



# City of Gothenburg Annual Report 2022

Sustainable city - open to the world



City of  
Gothenburg

# City of Gothenburg Annual Report

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

The Annual Report begins with a summary of the past year by the Chairman of the City Executive Board in 2022, Axel Josefson. This is followed by general information about the City of Gothenburg's organisation, its employees, assignments and future challenges. The Annual Report is divided into four sections plus the introduction.

**Title:** City of Gothenburg Annual Report 2022

**Author:** City Management Office, City of Gothenburg

**Graphic design, layout and illustration:** Visual Communication, City of Gothenburg

**Cover photo:** Lo Birgersson

**Other photos:** Lo Birgersson, Anna-Lena Lundqvist, Mika Aberra, Frida Winter, House of vision

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# Well equipped for more challenging times

Gothenburg has a healthy economy and both unemployment and dependency on income support continued to fall in 2022. At the same time, development initiatives continued in particularly vulnerable areas, and new stakeholders assisted with this important work.

At the start of 2022 we were still living with the pandemic and related restrictions, which were lifted in early February. Just a few weeks later, Russia invaded Ukraine, and Europe faced a new wave of refugees, electricity and fuel shortages, as well as rising inflation and interest rates.

Today we live in a completely different economic landscape than we did in the previous 15 years. Inflation is close to 10 per cent, interest rates have risen sharply since the summer, the Swedish krona is weaker than it has been for many years and electricity prices are at levels that were almost unimaginable a couple of years ago. The combined effects are placing massive strain on household finances and there are few signs of relief in the near future.

The business community is also affected by these developments. Companies that depend on imports and sell most of their goods and services in Sweden are being hit by sharp price rises and falling demand. On the other hand, export companies that purchase most of their needs locally are benefiting from the weak krona. For Gothenburg and the region as a whole, at the hub of the Swedish export industry, this has contributed to the fact that we once again have the lowest unemployment rate of all Swedish metropolitan regions.

## **A stable economy in troubled times**

Despite the uncertain times, the City of Gothenburg is still in a healthy economic situation. The

surplus amounted to SEK 3.7 billion in 2022. Tax revenue rose in particular, generating SEK 800 million more than expected. This is because more Gothenburg residents are in work, which also affects expenditure.

A stable economy is vital in order to weather the tougher times that have already arrived. We expect to be in a recession that will last throughout 2023 and probably into 2024. This makes it reassuring to have funds that will allow us to maintain municipal services and support the people who are hardest hit.

## **Work continues in vulnerable areas**

One particular focus for efforts during the year was our aim to ensure that no area in Gothenburg appears on the police authority's list of particularly vulnerable areas in 2025. It was very rewarding for us when Gårdsten and Tynnered were removed from the list. Eliminating every area from the list is a challenge that requires the combined efforts of the City of Gothenburg, our companies, other authorities, the business community and civil society. But the most important thing is to engage with and encourage residents to get involved.

In 2022, we were able to implement two new handshake deals between the City, AB Framtiden and the private sector. The deals are based on the same model we established with companies such as Stena Fastigheter and Volvo Cars in Tynnered. AB Volvo and the property company Willhem AB

are now taking joint initiatives in Biskopsgården, while Saab and Fastighets AB Balder are doing the same in Bergsjön.

### **Greater clarity in schools**

The foundation for a positive future is laid in schools. Early interventions for students with special needs and additional special education teams are both examples of initiatives taken to improve opportunities for all children and young people. In 2022, the City of Gothenburg introduced an expectation document that clarifies what is expected of students in schools. The document must be signed by students' parents. If it is not signed, the school may contact social services. We also increased the allocation for teaching materials at the same time. This means that Gothenburg now has the highest expenditure on school books per pupil among Swedish cities.

### **Reduced benefit dependency**

Social services have an important role in the task of eliminating more areas from the police authority's list of particularly vulnerable areas. The main focus is to help people escape unemployment and dependency on income support. By setting conditions for welfare, incentives and opportunities are created for people who have been excluded from the labour market.

In 2022 it was noted that unemployment among residents born abroad was continuing to fall and that fewer Gothenburg residents were dependent on income support. The number of homeless households reached the lowest level since 2015, when these figures were first reported. Another success is the City of Gothenburg's community initiative to reduce violence (CIRV). The number of applicants has been higher than expected, which is an important step in reducing crime and the influence of criminal gangs on local communities.

### **Closing the housing gap**

Housebuilding has continued at historically high levels, matched only by the Million Homes Programme of the 1970s. The construction of 5,700 new homes made this the fourth consecutive year in which housebuilding exceeded the demand from population growth. This means that the housing shortage is shrinking.

In particular, the number of single-family homes continued to rise. This enables more families with children to live in Gothenburg instead of moving to neighbouring municipalities. Keeping families with children in Gothenburg, and hence maintaining tax revenue, is important for the city's

continued growth, as well as reducing the need for commuting.

In addition to housing, construction work has continued on infrastructure, offices and other commercial properties. One example is Liseberg's new hotel, which will open in April 2023. A water park and the new World of Volvo are also being developed nearby. During the year we also gave the go-ahead for a new central swimming pool and an arena to replace Scandinavium.

### **Care of elderly meets the challenge**

Following two years of the pandemic and a reorganisation of services, care of the elderly began 2022 with another period of high infection rates and increased sick leave due to Covid-19. Despite the heavy strain, care of the elderly provided a high level of service in Gothenburg. While satisfaction with home-help services, nursing homes and care homes has declined in the rest of the country, we were able to maintain levels and consequently climbed the national rankings. Employee surveys also show an improvement in job satisfaction.

Looking ahead, the main challenges facing the care sector are demographic trends and managing skills provision. Much of our efforts in 2022 therefore focused on improving skills provision in order to attract, recruit, train and retain staff.

### **Gothenburg is leading the green transition**

In April, the European Commission chose Gothenburg as one of Europe's 100 climate-neutral and smart cities. The award means that we will act as pioneers and lead the way for the transition in Europe. This is the result of a wide range of stakeholders taking an active role in the city and the region. The business community, in particular, has shown that it wants to help the city achieve its climate goals in practice. We also adopted a green plan during the year that will guide planning, building and management in the City of Gothenburg in order to maintain and develop green values.

One factor that has become especially clear during the year is the importance of the business community in this transition. This is an area where Gothenburg clearly leads the way, not just in Sweden, but worldwide. Companies here are driving the development of fossil-free transportation on land, at sea and in the air. This is good for the world at large and gives Gothenburg a good starting point for the future.

**Axel Josefson (Mod.)**

Chairman of the City Executive Board

## City Executive Board members



**Axel Josefson (Mod.)**  
City Councillor,  
Chairman



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



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



**Blerta Hoti  
(Soc. Dem.)**  
City Councillor



**Martin Wannholt  
(Dem.)**  
City Councillor



**Karin Pleijel (Green)**  
City Councillor



**Hampus Magnusson  
(Mod.)**  
City Councillor



**Marina Johansson  
(Soc. Dem.)**  
City Councillor



**Grith Fjeldmose (Left)**  
City Councillor



**Jessica Blixt (Dem.)**  
City Councillor



**Jörgen Fogelklou  
(Swe. Dem.)**  
City Councillor



**Emmyly Bönfors (Centre)**  
City Councillor



**Jonas Attenius  
(Soc. Dem.)**  
City Councillor



**Nina Miskovsky (Mod.)**  
City Councillor



**Jenny Broman (Left)**  
City Councillor



**Viktoria Tryggvadottir  
Rolka (Soc. Dem.)**  
City Councillor



**Elisabet Lann  
(Chr. Dem.)**  
City Councillor



**Henrik Munck (-)**  
City Councillor



SILVERTÄRNAN



# Sustainable city – open to the world

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

International influences make a clear mark on trade and industry in the city and region. Several large companies in Gothenburg are owned by international corporations and several local companies are world leaders in their sectors. The city attracts people from all over the world and its population is more diverse than ever.

## **The City of Gothenburg**

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

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

of museums, theatres, shopping, restaurants and hotels.

## **A changing city**

Gothenburg is growing and preparing to create space for 700,000 residents by 2035. This is just over 100,000 more than at present. It means that Gothenburg is transforming from a large town into a close-knit green city.

In the old shipbuilding districts, completely new districts have been created around the old shipyard and industrial buildings in areas such as Eriksberg, Sannegårdshamnen and Lindholmen. New roads, bridges, cycle paths and extended public transport will make it easier to get around the city.

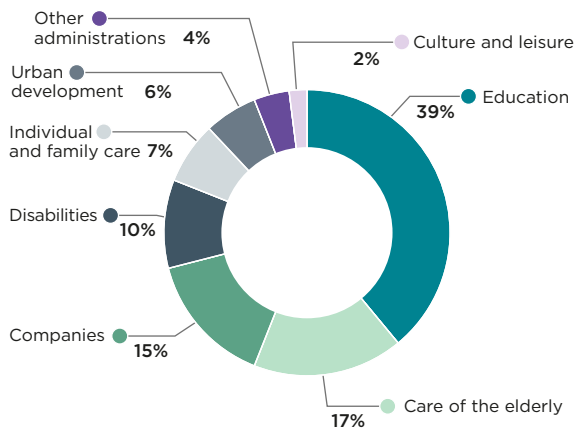
## **The Municipality's responsibilities**

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

## Our employees

The City of Gothenburg is the largest employer in Gothenburg and employs 62,950 people in more than 100 roles in specialist administrations and municipal companies. Our shared mission is to create a good quality of life for residents, visitors and businesses, as well as developing Gothenburg to meet future needs. The average age of permanent employees is 45, and 71 per cent of employees are women. The gender distribution varies between administrations and companies. Women make up 76 per cent of employees in the City's administrations, while in the companies they make up 51 per cent.

### City of Gothenburg employees in 2022



## Our residents

The City's various operations conduct regular user surveys to improve the quality of services based on users' needs. An attitude survey is also conducted annually through Statistics Sweden (Statistiska Centralbyrån, SCB) and the SOM Institute. According to the most recent resident survey by SCB, 90 per cent of Gothenburg residents feel that Gothenburg is a very good place or quite a good place to live.

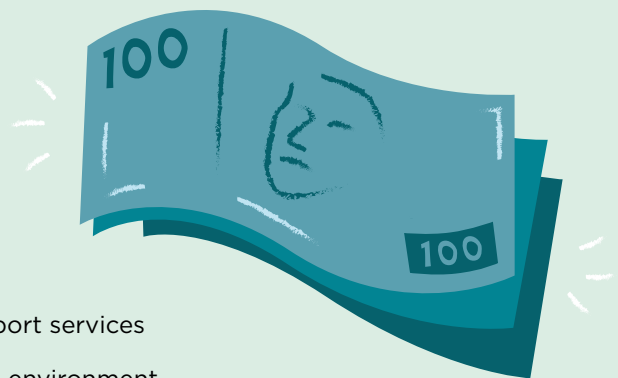
They are very satisfied with the opportunities for education and work, public transport and the range of commercial and cultural activities. The latest survey by the SOM Institute shows that most residents of Gothenburg feel very satisfied or quite satisfied with the way democracy works in the City of Gothenburg. Residents in the age group 16–29 are most satisfied.

## How each SEK 100 of municipal tax is spent:

- SEK 27** Compulsory schools, special schools and school childcare
- SEK 17** Care of the elderly
- SEK 14** Disabilities
- SEK 13** Pre-school
- SEK 12** Individual and family care
- SEK 7** Upper secondary and adult education
- SEK 4** Culture and leisure
- SEK 3** Roads, parking, traffic and special transport services
- SEK 3** Other, including urban development and environment

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- SEK 100** Total tax revenue



# City of Gothenburg in figures 2022

**104**  
million  
bus journeys

**484,000**  
journeys by special  
transport services

**107,000**  
parking fines

**119**  
million  
tram journeys

**596,841**  
residents

**211**  
million  
kilos of waste  
were collected

**2.9**  
million  
visitors to the  
city's parks

**39,800**  
people moved  
to the city

**33,600**  
moved out  
of the city

**3.1**  
million  
borrowed books,  
of which 339,000  
were e-books

**6,922**  
births

**388,000**  
visits to museums  
and art galleries



# How to read the City of Gothenburg Annual Report

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1

## Administration Report

14

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

2

## Annual Accounts

62

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

3

## Economic and Financial Report

98

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

4

## Overall operational goals and developments in operations

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The section on overall operational goals and developments in operations reports on progress towards the City Council's three overall goals and the overall operational goals, together with an assessment of whether the goals are considered to be fulfilled or not. Assessment of the overall goals is based on a general assessment of progress towards the operational goals. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target values for each indicator have been met. The section also gives a summary of progress of each of the municipal operations towards specific overall operational goals. The section begins with an account of how the City Council's goals relate to the goals of Agenda 2030. The Annual Report concludes with the Auditor's Report.

# 1

## Administration Report

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

# Administration Report

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

**18 Overview of trends in operations**  
This section presents a number of measures and key figures that describe the trends in operations compared with the four immediately preceding years. A general description of developments is also presented here.

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

**30 Significant events**  
This section describes a number of significant events that occurred in 2022. The section also includes events that occurred at the beginning of 2023.

**32 Governance and monitoring of municipal operations**  
A presentation of information and important facts regarding governance, monitoring and internal control for the Municipality and Municipal Group.

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

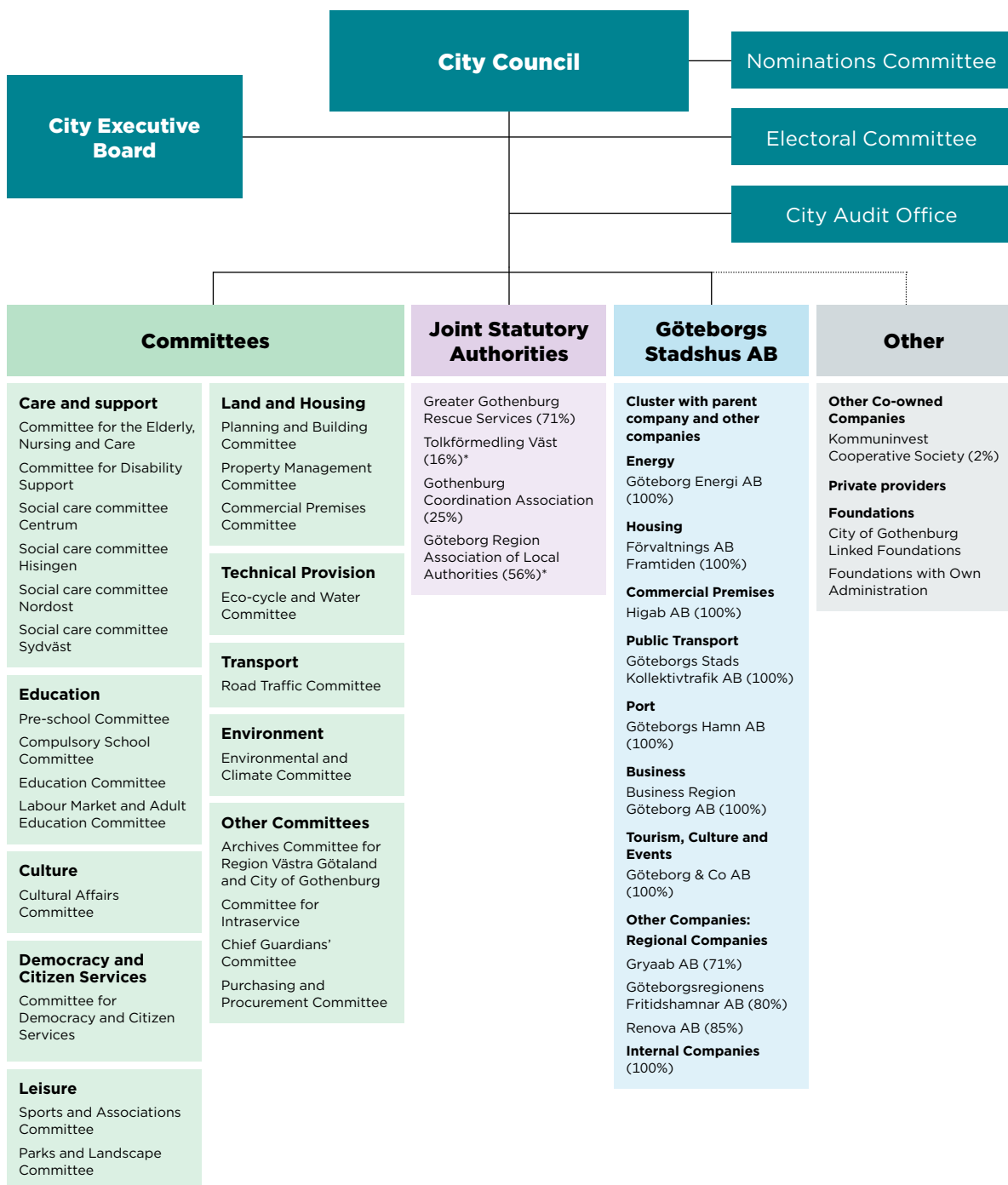
**49 Balanced budget requirement**  
A description and analysis of the balanced budget requirement, followed by a report on the Municipality's earnings equalisation reserve (EER).

