the report being 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 operative goals decided by the City Council.

By means of lay auditors appointed to companies and subsidiaries wholly owned by the City of Gothenburg, the activities and internal control of these companies have also been examined.

The audit has been performed in accordance with the Local Government Act and generally accepted auditing standards in municipal activities. The examination has been carried out with the focus and to the extent required to provide reasonable grounds for assessment and examination of liability.

The results of the examination of the City Executive Board and Committees are shown in the audit memoranda and audit accounts submitted to the Board and the Committees. The results of the examination of the companies are shown in a corresponding way in the audit reports and audit accounts submitted to each company. The examination has also covered the combined accounts for the City of Gothenburg (the Municipal City and the companies). The year's examination is summarised in our annual statement, which has been submitted to the City Council.

We assess that the accounts essential provide a fair and accurate picture.

We assess that the results according to the Annual Report are consistent with the financial and operative goals determined by the City Council.

The auditors will report to the City Council their examination of liability of the Board and Committees. The assignment of the lay auditors in the companies does not include a standpoint in the matter of liability.

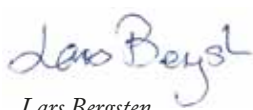
A qualification was addressed to the Angered district committee as a result of serious deficiencies the City Audit Office found in relation to action programmes in schools. The committee followed up on the previous year's critique, but in our opinion has not sufficiently ensured that the measures taken led to the students receiving the support in the school to which they are entitled.

A qualification was addressed to the Lundby district committee. The City Audit Office deems that the district committee did not act strongly or quickly enough in their management and control of the organisation to rectify deficiencies in the handling of child welfare cases. The district committee's internal management and control of the exercise of authority was thus inadequate during the year.

We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2013.

We recommend that the 2013 Annual Report for the City of Gothenburg be approved.

Gothenburg, 9 April 2014



Lars Bergsten



Eshag Kia



Carina Henriksson Johansson



Claes-Göran Lans



Monica von Martens



Bo Forsäng



Kågan Karlsson



Bengt Bivall



Elisabet Olin



Inger Peterson



Annbrith Svensson



Lars Svensson



Sven R. Andersson



Lars-Gunnar Landin



Peggy Svensson



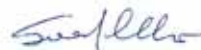
Jan Lindblom




Vivi-Ann Nilsson



Torbjörn Rigemar



Sven Jellbo



Bengt Eriksson



Gerhard Annvik



Eva Åsman Sand

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In brief

	2011	2012	2013
Population 31 Dec.	520,354	526,089	533,271
Primary municipal tax rate (%)	21.55	21.12	21.12
NET EARNINGS FOR THE YEAR (MSEK)			
The City	411	669	9,595
The companies	366	2,301	655
Combined accounts	752	2,934	1,541
INVESTMENTS excl. investment income (MSEK)			
The City	1,544	2,498	2,399
Combined accounts	6,283	7,244	6,413
RECEIPTS (MSEK)			
The City	32,542	32,403	33,472
Combined accounts	48,930	47,201	48,230
TOTAL ASSETS (MSEK)			
The City	39,968	42,483	51,460
Combined accounts	75,295	78,096	80,800
EQUITY-ASSETS RATIO (%)			
The City	19	20	35
Combined accounts	26	29	30

Group accounts are called combined accounts in the municipal sector.

The Annual Report of the City of Gothenburg shall reflect the City and its residents. You will therefore be able to see reflections in the pictures. It may be a reflection in a facade, a port channel, a tram window or, like on the cover, in a store window.

If you have any questions about the Annual Report, please contact the Group Accounts unit at the City Management Office, tel. +46 (0)31-368 02 17. www.goteborg.se

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Göteborgs
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