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

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

# The Municipal Group

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



\*Excluded from combined accounts



The Municipal Group consists of an organisation of committees in the municipal sector that constitute a legal entity, municipal and coordination associations mainly consisting of Greater Gothenburg Rescue Services and the company sector under the parent company Göteborgs Stadshus AB. The Stadshus Group includes 88 wholly or partly owned companies, including 32 companies that operate with staff. The Municipal Group is usually presented in the combined accounts.

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

On 2 January 2023, the reorganised administrative structure for urban development in the City of Gothenburg took effect. Five departmental committees were discontinued and replaced by four new committees.

**The following committees were discontinued:**

- » Planning and Building Committee
- » Property Management Committee
- » Commercial Premises Committee
- » Parks and Landscape Committee
- » Road Traffic Committee

**The following committees were added:**

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

**Changes in ownership**

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

- » Göteborgs Stads Upphandlings AB, 556070-5054, merged with Göteborgs Stadshus AB.
- » Ale Fjärrvärme AB, 556041-0978, was divested and the ownership stake was 91 per cent.
- » Göteborgs Hamn Arendal Fastighets AB, 559324-3164, new company in Göteborgs Hamn AB.

**Private providers**

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

In services for people with disabilities, the cost for private providers is SEK 1.2 billion, which corresponds with 23 per cent of net costs for this operational area. The largest provider is Föreningen Betaniahemmet at SEK 145 million.

In individual and family care services, the cost for private providers is SEK 0.9 billion, which corresponds with 22 per cent of net costs for this operational area. In social services, in some cases all accommodation is managed by private providers. Individual places for social services healthcare and accommodation are largely procured and the largest provider is Gryning Vård AB\* at SEK 81 million.

Within health and social care for the elderly, the cost for private providers is SEK 0.9 billion, which corresponds with 16 per cent of net costs for this operational area. The largest private provider is Attendo Sverige AB at SEK 212 million.

For operations and maintenance of streets and parks, the cost of private providers is approximately SEK 0.4 billion, where the largest provider is LPE Sverige AB at SEK 163 million. Other operational areas with relatively low costs for private providers, but where they account for a large proportion of the operation's gross costs, are special transport services, SEK 0.3 billion, adult education services, SEK 0.2 billion, and other education, SEK 0.1 billion. The largest provider of special transport services is Majvillan Transport AB at SEK 119 million.

Since 2018, users have been able to choose their own home-help service providers under the Act on System of Choice in the Public Sector (LOV) and since 2019, this freedom of choice is also extended to daily activities under the Act concerning Support and Service for Persons with Certain Disabilities (LSS). The costs for these services are SEK 91 million and SEK 27 million, respectively, and are included in the above amounts.

Many children and pupils attend private pre-schools and independent schools. These schools are run on the basis of the right of establishment and are not regarded as private providers. The cost of external providers amounts to a total of SEK 3.7 billion, which together accounts for 23 per cent of total net costs in the operational area. External providers for pre-schools and after-school recreation centres account for 17 per cent, compulsory schooling 20 per cent and upper secondary school 50 per cent of net costs for the respective operational area.

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

# Overview of trends in operations

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

	2018	2019	2020	2021	2022
<b>All operations</b>					
Number of residents	571,868	579,281	583,056	587,549	596,841
<i>of which 0-17 years</i>	113,343	114,844	115,434	115,777	116,266
<i>of which 18-64 years</i>	370,382	374,875	376,804	379,434	386,660
<i>of which 65- years</i>	88,143	89,562	90,818	92,338	93,915
Number of employees, Municipal Group*	55,857	56,142	53,552	59,750	62,937
<i>of which Municipality</i>	47,801	48,114	46,993	48,073	49,523
Sick leave Municipal Group (%)	-	-	9.0	8.1	8.3
Sick leave Municipality (%)	8.6	8.1	9.6	8.6	8.8
Earnings Municipal Group (MSEK)	2,355	2,406	3,323	5,497	3,653
Earnings Municipality (MSEK)	1,792	1,690	2,408	2,652	2,554
Net operating expenses Municipality (MSEK)	30,216	31,196	31,587	32,901	34,848
<b>Pre-school</b>					
Net cost Pre-school Committee (MSEK)*	4,135	4,310	4,265	4,385	4,570
Net cost deviation (%)***	-2,8	3.2	3.9	4.4	-
Number of children in pre-school, average March and October	30,044	29,961	30,024	29,675	29,314
Number of children who did not get a place within 4 months	177	2	0	0	1
<b>Compulsory and special needs schools, pre-school class and after-school recreation centres</b>					
Net cost Pre-school Committee (MSEK)**	7,256	7,814	7,947	8,726	9,019
Net cost deviation compulsory school and after-school recreation centres (%)***	1.8	6.9	8.4	11.8	-
Number of pupils in compulsory schools and special schools, average March and October	59,316	60,717	61,582	62,009	62,461
Percentage of pupils (%) who achieved the goals in all subjects in year 9, registered locally	73.4	72.5	74.9	73.2	72.4
<b>Upper secondary school</b>					
Net cost Education Committee, upper secondary school (MSEK)	1,930	2,012	2,117	2,178	2,261
Net cost deviation (%)***	-8.5	-6.3	-3.0	-1.6	-
Number of pupils in upper secondary and upper secondary special schools, average March and October	17,907	17,965	18,153	18,438	18,626
Upper secondary students who gained diploma within 3 years, registered locally, percentage (%)	61.9	60.8	63.2	66.2	67.6

	2018	2019	2020	2021	2022
<b>Adult education</b>					
Net cost for labour market and adult education (MSEK)	485	497	432	425	415
Number of full-year places purchased	13,213	12,949	12,890	14,142	13,211
<b>Elderly care and medical care</b>					
Net cost Committee for the Elderly, nursing and care****	-	-	5,302	5,450	5,703
Net cost deviation (%)***	4.5	4.1	5.7	6.7	-
People in permanent special housing (average/month)	4,042	4,109	3,948	3,842	4,023
People receiving home-help services (average/month)	7,902	7,714	7,179	7,271	7,351
<b>Individual and family care</b>					
Net cost Social Care Committees (MSEK)****	-	-	4,159	4,251	4,237
Net cost deviation***	8.9	9.3	4.0	3.3	-
<i>of which net cost income support (MSEK)****</i>	-	-	905	913	844
<b>Disability services</b>					
Net cost Committee for Disability Support (MSEK)****	-	-	4,318	4,589	4,769
Net cost deviation LSS (%)***	6.7	4.6	6.4	5.9	-
Number of people with measure according to LSS	4,210	4,302	4,405	4,487	4,490
<b>Culture and leisure</b>					
Net cost committees (MSEK)	1,280	1,306	1,412	1,449	1,496
Number of library visits	4,219,000	4,167,000	2,863,000	2,257,000	3,185,000
Number of sports and exercise facility visits (Sports and Associations Committee)	1,203,030	1,096,716	657,787	381,633	885,532
<b>Housing and building</b>					
Number of completed homes	3,168	4,357	4,494	5,365	5,930
Number of homes in adopted local plans	6,389	1,282	3,285	1,202	1,112
<b>Transport</b>					
Percentage of journeys with public transport (%)	29	30	25	24	28
Percentage of journeys on foot or by bike (%)	27	28	28	29	29
Investment volume (MSEK)	1,168	1,241	1,926	1,303	949
Number of special transport journeys	617,727	655,535	413,470	423,396	485,300
<b>Environment</b>					
Drinking water quality, number of non-potable water samples	0	0	1	1	1
Number of complaints about waste collection	3,267	1,335	1,574	1,045	792
Number of food inspections	5,991	6,011	4,829	5,211	6,059

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

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

\*\*\* Percentage deviation between net cost per resident and reference cost as defined in the national financial equalisation system. Positive values indicate higher costs than expected and negative values indicate lower costs than expected. Preliminary figures for 2022 will be provided by Statistics Sweden in May/June 2023.

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

The year 2022 began with another rapid and widespread surge of Covid-19 in society. The requirement for family quarantine posed major and extensive challenges to the city's operations, as the sick leave rate was higher than ever before during the coronavirus pandemic. However, as of 9 February 2022, most of the pandemic restrictions and general community recommendations were lifted, as Covid-19 was no longer classified as dangerous to the general public and society at large. Many businesses were able to reopen and operate under more normal circumstances, while demand for the city's services increased again.

Nevertheless, the sharp increase in the spread of infection with the accompanying tightened Covid-19 restrictions at the beginning of the year still affect the full-year outcome for some activities, including travel by public transport and special transport services, as well as visits to libraries, sports and exercise facilities.

As mentioned above, the pandemic also had a strong impact on the sick leave rate among employees in the first months of the year. This has an impact on the full-year outcome, which is slightly higher than in 2021 but lower than in 2020.

The number of people in care homes and nursing homes increased in 2022 and is returning to pre-pandemic levels. Home-help services also saw an increase compared with 2020 and 2021, though the number of recipients of home-help services is still substantially lower than before the pandemic. The decline is probably a continuation of the trend that could be noted before the pandemic.

The improved labour market situation during the year is reflected both in fewer students enrolled in adult education and in lower income support costs.

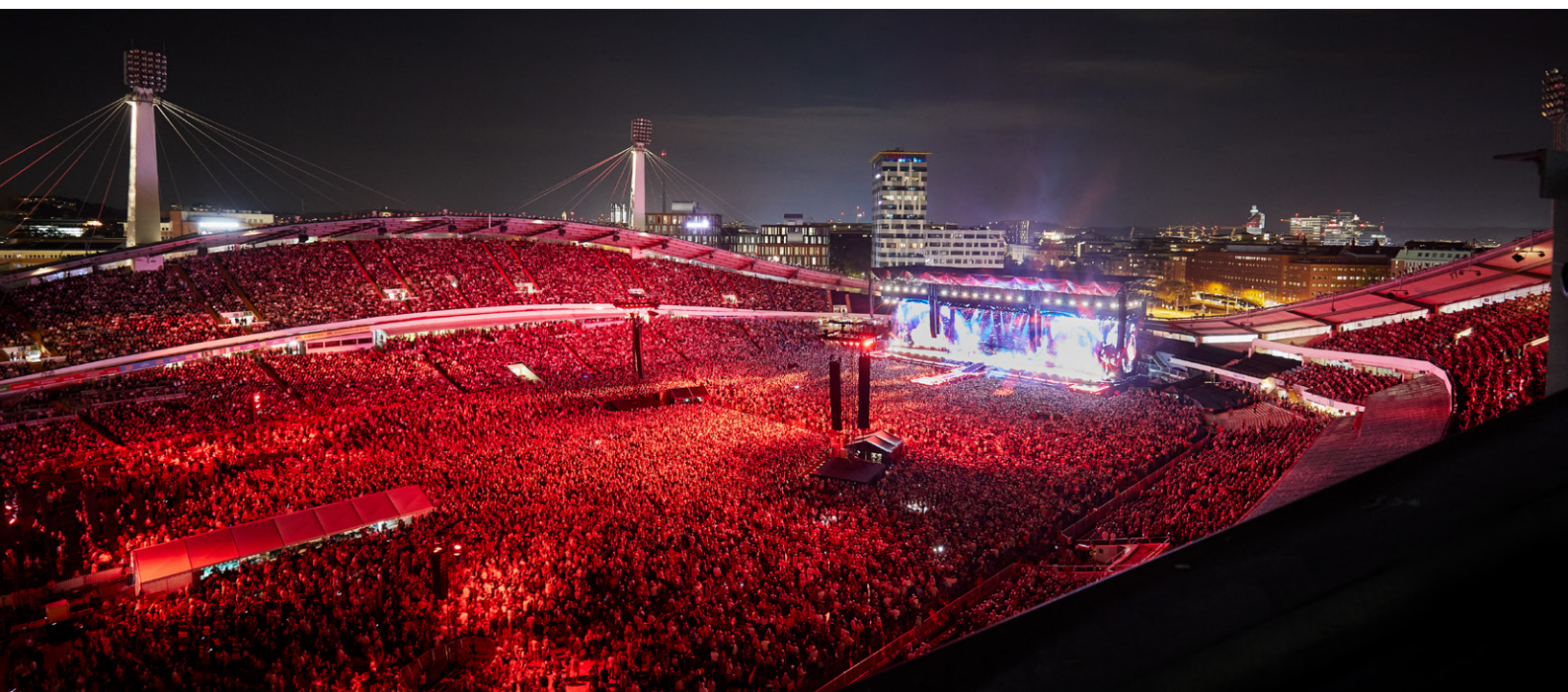
Compulsory schools and upper secondary schools returned to in-person teaching for the full year. However, the sick leave rate for both pupils and teachers was affected at the beginning of the year. Grade 9 results have fluctuated over the most recent five-year period, and in 2022 the percentage of pupils who met the requirements in all subjects was the lowest since 2018.

The population trend has picked up again after the low population growth in the pandemic years 2020–2021, reaching 1.6 per cent in 2022. The increase in the 18–64 age group is the highest at 1.9 per cent, while the number of people aged 0–17 only increased by 0.4 per cent.

The Municipality's net cost increased by 5.7 per cent compared with the previous year, partly due to pandemic effects and partly to the high inflation and price development in society. Energy and food prices are two examples of areas where prices have increased significantly in 2022.

Regarding the environment, the number of food inspections carried out has increased significantly compared with 2020 and 2021 and is now back to pre-pandemic levels. In waste collection, the number of complaints has significantly declined compared with the previous year and halved compared with 2020. Compared with 2018, the number of complaints dropped by 75 per cent.

The number of employees in the Municipal Group increased by 5 per cent compared with the previous year and by almost 13 per cent over the last five-year period. The increase is largely due to the increase in the population, and thus also the need for Municipality services. The number of employees is also increasing as a result of the expanded urban development mandate.



# Key conditions for earnings and financial position

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

## Key conditions of the external environment

### The economy

After a period of recovery from the pandemic, 2022 was marked by war in Ukraine, supply chain disruptions, higher prices and an energy crisis. All these factors have culminated in the highest inflation rate that Sweden has seen in 30 years. The high inflation has forced the world's central banks to pursue a tight monetary policy and the Swedish Riksbank has also substantially raised interest rates. This has had a major impact on the economy, which has rapidly weakened.

The external circumstances from the pandemic, along with the war, have created new economic conditions in a short time, with a multitude of effects on the city's operations. Changes in the global energy market with high gas and electricity prices along with extreme volatility in the electricity market have created significant negative effects for Göteborg Energi AB, with the electricity trading business reporting significant deficits and the district heating business losing large parts of its earnings.

To some extent, increased material, energy and fuel prices combined with war- and pandemic-related material and labour shortages have also impacted various operations, where budgeted investment levels have been difficult to implement

at the planned pace. Projects have also been postponed because appeals and reviews have had a negative impact on schedules.

Inflation has affected the costs of the city's operations as general price levels have risen during the year. For example, material and fuel prices have increased and food prices have increased by 18.6 per cent over the past year, according to Statistics Sweden. In contrast, the effect of higher interest rates has had a smaller impact during the year, but is expected to have a gradual effect on the city's operations in the coming years.

### Population trend

After the two pandemic years of low population growth, the trend reversed in 2022. The population of Gothenburg grew by 9,300 residents, which is the largest population growth since 1947. Gothenburg's population grew the most among all municipalities in Sweden, with over 2,000 more people than Stockholm, which had the second largest population increase. At the end of the year, the population of the city was 596,800.

The large population increase was mainly due to a continued increase in migration. Migration from the rest of the country has increased since 2016 and was higher than ever before.

Immigration recovered from the decline during the pandemic and was at the same high level as during the largest influx of refugees, despite the low level of refugee intake. The high level of housing construction in recent years and robust business development in Gothenburg may be two explanations for the high level of migration. Emigration remained high, but decreased compared with 2021.

Compared with 2021, the number of births decreased by around 10 per cent in Gothenburg and in the country as a whole. This is an unusually large change for a single year. Based on Statistics Sweden forecasts, the decline was unexpected and there is no clear explanation for the sharp drop in the number of births. Fewer children being born affects the demand for childcare and, in a few years, for schools, especially if the low birth rate continues.

### Labour market

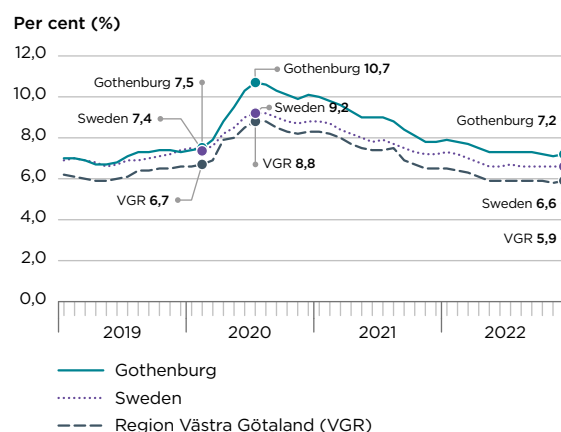
Despite rising energy prices, inflation and geopolitical concerns, the labour market has been resilient. The unemployment rate in Gothenburg for the age group 16–64 years was 7.2 per cent in December, a decrease of 0.6 percentage points compared with December 2021. This can be compared with a national unemployment rate of 6.6 per cent and a regional rate of 5.9 per cent. At the same time, the number of job vacancies in the region's labour market has been at a very high level, but they are difficult to match with those who are seeking jobs in the region. Most new job vacancies

continue to be advertised in business services, followed by health and social care, education, trade and transport.

Youth unemployment, aged 18–24, has also fallen by 0.6 percentage points compared with a year ago and was 7.1 per cent in Gothenburg in December.

The improved labour market situation during the year has been reflected by fewer students enrolled in adult education, fewer households dependent on income support and thus lower income support costs. In addition, the number of hours worked has risen more than expected, which has increased the city's tax revenue.

**Percentage (%) of registered labour force aged 16–64 years who are unemployed or in programmes, per month in Gothenburg, Region Västra Götaland and the country 2019–2022**



# Key conditions of operations

## Equal city

The majority of the City of Gothenburg's administrations and companies have actively worked during the year with the programme to achieve an equal city. The City's operations must integrate equality into their regular work, from planning to implementation and follow-up, in order to help reduce differences in living conditions in the area under their control.

Efforts to achieve an equal city are carried out in collaboration with operations in the City, as well as with other authorities, the business community, the academic community and civil society. The focus is on early intervention for children and young people. The family-centred approach (FCA) is an example of how several actors work together to give children a good start in life. One example of a joint FCA-City activity in which we read to our children is *Bokstart*, where families receive home visits and books as gifts from library personnel. In total, over 2,000 children have been offered home visits through *Bokstart*. Extended home visits are another FCA activity. Under this programme, a parent support worker from preventive social services and a nurse from child health services visit families who have had their first child, or their first child in Sweden, during six home visits over the first 15 months. The initiative has been in place for just over five years, and during that time 2,300 extended home visits have been made to 600 families in five particularly vulnerable areas.

Several administrations and companies meet in a collaborative group to work in the long and short term for sustainable equal living environments, with links to the missions associated with the core activity of each administration and company. The group includes the urban development administrations and the Cultural Affairs Administration, the Sport and Associations Administration, Göteborgs Stadshus AB, Förvaltnings AB Framtiden, Förvaltnings AB GöteborgsLokaler, the Social care administration Centrum, the Administration for Democracy and Citizen Services and Älvstranden Utveckling AB. Some examples of activities carried out for the long term are a number of started planning programmes in Hjällbo, Tynnered and Biskopsgården, as well as a number of local plans that have been started in neighbourhoods

such as Hjällbo Center, Hammarkulletorget and several in Biskopsgården. Some examples of what has been implemented in the short term are new activity areas and staffed sites in Hjällbo, Hammarkullen, Backa, Lövgärdet, Bergsjön and Tynnered. In addition, labour market teams have been deployed and association grants have been funded for extra support in areas such as the Northeast.

## Security

The Swedish Association of Local Authorities and Regions (SALAR) reports that the incidence of threats, hatred and unlawful influence against people working in municipal and regional services is escalating. Both employees and elected representatives are targeted, which raises the risk of undermining the open society while threatening democracy and the rule of law. Issues regarding measures to protect and strengthen society have been highlighted by the ongoing disinformation campaign against Sweden's social services. The increased risk of threats and violence makes it more difficult for social workers to do their jobs, which in turn has a negative impact on skills provision. The risk of undue influence and intimidation is also a factor that can contribute to staff resignation and difficulties in recruiting new employees. Through systematic occupational health and safety efforts and a review of legislation, the security of both employees and elected representatives can be strengthened. Within the City, the social care administrations have raised the issue during the year and taken a number of measures, such as skills enhancement initiatives, the establishment of a central expert team against undue influence, increased collaboration involving the City and the police in the group created for this purpose, and increased collaboration between the City, its citizens and civil society. The work needs to be carried out both in the short and long term.

# Financial monitoring and risk management

The Group's total external net borrowing was SEK 51.4 billion at the end of the year, an increase of SEK 0.5 billion over the previous year. The Municipality's net borrowing, i.e. the Municipality's own borrowing needs, totalled SEK 9.3 billion at the end of the year.

## The financial infrastructure

Financing activities are conducted based on the financial guidelines, which are decided by the City Council and include risk mandates and limits for financial activities within the Municipality and Municipal Group. The exception is Göteborg Energi AB, which is engaged in electricity trading and has its own financial instructions. Financial administration for the Municipality and the Municipal Group is coordinated through the Group Bank at the City of Gothenburg Executive Office. The purpose of coordination is to achieve lower total borrowing costs through efficient management and to take advantage of the Municipality's good credit rating. In addition, financial risks can be managed from a holistic perspective. Monthly feedback regarding compliance with financing activity guidelines is presented to the City Executive Board.

## Borrowing

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

## Capital market

Most of the loan financing, 68 per cent, takes place in the open capital market through bond issues and certificates. There are established capital market programmes for this purpose. The Municipality has a bond programme (Euro Medium Term Note, EMTN), a certificate programme denominated in SEK (municipal certificate programme, KCP), and a certificate programme denominated in USD (Euro Commercial Paper, ECP). During the year, six bonds totalling SEK 6.0 billion were issued within the City's bond programme.

## Kommuninvest

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

## Institutional borrowing

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

The table below shows the breakdown between different sources of financing and the level of agreed loan limits on 31 December 2022.

## Funding sources

Programme	Loan limit	Degree of utilisation
EMTN, bond loans	EUR 6 bn	SEK 29 bn NOK 2.8 bn
<i>of which green bonds</i>		<i>SEK 18.3 bn</i>
KCP, short loans <1 year	SEK 6 bn	SEK 1.1 bn
ECP, short loans <1 year	USD 0.5 bn	USD 0.2 bn
Kommuninvest		SEK 7.6 bn
European Investment Bank		SEK 6.9 bn
Council of Europe Development Bank		SEK 1 bn
Nordic Investment Bank		SEK 1 bn

The Municipality has SEK 900 million in agreed overdraft facilities, of which SEK 900 million was undrawn as of 31 December 2022. The City also has loan commitments totalling SEK 13 billion that have not been utilised.



### Continued high credit rating

In order to have full access to the capital market, the Municipality has a credit rating. The credit rating agency Standard & Poor's confirmed the Municipality's strong credit rating in 2022. The Municipality's credit rating is the second highest, AA+ with a stable outlook. For investors, the Municipality's high rating means that lending capital to the City of Gothenburg is associated with very low risk.

### City of Gothenburg's risk management

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

#### Financing risk

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

#### Counterparty risk

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

#### Currency and interest risk

Interest risk refers to the risk of incurring increased costs due to fluctuations in interest rates. The Group Bank is responsible for both interest

and financing risk and derivative instruments are used to hedge interest and currency risks.

Currency risk refers to the risk of incurring increased costs due to fluctuations in exchange rates. Currency risk arises from buying, selling, borrowing, or investing in foreign currency. The risk of transactions denominated in a foreign currency can be limited by using currency derivatives.

Until 31 December 2019, parts of the companies' debt was hedged through derivatives at the companies themselves, and the existing interest rate derivatives held by the companies are matured. As of 2020, the companies will not enter into any new interest rate derivative agreements of their own.

The nominal value of the derivative portfolio in the Group amounted to SEK 18.2 billion for interest rate hedging and SEK 4.8 billion for currency and interest rate hedging for loans denominated in a foreign currency. On 31 December 2022, interest rate derivatives had a positive market value of SEK 1.0 billion. Other currency derivatives amounted to SEK 0.7 billion and have a market value of SEK 0.1 billion.

A negative market value can be described as the interest that would have been paid if the interest rate derivatives had been redeemed prematurely on the balance sheet day. Similarly, a positive market value represents the interest that would have been received. Interest rate hedges in the form of interest rate derivatives have increased the Municipality's borrowing cost in 2022 by SEK 41 million. However, towards the end of the year, the floating rate exceeded the average level of the derivatives, thus contributing to a reduction in interest expenses during this period.



## Effectiveness of hedging instruments

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

The requirements for hedge accounting are therefore met on 31 December 2022.

## Operational risk

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

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

Type of risk	Policy (year and %, respectively)	Outcome (year and %, respectively)
<b>Interest risk</b>		
Average fixed interest period	2-6	3.3 - no deviation
Interest due within 1 year	<35	31.4 - no deviation
<b>Financing risk</b>		
Binding loan commitments shall cover loans maturing over the next 12 months	>100	142 - no deviation
Binding loan commitments and liquidity reserve shall cover loans maturing over the next 12 months plus forecasted net outflow for the next 12 months	>100	108 - no deviation
Average capital commitment period	2-6	3.3 - no deviation
Loan due within 1 year	<35	19 - no deviation
Financing to be facilitated by credit ratings from rating agencies	There should be a rating	There is a rating. The Municipality's credit rating is from Standard & Poor's, the second highest, AA+ with a stable outlook. The rating was confirmed in September 2022. No deviation.
<b>Counterparty risk</b>		
For new credit agreements, loan commitments and derivatives, the counterparty must have a high credit rating	Lowest A3 at Moody's or A- at Standard & Pools	No deviation
Individual counterparty's share in derivative agreements	<35	25.8 - no deviation
Individual counterparty's share of credit commitments	<35	21.8 - no deviation
<b>Derivative instruments</b>		
Use of derivative instruments	Solely for the purpose of hedging the debt portfolio	No deviation
<b>Currency risk</b>		
Currency risk from financial assets and liabilities	Immediate hedging	No deviation
<b>Operational risk</b>		
Process for ongoing identification, assessment and management of operational risks	Internal control system	No deviation

## Other risks

### Commodity price risk

Commodity price risk refers to the risk that changes in commodity prices could have a negative impact on the Group's income statement and balance sheet. The notional value of the commodity price derivatives amounts to SEK 0.7 billion and the market value is SEK 0.1 billion.

### Profile risk

Profile risk refers to the risk of consumption variation over time. In 2022, the City signed a new framework agreement for electricity that came into force on 1 January 2023. The previous contract was a fixed-price contract whereas the new contract has a variable component. The Group is thus exposed to a new risk: profile risk. The Group's electricity contracts cover energy procurement and delivery of electricity and electricity certificates. Price hedging has been implemented for a certain volume of consumption over a fixed period of time. The electricity consumption above or below the hedged consumption for each time period is bought or sold at a variable price without additional hedging. For Göteborg Energi Din El AB as an electricity trading company, a volatile electricity market, combined with fixed price contract structures, poses a risk to profitability. This risk diminishes as existing fixed price contracts are phased out.

### Insurance risk

One way in which the Group is exposed to insurance risk is through the company Försäkrings AB Göta Lejon. Insurance risk consists of underwriting risk, reserving risk, concentration risk and reinsurance risk. Underwriting risk exists if there is a risk that the estimated premium will not cover the expected amount of the claim. The company

limits this risk by purchasing reinsurance with stop loss protection. Reserving risk exists if there is a risk that the reserve set aside for losses incurred is insufficient. Again, stop loss reinsurance provides protection. Through the insurance policy approved by the City Council, Försäkrings AB Göta Lejon is responsible for the insurance coverage of all of the City's companies and committees. Risk is managed by purchasing reinsurance. To minimise reinsurance risk, reinsurers with a rating lower than A- on the Standard & Poor's scale are not accepted. It is important that Försäkrings AB Göta Lejon can procure its reinsurance programs with full coverage so that the company can deliver on its mission to insure the city. For 2022, the operations were reinsured.

### Surety risk

High electricity prices mean that associations with their own facilities face a tough challenge, which, when combined with rising interest rates, increases the risk of default in the longer term. For 2023, there is a risk of defaulting on the SEK 15 million-guarantee.

### Green bonds

In the bond programme, and in accordance with the city's framework, green bonds are also issued. These bonds fund projects under the city's environment and climate programme. Four of the year's bond issues have been green bonds totalling SEK 4.0 billion. The City has a total of SEK 18.4 billion in outstanding green bonds, which is 57 per cent of the city's total bond volume and 36 per cent of total borrowing. The breakdown of projects can be seen in the table on the next page. As of 31 December 2022, the project portfolio totalled SEK 2.5 billion, which means that in 2023 there is room to borrow SEK 0.1 billion for projects that have already been classified as green.



## Project breakdown – Green bonds

Project (MSEK)	Administration/ Company	Project category	2013- 2018	2019	2020	2021	2022
Ultrafilter	Eco-cycle and Water	Water management	575	22	27	58	25
Electric vehicles	Göteborgs Stads Leasing AB	Sustainable transport	96	27	34	39	81
Denitrification	Gryaab AB	Water management	356	-	-	-	-
Tree planting	Parks and Landscape Committee	Sustainable environment	33	7	8	7	14
Celsius district heating	Göteborg Energi AB	Energy efficiency	5	-	-	-	-
Pedestrian-friendly city	Traffic & Public Transport Authority	Sustainable transport	109	17	8	7	5
Cycle-friendly city	Traffic & Public Transport Authority	Sustainable transport	181	84	80	61	68
Energy efficiency in traffic	Traffic & Public Transport Authority	Energy efficiency	170	18	46	41	25
Sustainable construction*	City Premises Administration	Green buildings	2,488	906	70	750	-290
Future	Förvaltnings AB Framtiden	Green buildings	2,189	1,633	1,302	1,416	843
Trams	Göteborgs Stads Leasing AB	Sustainable transport	302	9	-311	-	-
Kodammarna pumping station	Eco-cycle and Water	Water management	114	66	117	98	47
Solar cell park	Göteborg Energi AB	Renewable energy	38	6	31	14	-
Selma Stad	Förvaltnings AB GöteborgsLokaler	Green buildings	239	214	118	-	-
Water and sewage lines	Eco-cycle and Water	Water management	-	69	15	78	28
Stormwater management	Eco-cycle and Water	Water management	-	6	22	24	1
Brudaremossen landfill	Eco-cycle and Water	Water management	-	28	18	-	-
Hotels	Liseberg AB	Green buildings	-	65	277	435	1,069
Electric buses**	GS Buss AB	Sustainable transport	-	92	40	-	-132
Commercial Premises	HIGAB	Green buildings	-	144	-	106	-
500 new public charging sites for electric cars	Göteborg Energi AB	Sustainable transport	-	-	-	19	-
Replacement of furnaces Rya HVC	Göteborg Energi AB	Renewable energy	-	-	-	364	72
Björlanda Pump Chain	Eco-cycle and Water	Water management	-	-	-	59	101
Vadhavet wetland	Göteborgs Hamn AB	Biodiversity	-	-	-	47	-
Solar cells LF	City Premises Administration	Renewable energy	-	-	-	22	26
Renewal of water pipeline (Reinvestment: water and sewage)	Eco-cycle and Water	Water management	-	-	-	-	145
District cooling	Göteborg Energi AB	Energy efficiency	-	-	-	-	66
Accumulator tank	Göteborg Energi AB	Renewable energy	-	-	-	-	145
Zinc recycling	Renova AB	Waste management and circular economy	-	-	-	-	63
Flue gas purification	Renova AB	Water management	-	-	-	-	111
Möndal river link	Gryaab AB	Water management	-	-	-	-	16
<b>Total per year</b>			<b>6,895</b>	<b>3,413</b>	<b>1,902</b>	<b>3,645</b>	<b>2,529</b>
<b>Total accumulated</b>				<b>10,308</b>	<b>12,210</b>	<b>15,855</b>	<b>18,384</b>

\* A negative amount for 2022; the electric buses have been removed from the City's green portfolio as GS Buss AB has not owned them since 13 June 2022.

\*\* A negative amount for 2022, the volume of projects deleted, which do not meet energy performance thresholds in accordance with the City's green framework, exceeds the volume of projects added.

# Disclosure about pension obligations

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

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Pension obligations</b>				
1. Total pension obligation on balance sheet and contingent liability	14,284	14,140	15,628	15,547
<i>a. of which provision including special employer's contribution</i>	4,055	4,265	5,278	5,559
<i>b. of which contingent liability including special employer's contribution</i>	10,229	9,875	10,350	9,988
2. Pension obligations secured in pension insurance	411	392	1,657	1,628
3. Pension obligations secured in pension foundation	0	0	0	0
<b>4. Total pension obligation (incl. insurance and foundation)</b>	<b>14,695</b>	<b>14,532</b>	<b>17,285</b>	<b>17,175</b>
<b>Managed pension funds - Market value</b>				
5. Total pension insurance capital	693	652	2,198	2,031
<i>a. of which surplus funds</i>	128	122	238	170
6. Total assets, pension foundation	0	0	0	0
7. Financial investments (own managed pension funds)	0	0	0	0
<b>8. Total managed pension funds</b>	<b>693</b>	<b>652</b>	<b>2,198</b>	<b>2,031</b>
<b>Financing</b>				
9. Funds re-invested	14,002	13,880	15,088	15,144
10. Consolidation rate	5 %	4 %	13 %	12 %

#### Disclosure about own managed pension funds:

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

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

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

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

As of 31 December 2022, there was also an accrued defined-contribution pension in the Municipality of SEK 895 million including special employer's contribution.

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

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

# Significant events

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

In 2022, Sweden was affected by the Russian war in Ukraine, an energy crisis and high inflation due to major disruptions in supply chains resulting from the pandemic. High inflation in turn drove up interest rates. Price increases for electricity, gas, fuel and food have all affected the City's operations.

During the year, the City of Gothenburg took measures to provide accommodation for refugees from Ukraine. Each week Ukrainians were assigned to Gothenburg, which the Swedish Migration Agency said should be ready to accept 1,182 refugees. In collaboration with non-profit organisations the City has allocated around 850 places, and 625 refugees moved into this accommodation in 2022.

A total of 354,893 of the 463,983 eligible voters in Gothenburg voted in the municipal election in 2022. This represented a turnout of 76.5 per cent – 4.5 percentage points lower than in the 2018 election.

During the summer, an attendance record was set at Ullevi stadium. Almost 800,000 spectators visited the stadium, an increase of 200,000 over the previous record.

Work continued on setting up a new urban development organisation, and four new committees were established at the end of the year. The aim is to achieve a more integrated urban development process and improve efficiency and transparency for residents, visitors and the business community.

The City has continued to give a high priority to security and crime prevention. The City Council adopted a new programme during the year as part of the overall goal to make Gothenburg a safe and secure city. A collaboration agreement has been reached between the City of Gothenburg and the Greater Gothenburg Police Authority.

Swedish municipalities and regions report increasing levels of threats, hate crime and

unauthorised influence against people working in municipal and regional operations. These are directed at both employees and elected representatives, and risk undermining open society and threatening democracy and the legal system. Questions about measures aimed at protecting and strengthening society have been raised as a result of the ongoing disinformation campaign against social services in Gothenburg and elsewhere. The security of employees and elected representatives can be improved through systematic measures to safeguard the work environment and review legislation. Social care administrations in the city have taken a number of measures during the year, and further measures are planned.

Some of the key decisions taken by the City Executive Board and the City Council during the year are highlighted below, along with other important events.

## Programmes and plans

- » *General plan for Gothenburg, including geographical focuses for the inner city and for Högsbo-Frölunda.*
- » *Children's rights plan 2022–2024*
- » *The City of Gothenburg's energy plan 2022–2030.*
- » *Plan to improve living circumstances for LGBTQ people extended until 31 December 2023.*
- » *Library plan for the City of Gothenburg extended until 31 December 2023.*
- » *The City of Gothenburg's electrification plan 2022–2030*
- » *Extension of the action plan for mental health 2023–2024*
- » *The City of Gothenburg's digitalisation plan 2023–2026*

### **Among other things the City Council also approved:**

- » *The City of Gothenburg's guidelines for the City Premises Provision Plan* and the committees' premises requirement plans
- » *The City of Gothenburg's guidelines for emergency water supply*
- » *The City of Gothenburg's guidelines for measures to prevent evictions.*
- » Names and regulations for the new committees in the City's organisation for urban development
- » The approval of funding to Göteborg & Co for a joint application with the Swedish Football Association to host and organise parts of the European Women's Football Championship 2025
- » Authorisation of the Property Management Committee to acquire properties at Sörred 8:2, Lexby 3:13 and Sörred 7
- » Implementation decision for the Torslanda cross-link
- » *City of Gothenburg Premises Provision Plan 2023*
- » Approval of continued investment by Göteborgs Hamn AB in a new ferry terminal to enable relocation of Stena Line's Denmark and Germany terminals to Arendal.

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

- » A police station on Exportgatan in the Backa district.
- » Tram lines on Engelbrektsgatan between Södra Vägen and Skånegatan in the Heden and Lorensberg districts.
- » Businesses near Pressvägen in the district of Sörred in Gothenburg.
- » Tram line through Frihamnen and Lindholmsallén in the districts of Lundbyvassen and Lindholmen.
- » Housing west of Billingegatan in the Älvsborg district.

### **Impact on the financial reports**

High capital gains of SEK 1.4 billion affected the financial reports during the year. Capital gains for the Municipality amounted to SEK 873 million and for the companies SEK 553 million. The Municipality's capital gains resulted from the City's investment and development activities, while the companies' capital gains arose mainly from the sale of Ale Fjärrvärme and sales of property and business from the premises cluster and Liseberg.

Tax revenue was approximately SEK 800 million higher than budgeted. The number of hours worked during the year rose more than most analysts had expected, which meant that the City's tax revenue also rose more than expected.

Rising inflation led to a sharp rise in interest rates during the year. The short-term market interest rate increased by almost three per cent. Because the Municipal Group has a large proportion of its debt hedged against interest rate fluctuations, the increase will have a gradual effect rather than an immediate impact. This means that the average interest rate for 2022 for the Municipal Group is in line with the interest rate for 2021, i.e. 1.0 per cent compared with 0.9 per cent.

High gas and electricity prices and extreme volatility in the global energy market, combined with fixed price contracts from Göteborg Energi Din El AB, meant a large negative deviation from the budgeted financial result for Göteborg Energi AB.

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

### **Significant events after the end of the year**

In January 2023 the Swedish Transport Administration decided to cancel a contract with AGN Haga, the contractor building the Haga phase of the West Link (Västlänken) project. The main reason for cancellation is long and growing delays in this phase of the project.

# Governance and monitoring of municipal operations

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

## **Governance frameworks**

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

The City of Gothenburg should have no more governing documents than are needed to guide its operations. Excessive documentation could reduce transparency, for the public and for City operations. The extent of governance, monitoring and control must also strike a balance between the costs and benefits of control. In 2022, the focus remained on reviewing the level of governance and administration in the governance system to improve the relevance of governing documents and reduce the administrative burden.

## **Evaluation of governance, monitoring and control**

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

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

The formation of the new urban development committees has reached the stage where governance and management processes are taking shape. The social care committees, the Committee for the Elderly, Nursing and Care and the Committee for Disability Support, which were formed in 2021,



report that the basic frameworks for governing their respective operations are now in place, but that further work is needed in areas such as coordination across organisational boundaries to provide integrated care that meets the needs of their target groups. Other committees and boards are in the administrative phase. Their overall assessment for the year is that the management systems are sufficiently effective, but require ongoing attention and action in areas where improvement is needed.

### **Whistleblower service**

On 17 December 2021, *the Swedish Whistleblowing Act (2021:890)* came into force. The introduction of this act meant that the framework for handling whistleblower reports had to be clarified.

Under the act, the internal reporting channel (whistleblower service) must accept reports, contact whistleblowers, follow up on the content of reports, and give whistleblowers feedback on the action taken. The Whistleblowing Act has changed the way the City's whistleblower service operates and in particular established guidelines for the type of reports that the service should investigate.

The act applies when information is reported about misconduct in a work-related context

where disclosure is in the public interest. This may involve an action or a failure to act. It can apply to many different areas, as long as there is a public interest in disclosure. The requirement of public interest means that reporting on circumstances that only concern the whistleblower's own work or employment conditions is normally not covered by the act. Such issues may be dealt with under the usual mechanisms of labour law and work environment law.

The number of reports received in 2022 was higher than in previous years. These reports were assessed according to the act's definition of what is in the public interest and who is entitled to protection under the legislation. A total of 160 reports were received and dealt with by the whistleblower service during the year, in comparison with 76 reports received in the previous year and 77 in 2020. The number of people using the City's whistleblower service to report misconduct in operations continues to rise. The reports are mostly relevant and have been investigated. The large increase in the number of reports received is believed to be mainly due to the improved level of anonymity for whistleblowers and the fact that a wider range of misconduct is covered.



## New organisation for urban development

In November 2021, the City Council decided to go ahead with changes in the City's organisation for urban development. The purpose of the changes is to provide a more integrated urban development process – for planning, implementation and administration of the City. The changes will contribute to increased efficiency and transparency in urban development, for residents, visitors and the business community.

The decision meant that four new committees were established at the turn of the year 2022/2023 and the Planning and Building Committee, Property Management Committee, Commercial Premises Committee, Parks and Landscape Committee and the Road Traffic Committee were all dissolved at the same time. In spring 2022, the City of Gothenburg Executive Office prepared proposals for regulations. These were adopted in June by the City Council, along with the names of the new committees: the City Planning Committee, the Land Development Committee, the Urban Environment Committee and the City Property Committee.

The organisational changes were implemented in 2022 under the leadership of the City of Gothenburg Executive Office, but the work was carried out in collaboration with the relevant administrations and managers and employees in these operations. In addition to changing the allocation of operational responsibilities between

committees, the implementation process focused on laying the groundwork for changes in working methods and in the way roles and mandates are allocated in several core processes of urban development.

## New guidelines for digitalisation of the city

The City of Gothenburg's new governance environment will provide the city with a common basis for the overall task of digitalisation. The governance model consists of a policy for digitalisation and IT, guidelines for new governance, coordination and financing of digital development and administration, and a plan for digitalisation 2023–2026. The revised governance model is expected to make the digitalisation process more efficient and fit for purpose. The guidelines for the governance, coordination and financing of digital development and administration will be introduced in 2023 and are intended to enable new ways of working that are expected to contribute to stronger governance and allow for collective prioritisation for the Municipal Group as a whole. This can only be achieved if the administrations and companies prepare and adapt for new ways of working. On 8 December 2022, the City Council approved the *City of Gothenburg's digitalisation plan*. The plan covers four target areas, with initiatives that will contribute to the desired status for the City of Gothenburg's digitalisation efforts over the planning period 2023–2026.



# Good financial management and financial position

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

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

On the whole, the City of Gothenburg is deemed to have had good financial management in 2022.

In the case of the financial goals, the target values set by the City Council were exceeded for 2022 and over a ten-year average according to the financial guidelines.

The three overall goals for the City's operations are deemed to be partly fulfilled and most of the overall operational goals are also deemed to be fully or partly fulfilled. Gothenburg maintained a stable economy in 2022 thanks to an improved labour market and fewer households dependent on income support. However, there are major challenges in several areas. In care of the elderly, users' perceptions of operations led to poor goal fulfilment. There has also been a deterioration in perceptions of the city's business climate. Sick leave is still at a high level and employee engagement did not meet the City's target value.

The overall assessment from a financial perspective and an operational perspective is that the City's finances have been managed well based on the target values for 2022 set by the City Council.

# The City Council's overall goals

In its 2022 budget the City Council agreed on three overall goals for all City operations. Each of the overall goals corresponds to a number of overall operational goals. The City Council has established indicators and target values for each of these overall operational goals. The budget also indicates which of the overall operational goals are of particular importance to each committee/board.

Assessment of whether or not the overall goals have been met is based on a general assessment of the degree to which the overall operational goals have been fulfilled. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target values for each indicator have been met. Consideration is also given to the long-term trend in indicators, as well as other information and data that are considered relevant as a measure of development. The assessment of goal fulfilment differs in some cases from that made by the committees and boards. One reason for this is that several committees and boards also based their assessments on the actions taken, rather than focusing on progress towards the indicators.

The following is a brief account of the assessment of fulfilment of overall goals, accompanied by a table showing the assessment for each of the overall goals and overall operational goals.

For the overall goal *Gothenburg is an attractive metropolitan city where everyone has the chance to shape their own life and no one is excluded*, the assessment is that it is partly fulfilled. Five of the six overall operational goals are deemed to have been partly fulfilled, while the goal *Gothenburg provides dignified and reassuring care for the elderly, with freedom of choice* is not considered to have been met. One indicator has risen, but the other indicators are at a lower level than in 2020. The previously severe impact of the pandemic on this target area has subsided and several operations have recovered. However, many operations have experienced bottlenecks as a result of the pandemic, in the form of staff shortages, especially in the visitor industry. The assessment for pre-schools and schools is based on the fact that most indicators for pre-schools, upper secondary schools and adult education are rising and meeting target values. The target values for compulsory schools have not generally been met and the indicators instead show a negative trend.

The overall goal *Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future* is considered to be partly fulfilled. This assessment is based on goal fulfilment during the year for the four overall operational goals, all of which are deemed to be partly fulfilled. No values are available for several of the indicators for the overall operational goals, but the trend in values for these indicators was also taken into account in the assessment. The overall assessment is that Gothenburg is to some extent *a metropolitan city that is growing sustainably and has confidence in the future*. The City is taking measures and initiatives in the climate transition; the proportion of journeys made in the city using public transport has risen by four per cent since last year; the number of vulnerable areas in Gothenburg has met the target value for the year; and the city is growing in terms of the number of people moving to it and the number of completed homes. Nevertheless, the City needs to continue taking measures and work together with others to ensure that Gothenburg achieves its goal of being *a city that is growing sustainably and has confidence in the future*.

The overall goal *Gothenburg is a metropolitan city with a stable economy and strong growth* is considered to be partly fulfilled. Two of the overall operational goals are considered to have been fulfilled and two have been partly fulfilled. The City's economy is stable, despite the negative impact that the war in Ukraine has had on the economy in the form of price increases and rising interest rates. Unemployment has continued to fall and fewer households were dependent on income support. On the other hand there has been no improvement in sick leave, which may be due to the high rates of Covid-19 infection at the start of the year. Similarly there has been no improvement in the business climate. The cost per resident for care of the elderly and individual and family care is higher than the target value for 2022. However, in relation to wage rises and price increases, the cost of individual and family care has fallen since 2021.

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

# Financial targets for the City

The interpretation of good financial management in the City is based on four focus areas with long-term targets. In addition to a focus area for the annual minimum level of the aggregate equity/assets ratio for the Municipal Group, the focus areas refer to the Municipality and are set as ten-year average levels of earnings, level of self-financing of investments and balance in land development activities.

The long-term focus areas are considered when preparing the City's budget, which sets annual target values. At the same time, the ten-year perspective allows for fluctuations and permits target values for individual years to be set

at a higher or lower level than indicated in the guidelines, where this is justified by the economic situation for instance. The tables below show the outcomes for the year in relation to the targets set in the budget for 2022. The upper table gives the outcomes and targets for the year 2022, and the lower table gives the outcomes and targets as ten-year average values.

The outcomes for 2022 and over a ten-year average exceed the targets set by the City Council. Good financial management is therefore deemed to be in place from a financial perspective.

## Target values according to budget proposal for good financial management.

Focus areas	Target 2022	Outcome 2022
The equity/assets ratio for the Municipal Group should be 15%, including the contingent liability for pension obligations	15%	28%
Tax revenue and municipal financial equalisation as share of earnings	2%	5.6%
Level of self-financing of investments	47%	115%
Land development activities should be in balance over a rolling ten-year period	108%	114%

## Budget proposal outcome of focus areas for good financial management

Focus areas	Target 2022 rolling ten-year basis	Outcome 2022 rolling ten-year basis
The equity/assets ratio for the Municipal Group should be 15%, including the contingent liability for pension obligations	15%	28%
Over a rolling ten-year period, earnings should be at least 2% of the Municipality's tax revenue and municipal financial equalisation	4.3%	4.9%
The level of self-financing of investments should be at least 50% over a rolling ten-year period	101%	115%
Land development activities should be in balance over a rolling ten-year period	108%	114%

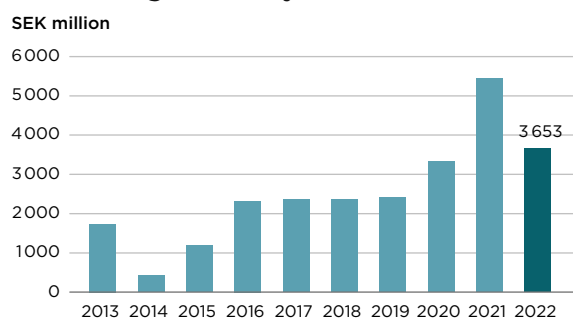
# Financial analysis of the Municipal Group

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

## Net earnings for the year

Net earnings for the year totalled SEK 3,653 million for the Municipal Group, of which the Municipality accounted for SEK 2,554 million and the companies SEK 1,231 million. The joint statutory authorities reduced earnings by SEK 3 million and adjustments for handling internal transactions between the Municipality and the companies reduced earnings by SEK 129 million. The adjustments mainly consisted of an earnings adjustment for internal gains on property transfers from companies to the Municipality.

## Net earnings for the year



Consolidated earnings can be explained in part by capital gains, SEK 1,426 million, where the Municipality's share is slightly higher than that of companies. The companies' part mainly consists of capital gains from the sale of Ale Fjärrvärme (district heating), as well as sales of property and operations in the premises cluster and Liseberg. Excluding capital gains, the sharp deterioration in earnings for Göteborg Energi AB and the maintenance costs of the Framtiden Group negatively impact the companies' net earnings. This is partly offset by the good performance found in the tourism, culture and events cluster, as well as in Higab.

The changed revenue regulations in RKR R2 helped to increase income from private investment and developer contributions by SEK 440 million. In addition, the trend for the City's tax revenue was significantly better than expected, since the number of hours worked during the year rose more than what most analysts had expected and as a result, cost developments also increased.

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

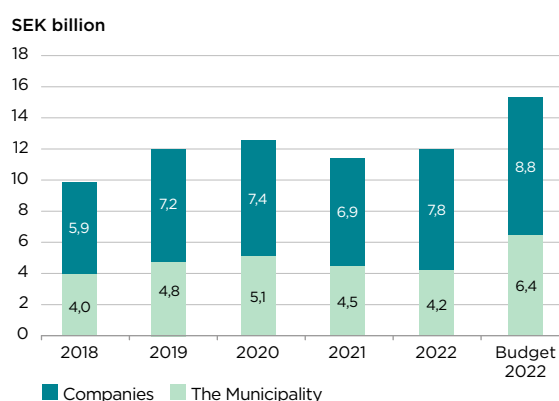
## Revenue for the operation

The Municipal Group reported income of SEK 70,333 million in 2022, of which 53 per cent comprised tax revenue, general state subsidies and municipal financial equalisation. This is the same percentage as the previous year. Tax revenue accounted for a large part of the total increase of SEK 3,531 million compared with 2021. In total, tax revenue, along with general state subsidies and equalisation, increased by SEK 1,929 million. Operating income rose by SEK 1,578 million and financial income increased by SEK 24 million.

## Investments

From year to year the Municipal Group carries out major investments when the population grows; urban development and the expansion of operations will also continue over time, while ageing facilities will be in need of refurbishment. Gross investments increased 6 per cent compared with the previous year, and totalled SEK 12 billion in 2022. The total volume of investment, however, was a full 27 per cent, or just over SEK 3 billion, under budget. The City's needs and ambitions for urban development, as expressed in the budgeted levels, were difficult to fully realise during the year, mainly because projects were postponed for various reasons, such as delays due to appeals and retrials.

## Gross investments



High earnings and an investment level under budget helped to enable the Group to finance investments largely with its own funds. The level of self-financing for the year's investments was 79 per cent, which is lower than the previous year. Since 2014, the level of self-financing has been declining for a number of years, as the surplus did not increase to the same extent as investment volumes. Consequently the ten-year average declined for several years from a previously high level. The downward trend was broken due to high earnings and lower investment rates in 2020 and 2021, but has again turned downwards and in 2022 the 10-year average stood at 97 per cent.

### Total assets

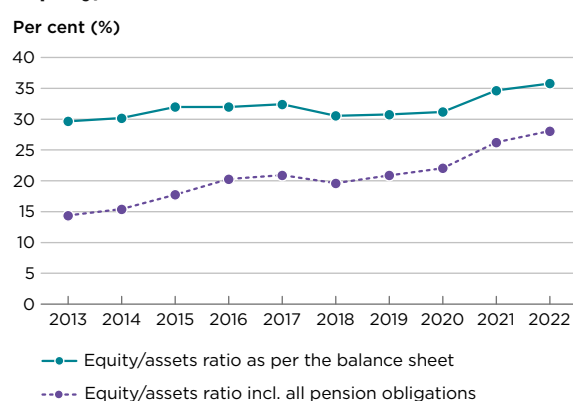
Total assets (total book value of the assets) were SEK 129.4 billion, of which the Municipality accounted for SEK 103.4 billion, the joint statutory authorities for SEK 0.6 billion and the companies for SEK 82.7 billion. Internal transactions within the combined accounts for the Group amounted to SEK 57.4 billion. Total assets increased by just over 5 per cent, which can largely be attributed to increased investments.

### Equity/assets ratio

The equity/assets ratio is a measure of long-term financial manoeuvrability and illustrates what proportion of the assets are financed through equity. The equity/assets ratio trend depends on the change in equity and assets. In 2022, the equity/assets ratio was 36 per cent, two percentage points higher than the previous year. The equity/assets ratio according to the fully funded model, which includes all pension obligations, increased by three percentage points and was 28 per cent in 2022.

The increase in 2022 is attributable to the high earnings of the Municipal Group in relation to the change in total assets.

### Equity/assets ratio



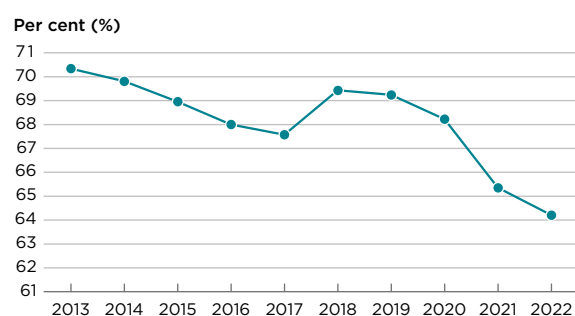
The off-balance sheet pension obligations have remained steady in recent years and as equity and total assets have increased, the impact of the pension obligations on the equity/assets parameter has decreased.

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

### Debt/equity ratio and borrowing

The diagram illustrates the size of the Group's total indebtedness in relation to total assets. The debt/equity ratio amounted to 64 per cent, a decrease of two percentage points compared with 2021. The high earnings over the past three years and the lower than planned investment rate have kept the debt/equity ratio down.

### Total debt/equity ratio and degree of provision

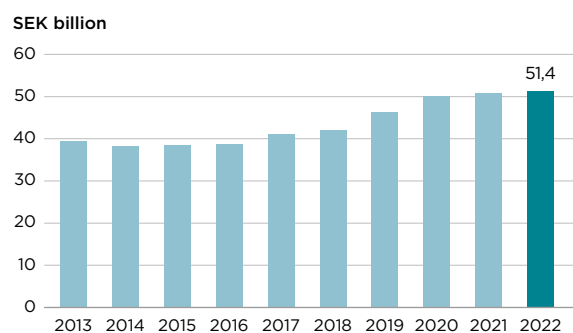


After remaining relatively stable for many years, total borrowing increased by about SEK 4 billion per year in 2019 and 2020. Since then, the debt trend did not increase as projected in the budget for each year. The lower rate of debt growth in 2022 is due to sales of property and operations within the Stadshus Group, as well as



lower investment volume at the Municipality, increased earnings and capital gains, which together resulted in a stronger cash flow. Consequently, investments could largely be financed with the Group's own funds. A continued high debt trend can be expected, in line with budget goals that have been set, and which can be attributed to the City's current urban development needs.

### Borrowing Group

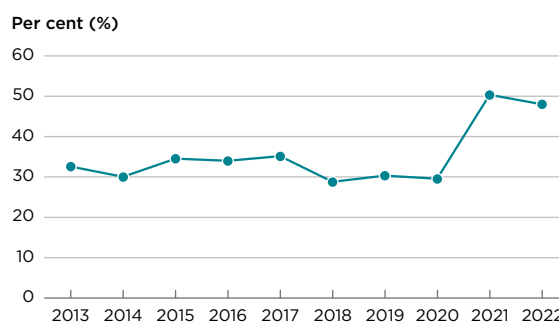


The diagram shows that the Municipal Group's external net borrowing was SEK 51.4 billion at the end of the year, an increase of SEK 0.5 billion compared with the previous year. The change can be attributed to the Municipality's increase in debt of SEK 2 billion, the companies' debt increase of just over SEK 1 billion, increased liquidity of SEK 0.5 billion and repayment of loans in connection with the maturity of a covered bond investment, which reduced the debt by SEK 3 billion. The companies' gross debt, not including the companies' deposits, amounted to SEK 43.9 billion at year-end, of which SEK 23.7 billion is attributable to the Framtiden Group. The Municipality's net borrowing was SEK 9.3 billion.

### Liquidity

The acid-test ratio, a measure of short-term manoeuvrability for the year, decreased from 50 per cent in 2021 to 48 per cent in 2022. The change is largely attributable to the maturity of the long-term investment in housing bonds, resulting in a worsening of the acid-test ratio. This was offset in part by increased in tax assets and bank balances. In the Group, current liabilities are at the same level as the previous year, while in the Municipality they have declined, resulting in an increase in the Municipality's acid-test ratio from 58 per cent to 64 per cent.

### Acid-test ratio

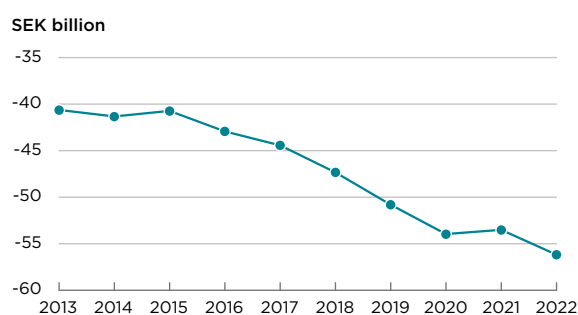


The Municipality's Group Bank also serves as an internal bank. In recent years, the Group Bank level of the acid-test ratio has been such that in the short and medium-term financial perspective, the Municipality has not had to take drastic measures to meet financial payments. The Group Bank's lending to companies is gradually transitioning from lending by promissory note to lending through a line of credit. The line of credit is considered to be long-term lending, unless amortisation is expected within twelve months.

### Net financial assets

The net financial assets parameter includes all financial assets and liabilities in the balance sheet that the Municipality expects to convert over the next ten years, namely financial assets and current assets, as well as current and non-current liabilities. The parameter is important since it reflects financial manoeuvrability somewhere between the short-term liquidity parameters and the long-term equity/assets parameter. The financial net assets, which have weakened over time, continued to decrease to a small extent and the change was SEK 1.4 billion, which equates to 2.6 per cent. The weakening can largely be explained by the major investments carried out within the Group, which were financed in part by loans, thereby increasing the Group's total borrowing.

### Net financial assets



## Income statement for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint Statutory Authorities	Companies	Group eliminations	The Municipal Group
Operating income	11,153	528	25,347	-4,267	32,761
Operating expenses	-43,793	-502	-20,426	4,015	-60,706
Depreciation/amortisation	-2,208	-24	-3,558	456	-5,334
<b>Net operating expenses</b>	<b>-34,848</b>	<b>2</b>	<b>1,363</b>	<b>204</b>	<b>-33,279</b>
Tax revenue	32,931	0	0	0	32,931
General state subsidies and equalisation	4,553	0	0	0	4,553
<b>Operating earnings</b>	<b>2,636</b>	<b>2</b>	<b>1,363</b>	<b>204</b>	<b>4,205</b>
Financial receipts	540	2	398	-852	88
Financial expenses	-622	-7	-530	519	-640
<b>Earnings after financial items</b>	<b>2,554</b>	<b>-3</b>	<b>1,231</b>	<b>-129</b>	<b>3,653</b>
Extraordinary items	0	0	0	0	0
<b>Net earnings for the year</b>	<b>2,554</b>	<b>-3</b>	<b>1,231</b>	<b>-129</b>	<b>3,653</b>

## Balance sheet for the committees, joint statutory authorities and companies

Amounts in MSEK	Committees	Joint Statutory Authorities	Companies	Group eliminations	The Municipal Group
Non-current assets	90,000	436	73,487	-48,724	115,199
Infrastructure subsidies	23	0	0	0	23
Current assets	13,425	186	9,230	-8,702	14,139
<b>Total assets</b>	<b>103,448</b>	<b>622</b>	<b>82,717</b>	<b>-57,426</b>	<b>129,361</b>
Equity	35,061	77	25,140	-13,979	46,299
Provisions	4,624	428	6,572	-53	11,572
Non-current liabilities	44,733	0	37,125	-34,777	47,081
Current liabilities	19,030	117	13,879	-8,617	24,409
<b>Total liabilities and equity</b>	<b>103,448</b>	<b>622</b>	<b>82,716</b>	<b>-57,425</b>	<b>129,361</b>

## Key financial figures

Per cent (%)	2018	2019	2020	2021	2022
Equity as a share of earnings	7.7	7.4	9.3	13.2	7.9
Total assets as a share of earnings	3.2	3	3.6	5.1	3.5
Acid-test ratio	29	30	30	50	48
Level of financing for investments	87	69	88	110	79
<b>Equity/assets ratio</b>					
Mixed model	31	31	31	34	36
Full funding	19	21	22	26	28
<b>Debt/equity ratio</b>	<b>69</b>	<b>69</b>	<b>68</b>	<b>66</b>	<b>64</b>
of which degree of provision	9	9	9	9	9
of which short-term debt/equity ratio	23	22	20	20	19
of which long-term debt/equity ratio	37	39	39	37	36
<b>Net financial assets (MSEK)</b>	<b>-47,326</b>	<b>-50,803</b>	<b>-53,964</b>	<b>-54,747</b>	<b>-56,180</b>

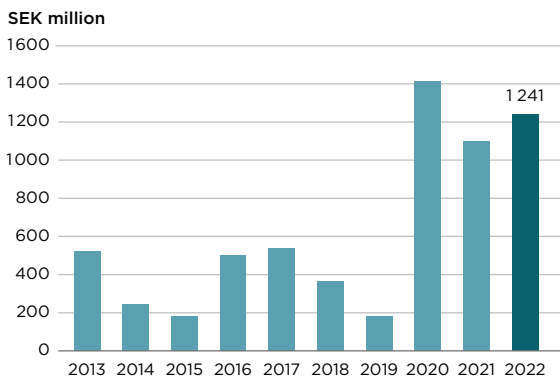
# Financial analysis of the Municipality

This section presents a financial analysis of the Municipality, excluding the municipal group companies. All in all, it can be concluded that the financial position of the Municipality strengthened during the year because of the surplus that arose, in part because of high tax base growth during the year. The equity/assets ratio strengthened and additional funds were added to the earnings equalisation reserve.

Borrowings increased, but since earnings exceeded expectations at the same time that investment volumes did not maintain the pace included in the budget, the increase in debt was lower than expected.

## Net earnings for the year and earnings trend

### Structural earnings

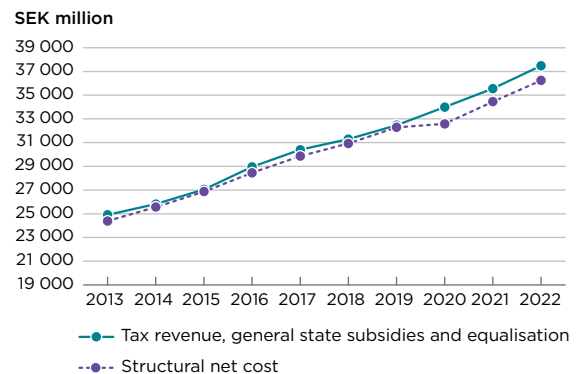


In order to see the underlying ongoing operating earnings and analyse what this figure means in the longer term, earnings are reported excluding various items affecting comparability, i.e. structural earnings. The diagram shows structural earnings over a longer period. In 2022, structural earnings amounted to SEK 1,241 million, or earnings of 3.3 per cent in relation to tax revenue, general state subsidies and equalisation. Viewed in the context of the most recent ten-year period, earnings were only higher in 2020.

As in recent years, considerable uncertainty prevailed during the year as to how the economy would be affected by the various external events of the year. The uncertainties have related to the trend for tax revenue and how the cost of operations would evolve in light of rising inflation. To sum up the year, tax revenues continued to grow rapidly after the sharp slowdown related

to the pandemic in 2020. Because of the strong development of tax revenue, the City Council was able to improve the financial circumstances of the committees through decisions to expand the municipal subsidies during the year. Meanwhile, net costs of operations over the course of the year did not increase at the rate estimated in the initial forecasts. Taken together, this meant that structural earnings in 2022 were once again significantly more favourable than what analysts had expected at the beginning of the year.

### Development of tax revenue and net costs



The diagram above shows the difference between the trend for tax revenue, including general state subsidies and equalisation, and the development of net operating expenses excluding items affecting comparability for the past ten years. After a period of relatively tight margins, a large surplus emerged in 2020, as a result of a slowdown in cost developments during the pandemic, while revenues were buoyed by sharply increased state subsidies.

As operations moved towards a more normal situation in 2021, net costs increased, resulting in slightly lower earnings in 2021 compared with 2020.

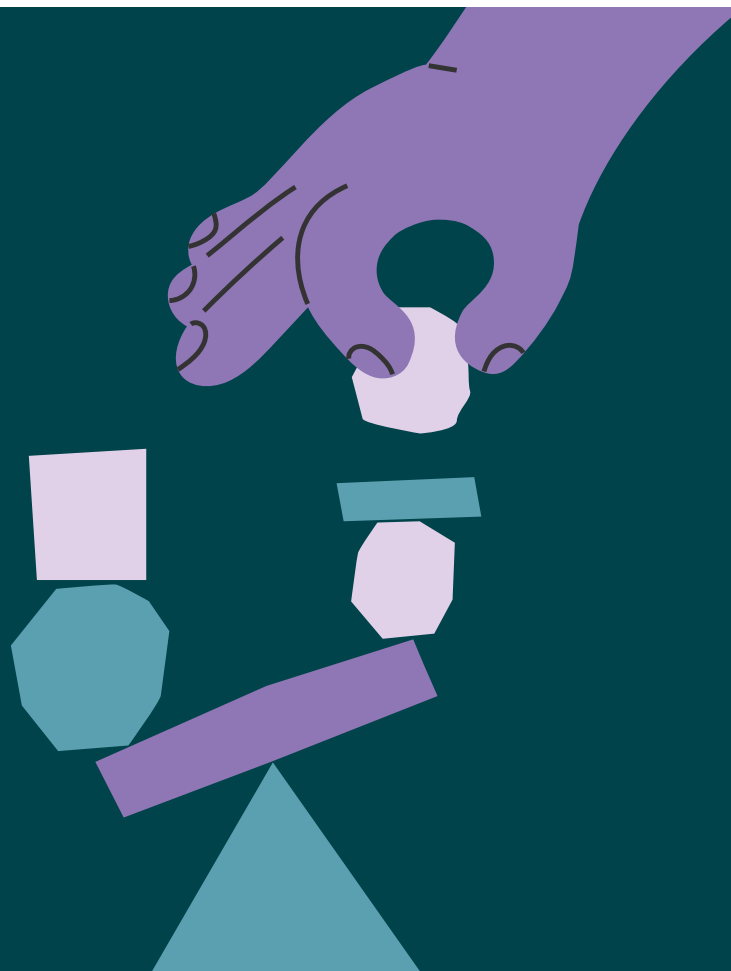
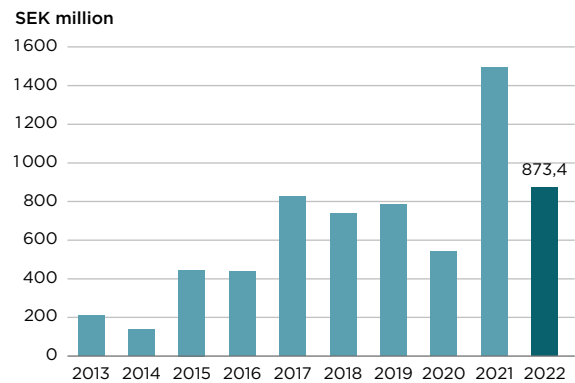
In 2022, the margins grew again, mainly due to a strong increase in tax revenue. The unexpectedly strong economic recovery during the year caused an increase in tax revenue alone of almost 6 per cent over 2021, but total revenue growth was held back by a slight reduction in general state subsidies, as some of the large injections received during the pandemic began to be phased out in 2022. Overall, revenue from taxes, general state subsidies and equalisation increased by 5.4 per cent, which is the largest increase since 2016.

Net costs increased during the year by 5.2 per cent. Although net costs did not increase as much as was expected at the beginning of the year, it is a higher rate of increase than the average over the past decade. The strong inflation with large price increases for food and other expenses, has of course affected the costs in several activities. At the same time, there is a large share of costs where the impact of high inflation will only be felt in 2023. One example is pension costs, which decreased in 2022 but will increase significantly in 2023 in light of a significant increase in the price base amount. This change will have a major impact on pensions.

## Items affecting comparability

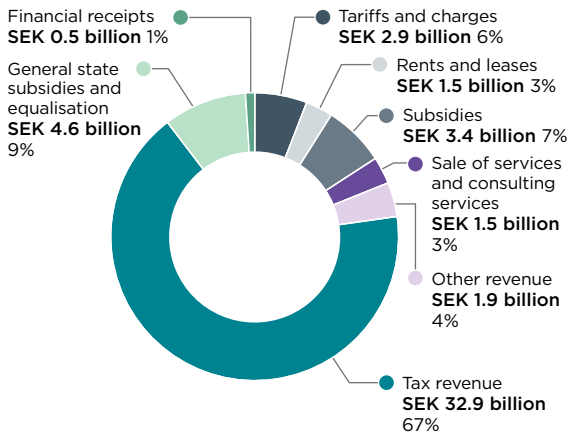
Net earnings for the year were impacted by a number of items affecting comparability that are recognised outside the 'structural earnings'. The items affecting comparability relate to capital gains and to developer contributions. Together these items amount to SEK 1,313 million. Capital gains amount to SEK 873 million. The outcome is SEK 273 million higher than budgeted, but significantly lower than in 2021. Developer contributions amount to SEK 440 million.

## Capital gains



## Revenue and expenses for the year

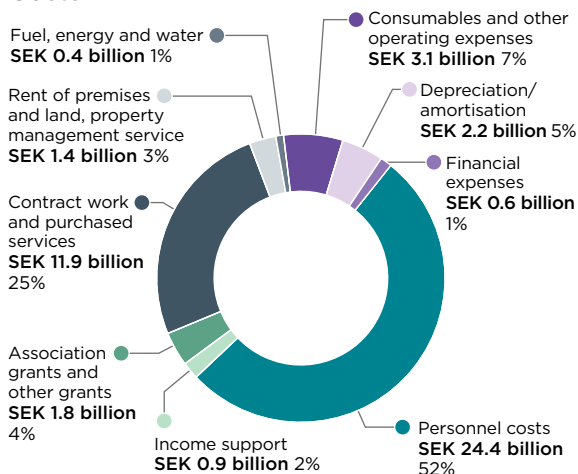
### Revenue



The Municipality's revenue for the year totalled SEK 49.2 billion. Tax revenue, along with general state subsidies and equalisation, are by far the largest revenue items, accounting for 76 per cent of total revenue. Together, they accounted for SEK 37.5 billion in revenue, an increase of SEK 1.9 billion on 2021.

Other revenue of significance for the Municipality mainly includes tariffs and charges, as well as subsidies which together account for about 13 per cent of the Municipality's income. The subsidies mainly include targeted subsidies from the government aimed at financing a specific purpose or project. The targeted subsidies increased by more than 10 per cent compared with 2021.

### Costs



Total costs for the year amounted to SEK 46.6 billion. Personnel costs, the single largest item, totalled SEK 24.4 billion, accounting for about 52 per cent of total costs. Compared with 2021, personnel costs increased by over SEK 1.1 billion, which equates to approximately 3.1 per cent.

The increase reflects both the addition of more employees and this year's salary increases.

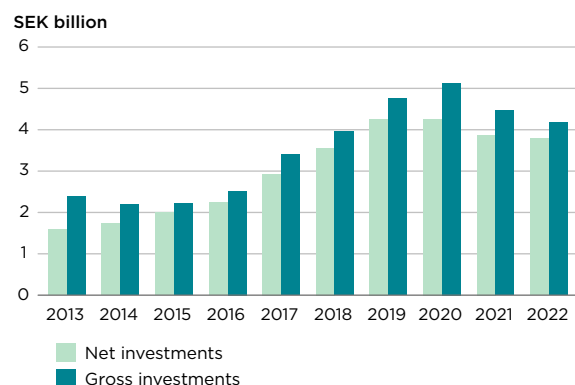
Contract work and purchased activities are the other major cost item. These costs totalled SEK 11.9 billion in 2022, accounting for 25 per cent of total costs. Compared with 2021, the costs increased by about 10 per cent.

Depreciation and amortisation totalled SEK 2.2 billion, an increase of 11 per cent on the previous year. The trend is the result of a sharp increase in investment volumes in recent years. Depreciation, amortisation and other investment-related costs will continue to rise in the coming years as the city is in a phase of high investment needs. Income support continued to decline and totalled just under SEK 900 million.

### Investments

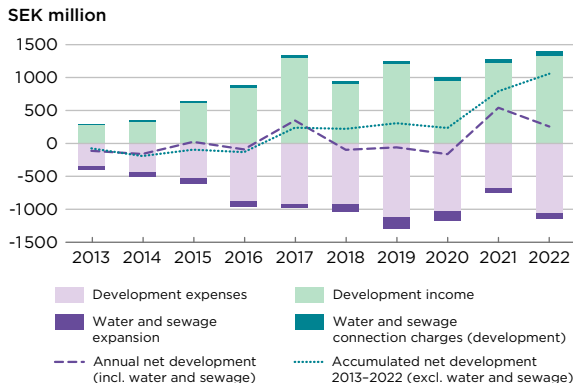
The committees' investment expenditure totalled SEK 4.2 billion in 2022. State investment subsidies and other investment income totalled just under SEK 0.4 billion during the year, for a net investment of approximately SEK 3.8 billion, where investments in premises for the Municipality's activities as well as infrastructure amount to 70 per cent of the Municipality's total net investment expenses. The committees' net budget for 2022 was about SEK 6.3 billion. The budgeted investment pace was therefore not carried out as planned. In general, the deviations can mainly be attributed to delays in planning and implementation, where a growing proportion of volumes relate to more complex and extensive projects, with greater impact on total investment volumes.

### Gross investments



## Annual development outcome

### Investments in development

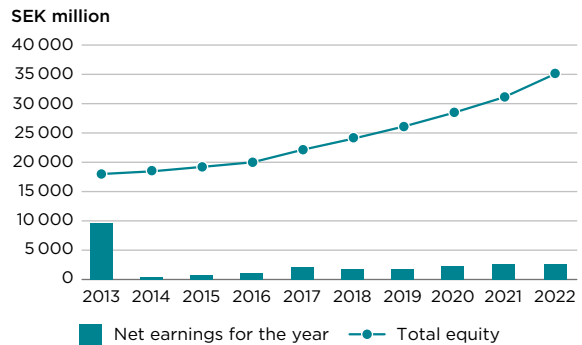


The table above shows investments in development 2013–2022. The Municipality’s total development income and development expenditure, excluding measures related to Water and sewage expansion, amounted to SEK 1.3 billion and SEK 1.1 billion, respectively, for 2022. The outcome for the year is significantly lower than the budgeted volumes, but is in line with the implementation rate that the city has achieved in recent years, reflecting the new pace of urban development over the past few years. The number, but mainly the size and complexity of many of the development projects in progress, entail great variations in cash flows from one year to the next, and in relation to planned activities, even with minor delays or changes in schedule or pace of implementation.

The overall net outcome was about SEK 270 million for 2022, which was about SEK 330 million higher than budgeted. The long-term aim is for land development activities to be self-financing over a rolling ten-year period. At year-end, accumulated net development for the most recent ten-year period was just under SEK 1.1 billion. Because of the positive net outcome for the year, the level of self-financing rose for the rolling ten-year period from 112 per cent to 114 per cent. However, the surplus and the level of self-financing should be viewed in light of the current situation: projects already underway have been postponed and there is uncertainty in the current economy regarding both the price trend for the city’s own expansion and the demand – and willingness to pay – for building rights and land.

## Development of equity and the equity/assets ratio

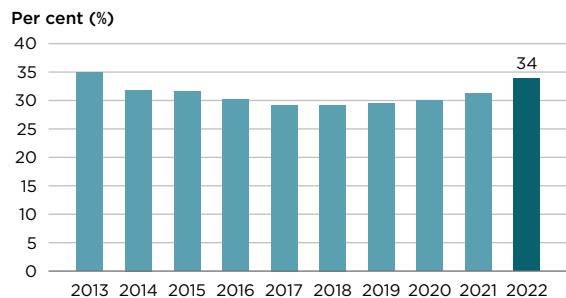
### Development of equity



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

The City of Gothenburg’s equity was strengthened by the net earnings for the year of SEK 2,554 million and amounted to SEK 35.1 billion as of 31 December 2022. In all, SEK 5.6 billion of equity is what is known as the earnings equalisation reserve.

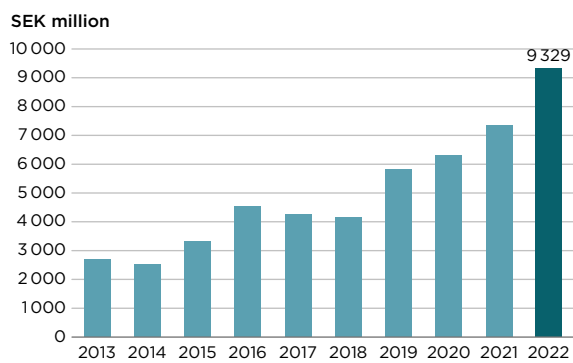
### Equity/assets ratio as per the balance sheet



The equity/assets ratio is a measure of the Municipality’s long-term financial manoeuvrability. It shows what percentage of the Municipality’s assets has been financed using its own funds. The diagram above shows the development of the equity/assets ratio using the so-called mixed model, in which certain pension obligations are recognised outside of the balance sheet. This differs from the equity/assets parameter for sound financial management, which includes all pension obligations. Robust earnings in recent years have strengthened the equity/assets ratio, which now stands at 34 per cent at year-end. The long-term trend has otherwise been a decline in the equity/assets ratio over time, despite the positive financial performance and the increase in equity. This trend

is due in part to an increase in investment volumes, which places higher demands on earnings if the equity/assets ratio is to be maintained. However, the main reason for the weak development of the equity/assets ratio over the past ten-year period is that borrowing for the entire Group is managed collectively in the Group Bank, which means that the Municipality's total assets are also affected by the companies' borrowing trend. For the Municipal Group, where internal dealings are eliminated, the equity/assets ratio is developing positively and therefore following a more expected improvement linked to the positive earnings trend.

### Development of net borrowing



The diagram illustrates the development of the Municipality's net borrowing over the past ten years. Net borrowing is defined as the Group Bank's borrowing less both lending to the companies and liquidity invested in the market. Over the entire ten-year period, net borrowing went from about SEK 2.7 billion to SEK 9.3 billion. In 2022, net borrowing increased by about SEK 2 billion. The development of the net borrowing is mainly the result of the extent to which the City is able to fund investments on its own. The increase in net borrowing over time can largely be attributed to the relatively substantial increase in investment volumes during the corresponding period. Despite high earnings levels for many years, and especially considering high capital gains, the Municipality has not been able to fully finance the increasing volume of investment from its own funds. The increased debt in 2022 was lower than expected, despite the relatively strong increase, because the Municipality's earnings exceeded expectations at the same time that investment volumes did not maintain the pace included in the budget.

### Budget performance

The City Council originally budgeted earnings of SEK 720 million for 2022. In April, the City Council decided to allocate SEK 100 million of budgeted earnings to meet any cost increases in the committees related to the war in Ukraine. Net earnings for the year of SEK 2,554 million thus represents a positive deviation of SEK 1.9 billion against the adjusted budgeted outcome of SEK 620 million. In relation to the Municipality's total revenue, this represents a deviation of 3.9 per cent.

The committees, which had budgeted for a deficit of SEK -115 million, ultimately reported a surplus of SEK 652 million. Some general reasons for the high earnings in the committees include government compensation for sick pay costs between January and March and increased state subsidies. In addition to the general reasons, it can be mentioned that the social care committees report lower than budgeted costs for income support. In addition, during the year the City Council decided to expand the municipal subsidy to several committees, which helped to strengthen earnings for the committees.

A positive deviation from the budget of almost SEK 700 million was reported at the central municipal level. The central municipal deviation can largely be attributed to substantially higher tax revenue than budgeted, because of the unexpectedly strong economic recovery in 2022.

In addition to the positive deviations for the committees and for the central municipal items, earnings were also affected by some items affecting comparability. Capital gains were almost SEK 300 million higher than budgeted and, in addition, income from developer contributions amounted to SEK 440 million. Since the developer contributions are subject to great uncertainty, they have not been budgeted and thus represent a deviation from the budget in their entirety. The budgeted dividend requirement of SEK 220 million from Göteborgs Stadshus AB was removed in accordance with a City Council decision in November.

## Budget performance

Amounts in MSEK	Budget 2022	Annual accounts 2022
Earnings, committees	-115	652
Earnings, central municipal items	-85	589
<b>Earnings before items affecting comparability</b>	<b>-200</b>	<b>1,241</b>
Capital gains	600	873
Dividend	220	-
Developer contributions	-	440
Other items affecting comparability	-	-
<b>Earnings</b>	<b>620</b>	<b>2,554</b>

## Key financial figures - Municipality

Per cent (%)	2018	2019	2020	2021	2022
Tax revenue trend	2.9	3.7	4.7	4.6	5.4
Net cost trend excl. items affecting comparability	3.6	4.4	0.9	6.1	6.0
Proportion of running costs	94	95	93	93	93
<i>of which operating income and expenses (net)</i>	92	91	88	87	87
<i>of which planned depreciation/amortisation</i>	4.8	5.1	5.1	5.6	5.9
<i>of which net financial items</i>	-2.3	-1.3	0.0	0.0	0.0
<i>of which items affecting comparability</i>	-0.4	0.0	0.1	0.0	0.0
Net earnings for the year / tax revenue, general state subsidies and equalisation	5.7	5.2	7.1	7.3	6.8
Gross investments / gross costs	11.0	12.4	13.8	11.3	10.2
Net investments / gross costs	9.9	11.8	12.2	10.5	9.9
Net investments / depreciation/amortisation	264	295	280	220	195
Level of self-financing for the year's net investments	92	88	103	156	115
Equity/assets ratio as per the balance sheet	29	29	30	31	34
Equity/assets ratio incl. all pension obligations	16	18	20	21	24
Total debt/equity ratio and degree of provision	71	71	69	69	66
<i>of which degree of provision</i>	4.9	5.0	4.6	4.9	4.5
<i>of which short-term debt/equity ratio</i>	24	22	22	21	18
<i>of which long-term debt/equity ratio</i>	41	44	43	43	43
Primary municipal tax rate (%)	21.12	21.12	21.12	21.12	21.12
Acid-test ratio	57	59	35	58	64
Net financial assets (MSEK)	-12,638	-14,356	-16,002	-17,033	-16,370
Net borrowing (Municipality's interest-bearing debt) (MSEK)	-4,154	-5,809	-6,307	-7,352	-9 329



# Balanced budget requirement

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

Gothenburg Municipality achieved the statutory balanced budget requirement in 2022 with earnings excluding capital gains of SEK 1,681 million and has thereby met the requirement every year since its introduction in 2000. With the aim of levelling tax revenue over a cyclical downturn and creating greater stability for the activities, a provision can be made to the earnings equalisation reserve. The Municipality's guidelines allow for a provision for the portion of earnings that exceeds 1 per cent of tax revenue, general state subsidies and equalisation, which would mean that SEK

1,306 million would be set aside for RUR 2022. According to the city's regulations, however, the earnings equalisation reserve may not exceed 15 per cent of the total of taxes, general state subsidies and equalisation, which for 2022 equates to SEK 5,623 million. In the annual accounts for 2021, the earnings equalisation reserve totalled SEK 5,258 million. Consequently, no more than SEK 365 million can be added to the reserve in 2022. The remainder of net earnings for the year must be transferred to other equity.

## Balanced budget requirement analysis

Amounts in MSEK	2022
<b>Net earnings for the year according to the income statement</b>	<b>2,554</b>
- All capital gains	-873
+ Capital gains applying exception option	-
+ Capital losses applying exception option	-
-/+ Unrealised gains and losses on securities	-
+/- Reversal of unrealised gains and losses on securities	-
<b>Net earnings for the year after adjustments to meet balanced budget requirement</b>	<b>1,681</b>
- Provision of funds for earnings equalisation reserve	-365
+ Use of funds from earnings equalisation reserve	-
<b>Balanced budget requirement</b>	<b>1,316</b>



# Significant personnel-related conditions

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

The outbreak of the very infectious Omicron variant of Covid-19 at the start of 2022 resulted in higher sick leave for the year as a whole compared to the previous year. Skills provision remains a long-term challenge due to an ageing population and fewer people of working age. At the same time, the changing labour market has led to increased competition for labour.

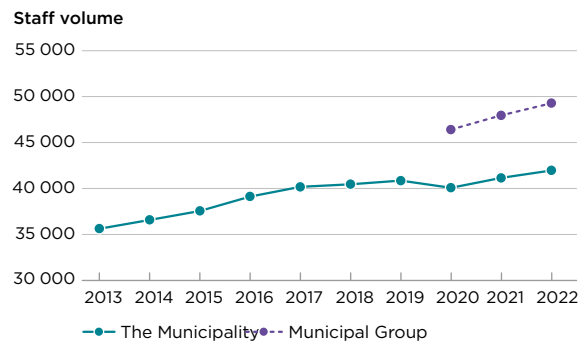
## Staff volume and number of employees

The City's staff volume is measured on the basis of hours worked and is usually expressed as full-time equivalents (FTEs). In 2022, the Municipal Group had a staff volume of 49,300 FTEs, an increase of 2.8 per cent over the previous year. Of the Municipal Group's full-time workers, 69 per cent were women and 31 per cent were men.

The rising number of staff is partly due to the growing population and hence greater demand for the Municipality's services. The increase is also partly explained by the extended mission in the area of urban development.

Within the City, the largest increase in the number of hours worked was in occupational groups such as support assistants, student assistants and recreation leaders. The largest decrease in hours worked was among support assistants, pre-school teachers and nurses.

## Number of full-time equivalents



The number of employees is measured for a single month, December. The total number of employees includes permanent employees, fixed-term employees and hourly paid employees.

In December, the Group employed a total of 62,900 people. This is an increase of almost 3,200 over the same period in the previous year. The increase is mainly due to more hourly paid and fixed-term employees within the Municipal Group. Most of the increase relates to seasonal employees at Liseberg. Liseberg also reported an increase last year when the park reopened following the pandemic, but it was not until this year that business returned to a relatively normal level. 71 per cent of employees are women and 29 per cent are men. The Municipal Group has over 2,700 managers, 67 per cent of whom are women and 33 per cent men.

The Committee for Disability Support and the Committee for the Elderly, Nursing and Care have increased their basic staffing levels to improve continuity in services. There has also been a large increase in the number of employees in compulsory schools.

Seen over a longer period of time, the proportion of permanent employees in the Municipality has been rising for several years and is now around 80 per cent. This trend is well in line with the City's goal to offer permanent employment in order to be an attractive employer. Around 96 per cent of permanent employees in the Municipality – women and men – have full-time employment. The proportion of permanent employees in the Municipality who were not born in Sweden has increased from 35 to 37 per cent.

### Skills provision

There was a high level of sick leave at the start of 2022, which meant that services that involve close contact with users had to focus especially on providing adequate staff coverage. Other committees and companies also began the year by managing the consequences of the pandemic lockdowns. Conditions gradually improved as the pandemic subsided. The labour market was generally very strong during the year and the shortage of labour in both private and public sectors increased significantly. In combination with demographic

trends, as the number of people of working age is falling and the need for welfare services is rising, it means that skills provision will become a major challenge.

The changing labour market is also reflected in the fact that external staff turnover increased for the second year in a row. Staff turnover in the Municipal Group was 11.2 per cent in 2022, an increase of 2.5 percentage points. The Municipality's staff turnover was 10.8 per cent, an increase of 2.0 percentage points, while the municipal companies' turnover was 14.4 per cent, an increase of 3.4 percentage points. The occupational group with the highest staff turnover is nurses, at 23 per cent. Occupational groups such as support assistants, social workers, administrators, assistant nurses and recreational teachers also have a staff turnover of between 12 and just over 14 per cent.

In several of these groups, staffing shortages have been a long-term issue. Within the Municipal Group it is mainly individual companies that account for the rise in staff turnover.

Executive turnover also increased compared to the previous year, from 10.6 to 12.2 per cent. For first-line managers, the corresponding figure is 12.9 per cent, an increase of 2.9 percentage points. Executive turnover is not comparable with staff turnover as it also includes mobility within and between departments.



The fact that the number of advertised positions in the City has increased and the number of applicants per position has decreased also indicates a strong labour market with high demand. The number of advertised positions that lead to recruitment has fallen since the previous year, which is particularly evident among support teachers.

In 2022, most committees and boards reported that they are taking steps to tackle the big challenge of skills provision for operations. It is difficult to recruit certain occupations and those who apply for the City's advertised positions do not always meet the required qualifications. It is also difficult to retain employees in several occupational groups due to competition for labour. The labour market favours those who are already in work.

Several administrations and companies are taking steps to train future employees internally in order to address the problem of attracting suitably qualified staff. The measures taken include reviewing opportunities to employ groups that have been excluded from the labour market, offering language training and employing groups that are normally difficult to recruit by offering full pay during training.

Lessons learned since the pandemic regarding changes in working methods continued to be put into practice during the year. A number of employees who worked from home have returned to the workplace in varying degrees. Many committees and boards have reported that they are implementing new ways of working, to increase flexibility for employees and satisfy the need to meet in person to build a common culture and effective collaboration.

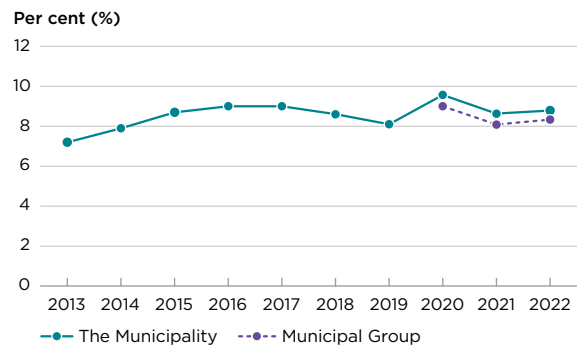
Difficulties in finding the skills required for operations may affect the quality of delivery of the base assignments in the short and long term. This could, for example, lead to higher workloads for employees and to the cancellation or postponement of deliveries.

It has become increasingly difficult to recruit the necessary skills for operations and the City of Gothenburg Executive Office believes that the measures implemented will not be sufficient to resolve the situation. The work in progress is based mainly on employer branding and recruitment. A review is also taking place of the organisation, working methods, professional roles and who does what in relation to those we serve. A number of digitalisation projects are also in progress to offset the problem of skills provision. For example, the four social care administrations have started automating routines for income

support. This frees up time for social workers to focus on managing change and helping residents to become self-reliant. Despite such measures there will still be a skills shortage and the City will have to find more new solutions and new ways to carry out its base assignments to meet the shortage of labour, which is forecast to grow. The City will also need to review and evaluate which operations could be implemented, based on the human resources available.

## Health and safety

### Sick leave



The year began with a very high level of sick leave, which levelled off in spring and reached 8.3 per cent in December. This is an increase of 0.2 percentage points over last year.

A high level of sick leave affects staffing, particularly in operations that involve close contact with users. Student assistants, support assistants, childcare workers, pre-school teachers, assistant nurses, recreation teachers and care assistants are examples of groups with high levels of sick leave, around 11–13 per cent. To tackle the heavy workload the committees report that they are continuing to focus on healthier ways of working and systematic health and safety management.

This year's employee survey shows a rise in the exposure of City employees to threats and violence. In social services, social workers are affected by the ongoing disinformation campaign. The situation affects both the working environment and the ability to attract suitably skilled staff, which could have serious consequences for both individual health and operational goals. In addition to social services, it is also reported that measures are being taken in operations such as sports and library activities and public transport to manage and prevent threats, violence and incidents relating to safety and security. The results of the City's employee survey show that incidents of victimisation/bullying, sexual harassment and discrimination decreased between 2017 and 2021,

but increased slightly in 2022. The reasons for feeling victimised vary slightly over the years, but the trend is the same over time, with ethnicity, gender and age being the most common reasons. Expertise in handling victimisation, harassment and sexual harassment has been improved and a systematic approach has been communicated through routines, support material and training in investigation methods. According to the employee survey, 94 per cent of managers and 68 per cent of employees know that there is a procedure for dealing with inappropriate treatment.

## Leadership

Organisational conditions for managers have been a topical issue for a long time. During the year, special attention was given to the City's managers, particularly in the area of welfare. A survey of the number of employees per manager, for example, showed that managing large numbers of employees, particularly in home-help services and nursing homes and care homes, poses risks to managers' health and safety and their ability to carry out their tasks. The committees affected by the reorganisation in urban development also reported an increased workload and limited opportunities for managers to recover.

Measures to improve organisational conditions for managers, i.e. the frameworks, requirements and resources that managers have at their disposal, have continued during the year. This work has resulted in several initiatives, including more support for managers, better communication and greater clarity and balance in managers' assignments. The aim is to enable close leadership.

The managers' survey yielded a score of 82 for Sustainable Employee Engagement (HME), which is one percentage point higher than the previous year. The sub-indices for motivation, governance and influence rose by two or three points.

## Wages and benefits

The City focuses on offering equal and competitive salaries in order to attract suitably qualified staff to the organisation in the short term and long term. For the City's administrations, this means an ongoing need for changes in salary differentials to bring salaries for occupational groups in the nursing, care and education sectors in line with the administrative and technical sectors. Several administrations point out that, based on current economic conditions, they consider it difficult to achieve the desired changes in salary differentials and ensure long-term skills provision.

The 2022 salary review was completed for most employees of administrations in June. The salary review for employees who have contracts with the Swedish Association of Health Professionals was also completed in October. The delay in this review was due to the signing of a new main agreement and salary agreement with the Swedish Association of Health Care Professionals in April. The outcome of the salary review for the administrations in 2022 was an average rise of 2.58 per cent.

An analysis following the salary review in 2022 shows that wage differences still exist between sectors in the municipal labour market, as healthcare, social care and parts of the education sector have wage levels below those of the technical and administrative sector. In the City's administrations, the average salary for women is now 97.5 per cent of the salary for men. The gap has narrowed by 5.3 percentage points over a ten-year period. The reasons for this positive trend are salary prioritisation in previous years, market impact on female-dominated occupational groups, government initiatives in schools, as well as a larger proportion of women in traditionally male-dominated occupational groups that require higher educational qualifications. The Swedish National Mediation Office (MI) reports that the Swedish labour market is largely divided in such a way that women and men work in different occupations that have different wage levels, which is also reflected in the City's survey.

As of 1 April 2022, the standard shift duration for permanent night duty has been reduced in accordance with the collective agreement between the employer and the municipal and public employees' negotiating council for general municipal operations. This has resulted in some increased costs for operations that include night duty.

For the City's companies, salary reviews and analysis are managed independently by each company as a separate legal entity and employer. The companies differ in their areas of industry, type of operations, staff volume and occupational categories. They also have different collective agreement frameworks, and several companies did not conduct a wage review in 2021. As a whole, the companies belong to six different employer organisations with different trade unions and collective agreements. The outcomes of their wage reviews in 2022 shows a range of wage rises between companies of 1.8–3.4 per cent.

## Significant personnel-related conditions City of Gothenburg

	2021						2022					
	The Municipality			Municipal Group			The Municipality			Municipal Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total number of employees</b>	36,667	11,406	48,073	42,181	17,569	59,750	37,739	11,784	49,523	44,454	18,483	62,937
<b>Permanent employees</b>	29,719	8,780	38,499	31,783	12,662	44,445	30,246	9,044	39,290	32,439	12,950	45,389
<b>Fixed-term employees</b>	2,661	1,080	3,741	4,331	2,095	6,426	2,792	1,154	3,946	4,952	2,401	7,353
<b>Hourly employees</b>	4,287	1,546	5,833	6,067	2,812	8,879	4,701	1,586	6,287	7,063	3,132	10,195
<b>Permanent managers</b>	1,480	482	1,962	1,735	890	2,625	1,526	495	2,021	1,781	925	2,706
<b>Average age of permanent employees</b>	45.6	44.8	45.4	46.2	45.1	45.5	45.6	44.7	45.4	45.6	45.1	45.5
<b>Sick leave, total</b>	9.4	6.3	8.6	9.0	5.8	8.1	9.5	6.5	8.8	9.3	6.1	8.3
<b>Sick leave, 1-14 days</b>	3.5	2.9	3.3	3.4	2.8	3.2	3.8	3.4	3.7	3.7	3.2	3.6
<b>Sick leave, &gt; 14 days</b>	5.9	3.3	5.3	5.7	3.1	4.9	5.7	3.2	5.1	5.5	2.9	4.8
<b>External recruits</b>	8,823	3,192	12,015	10,823	4,811	15,634	10,176	3,484	13,660	12,012	5,211	17,223
<i>for permanent employment</i>	3,154	1,143	4,297	3,370	1,563	4,933	3,957	1,250	5,207	4,283	1,738	6,021
<i>for fixed-term employment</i>	5,669	2,049	7,718	7,453	3,248	10,701	6,219	2,234	8,453	7,729	3,473	11,202
<b>External departures, permanent employees</b>	2,431	724	3,155	2,617	1,156	3,773	3,180	950	4,130	3,463	1,531	4,994
<i>of whom with a pension</i>	595	148	743	634	258	892	617	152	769	642	237	880
<i>of whom of own volition</i>	1,633	480	2,113	1,740	678	2,418	2,343	697	3,040	2,532	991	3,523
<b>External staff turnover (%)</b>	8.7	9.1	8.8	8.7	9.8	9.0	10.7	10.9	10.8	10.9	12.1	11.2

## Significant personnel-related conditions, only the administrations

	Municipality 2021			Municipality 2022		
	Women	Men	Total	Women	Men	Total
Mobility between administrations, %	1.7	1.6	1.7	2.0	1.6	1.9
<b>Sick leave, %</b>						
<b>Total</b>	<b>9.4</b>	<b>6.3</b>	<b>8.6</b>	<b>9.5</b>	<b>6.5</b>	<b>8.8</b>
60 days or more (percentage)	51.2	42.0	49.6	50.8	39.2	48.8
29 years or younger	7.9	7.0	7.7	7.9	6.8	7.6
30-49 years	8.7	5.9	8.0	8.8	6.2	8.2
50 years or older	10.6	6.5	9.7	10.8	6.9	10.0





# Expected development

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

## **From recovery to recession**

After a period of recovery following the pandemic, the economy is now weakening rapidly. High inflation has forced the world's central banks to raise interest rates sharply. This course of events has led to a decline in the economic climate. The Swedish Association of Local Authorities and Regions (SALAR) and several other analysts expect that Sweden will enter a recession in 2023, leading to rising unemployment, among other things. Following several years of strong financial results for the City of Gothenburg and for the local government sector in general, the developing situation means that economic conditions are now much tougher.

In the latest tax base forecast (December 2022), SALAR reports that the deteriorating economic situation is leading to a reduction in the number of hours worked, which has an impact on tax base growth. Higher pension income naturally makes a significant contribution to maintaining the tax base in nominal terms, but because the prices and wages that affect municipal costs are also rising more rapidly than before, real growth will be weak. In 2023, SALAR expects nominal tax base growth to be 3.5 per cent, while the price index for municipal operations is estimated at 6.4 per cent. In other words the tax base will be eroded by almost 3 per cent in real terms. Inflation and rising market interest rates also pose major financial challenges for the City's companies, which in many cases find it difficult to fully compensate for price increases.

Like more than a third of Sweden's other municipalities, the City of Gothenburg is using its earnings equalisation reserve to balance the budget in 2023. Our strong starting position, built on previous years' surpluses, is thus helping to offset the financial challenges in the short term. At the same time it is important to note

that the Swedish economy is expected to remain weak in 2024. SALAR estimates that balance will not be restored to the Swedish economy until 2026. However there is still great uncertainty about how the situation will develop, especially after 2023. In addition to the economic decline, the Municipality also faces a number of other financial challenges in the short and long term, which means that both efficiency improvements and prioritisation will be required to balance the economy in the long term.

## **Rising pension costs**

A new pension agreement has been signed between SALAR, Sobona (the municipal companies' employers' organisation) and the trade unions. The new agreement, which came into force on 1 January 2023, brings occupational pensions in municipalities and regions in line with the private and state sectors. The agreement thus means higher pension premiums, which are estimated to lead to increased costs of around SEK 400 million for the Municipality. Because pensions are index-linked to the price base amount, the high rate of inflation will further increase pension costs next year. Overall, the Municipality's pension costs are expected to rise from around SEK 2 billion in 2022 to around SEK 3.5 billion in 2023. In other words an increase of 75 per cent. SALAR expects continued high inflation to lead to a further increase in pension costs in 2024. In subsequent years the inflation rate is expected to slow down, which will also contribute to a slowdown in pension costs.

## **Sustained strong need for investment affects operating costs**

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

ongoing urban development and the need to renovate existing facilities, as well as a growing population. The strong demand for investment poses a big challenge for the City. On one hand, investment itself imposes heavy planning requirements on the organisation, and on the other, it imposes stricter requirements on earning levels in order to meet long-term financial requirements for the equity/assets ratio and self-financing of investments. Increased investment gradually leads to higher operating costs. Depreciation in the Municipality has increased by almost 50 per cent over the past four years and will continue to rise in the coming years. Financial costs will also increase in the coming years. This is partly due to increased borrowing to fund the high rate of investment, and partly due to a significant rise in the interest rates the Municipality pays on borrowing between 2022 and 2023.

The City's companies are currently also facing strong demand for investment. As a result of inflation and rising market interest rates, the companies, like the Municipality, also face a challenge in maintaining a high level of self-financing of investments.

### **Earning capacity of municipal companies**

In 2023, the Group's earning capacity from operating activities is expected to be similar to that of 2022, which was lower than in the years prior to the pandemic. Earning capacity is mainly affected by increased reinvestment, continued uncertainty in the energy market and an unfavourable fuel mix, as well as increased operating and maintenance costs in the housing sector.

General inflation and a gradual increase in interest rates are also likely to put greater pressure on earnings for those businesses that cannot fully compensate by increasing revenue. Lower earnings will reduce margins to the point where approved capital injections for certain operations cannot be met from current cash flow.

### **Demographic challenges**

At the end of the year Gothenburg's population had grown by 9,300. This is the largest increase since 1947. At the same time, the birth rate has fallen more than previously forecast, in Gothenburg and in Sweden as a whole. Increased migration to the city and a falling birth rate present demographic challenges. The trend in the birth rate affects pre-schools and, in the longer term,

schools, especially if the low birth rate continues. Lower demand for childcare also has an impact on local planning. Long planning times make it difficult to match actual needs, as a lower birth rate than previously forecast leads to a general surplus of pre-school and teaching facilities.

### **Falling birth rates and a growing elderly population**

A lower birth rate than previously expected contributes to lower costs in the short term. But it is important to note that the demographic challenge remains, as the older segment of the population continues to grow significantly faster than the younger segments. In the longer term the falling birth rate will further aggravate the demographic challenges.

### **Insufficient labour force**

The proportion of the population of working age is declining nationally and in the city, while demand for welfare services is growing. SALAR's latest economic report describes the shortage of labour as one of the greatest challenges for municipalities, regions and the entire business community. According to SALAR's calculations, the number of people employed in the country will increase by 169,000 over the next ten years, which is significantly less than in the previous decade when the number grew by 370,000.

In its 2022 recruitment forecast, the City of Gothenburg Executive Office estimates that the administrations will need to recruit around 37,000 employees by 2031. The City's companies also have recruitment needs. The challenges of skills provision are mainly due to the demographic situation and the gap between supply and demand in the labour market. The forecast shows that some operations, such as care of the elderly, are affected more than others by demographic change and that the number people qualifying from training that is relevant to the City's operations will not cover the City's needs.

The number of people employed in the city and the Gothenburg region as a whole is forecast to rise by 44,000 between 2021 and 2031, making it clear that the city's skills requirements will not be met just by attracting and recruiting new employees.

Because it is increasingly difficult to recruit staff with the right training and skills, SALAR believes that the situation is becoming unsustainable and it is increasingly clear that new ways

must be found to fulfil the welfare commitment. To solve the skills gap, the City needs to continue with initiatives to boost its attractiveness as an employer, but also to develop new ways of working, linking new digital services with the needs of operations and automating tasks to free up time for the people we serve. The City will also need to assess what the operations are capable of delivering, based on the skills available. Otherwise there is a high risk that the operations will not be able to recruit the necessary expertise.

### **Digitalisation creates opportunities but requires new ways of working**

The City of Gothenburg's continuing efforts to be an attractive employer must be complemented by new ways of working, such as linking new digital services with the needs of operations and automating tasks to free up time for the people we serve.

Skills provision is an important requirement for exploiting the opportunities of digitalisation. One of the biggest challenges an organisation faces in acquiring expertise in digitalisation is finding people with the right knowledge and skills. Another challenge is ensuring that employees and managers have the necessary skills to

manage the changes brought about by digitalisation. The prerequisites for digital working must also be put in place, both organisationally and in terms of support for the tools used.

### **A two-tier labour market**

Sweden is expected to enter a recession in 2023, which will also bring higher unemployment. The Public Employment Service fears that the long-term unemployment level will rise, but also reports that the skills shortage perceived by employers in autumn continued to rise from already high levels.

Young people without school leaving certificates from compulsory school and upper secondary school, people born abroad, people over the age of 55 and people with disabilities are groups that are statistically more likely to be long-term unemployed. People with lower secondary education who were born outside Europe have the highest level of long-term unemployment. These groups are also expected to be hardest hit by the current economic downturn.

In recent decades, the labour market has undergone changes that have led to higher qualification requirements for most occupations and greater competition for jobs that do not formally



require upper secondary education. This trend generally disadvantages people with lower levels of education.

### **Housing - reversal of positive trends?**

Over the past four years the number of newly built homes in Gothenburg has risen significantly. In 2022, 5,700 new homes were completed. Continued building of new homes at the same level as the previous four-year period is expected to mean that future needs will be met and the current housing shortage will be reduced.

However, economic trends are expected to have a negative impact on house building. High material prices combined with rising interest rates and falling house prices will make it less profitable to build new housing. There is a strong risk of a decline in housing construction in the coming years, leading to a growing housing shortage.

A lack of housing could hamper business growth, making it more difficult to recruit a qualified workforce and causing people to find somewhere else to study. It may also lead to increased homelessness and overcrowding, with negative consequences for children's physical and mental health and schooling, for example.

Overcrowding in Gothenburg has been rising for some time, but seems to have decreased somewhat in recent years. However, a reduction in house building would probably mean that overcrowding would begin to rise again.

The number of homeless households in Gothenburg has fallen sharply in recent years due to the increase in house building, a reduction in the intake of newly arrived refugees and greater efforts by the City to find apartments for various groups of homeless people. However, the downward trend has flattened out and the number of homeless people can be expected to rise again in the next few years. Higher population growth, a rising intake of refugees and expiration of transitory housing contracts (second-hand contracts that are limited to five years) all point towards this. A decline in house building would further reinforce the expected reversal in the trend.

### **Environmental and climate challenges**

The Green Deal is the EU's roadmap for climate and environmental challenges. The goals are set out in a climate law that is legally binding for all member states. The long-term goal is for Sweden to have zero net emissions of greenhouse gases



into the atmosphere by 2045. Despite the fact that significant reductions are needed to meet the goals of the Paris Agreement, greenhouse gas emissions continue to rise. The ongoing turbulence in the energy sector further increases the risk that the goals will not be met.

As a consequence of the market changes that are taking place in an effort to mitigate climate change, energy companies in the Stadshus Group need to manage financial transition risks. For Gothenburg, key factors for development are likely to include access to waste heat from refineries, access to fossil-free electricity, the future of hydrogen as a fuel, energy efficiency and the pace of innovation.

The EU Taxonomy Regulation came into force on 1 January 2022. The main purpose of the taxonomy is to help investors identify and compare environmentally sustainable investments. This will affect some of the City's larger companies from the 2025 financial year onwards. The relevant companies will have to report how sustainable their products and services are in relation to the guidelines set out in the EU taxonomy.

*The City of Gothenburg's Environment and Climate Programme* shows the direction of measures and provides a common platform for the City's long-term environmental strategy.

According to the UN Intergovernmental Panel on Climate Change (IPCC), climate change is expected to occur faster than previously expected as a result of failures to reduce greenhouse gas emissions. The main areas where Gothenburg needs to take preventive action against climate change are flood management, followed by heat waves and forest fires, where measures may need to be brought forward from current plans. Managing flood risks in the city requires extensive investment and there is ongoing dialogue at national level to secure funding and changes in legislation. This work will be set out systematically in the City's climate adaptation plan, which is currently being developed.

### **Safety and security**

SALAR reports a growing incidence of threats, hate crime and unauthorised influence against people working in municipal and regional operations. This is directed at employees and elected representatives, and risks undermining our open society and threatening democracy and the legal system.

Säpo and the Swedish Energy Agency have warned of a higher risk of sabotage against

the Swedish electricity grid. One challenge in information security is keeping up with the latest techniques and methods used in such attacks. These attacks are becoming increasingly sophisticated and can be difficult to detect and prevent. Another challenge is to ensure that all systems and devices used within an organisation are secure and protected, as a vulnerability in a single device could make the entire organisation vulnerable. As a contingency measure, the city uses the national radio communication system Rakel for emergency response and blue light services.

### **Crisis preparedness and civil defence**

The City of Gothenburg must reduce the vulnerability of its operations and be capable of managing crisis situations in times of peace to maintain a basic capacity for civil defence. These activities are regulated by the Swedish *Act on municipal and regional measures prior to and in the event of extraordinary events in peacetime and heightened preparedness (2006:544)*. Crisis preparedness and civil defence activities in administrations, companies and associations are set out in two national agreements between the Swedish Civil Contingencies Agency (MSB) and SALAR.

As a result of the war in Ukraine and the deterioration in the political security situation close to Sweden, increased efforts will be needed in 2023 and for several years ahead to improve the City's preparedness to manage societal disruptions across the entire scale of threats. More work is needed on planning and analysis to improve preparedness throughout the City of Gothenburg. Investments are also needed to expand capacity in areas such as back-up power, emergency water supply, security points, IT security, crisis communication, shelters and protected command centres. In addition, increased stockpiling of essential goods such as critical input goods, fuel, food, protective equipment, etc. is needed in the City's socially vital operations.

According to SALAR, among others, state funding is inadequate to cover the costs incurred by the City of Gothenburg and other Swedish municipalities to reduce vulnerabilities and improve their ability to manage a situation of heightened preparedness, i.e. in the event of war or risk of war.

# 2

## Annual accounts

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

## Annual accounts

### **64** Income statement

Income statement for the Municipality and the Municipal Group.

### **65** Balance sheet

Balance sheet for the Municipality and the Municipal Group.

### **66** Cash flow statement

Cash flow statement for the Municipality and the Municipal Group.

### **67** Notes including accounting policies

Disclosures are presented here as notes in accordance with legal requirements and recommendations. The City's accounting policies are also described here.

### **96** Definitions

This section defines a number of financial concepts.

# Income statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2021	2022	2021	2022
Operating income	2.8	10,829	11,153	31,183	32,761
Operating expenses	3.8	-41,732	-43,793	-56,047	-60,706
Depreciation/amortisation	4	-1,998	-2,208	-4,720	-5,334
<b>Net operating expenses</b>		<b>-32,901</b>	<b>-34,848</b>	<b>-29,584</b>	<b>-33,279</b>
Tax revenue	5	31,088	32,931	31,088	32,931
General state subsidies and equalisation	6	4,467	4,553	4,467	4,553
<b>Operating earnings</b>		<b>2,654</b>	<b>2,636</b>	<b>5,971</b>	<b>4,205</b>
Financial receipts	7.8	432	540	64	88
Financial expenses	7.8	-434	-622	-538	-640
<b>Earnings after financial items</b>		<b>2,652</b>	<b>2,554</b>	<b>5,497</b>	<b>3,653</b>
Extraordinary items		-	-	-	-
<b>Net earnings for the year</b>		<b>2,652</b>	<b>2,554</b>	<b>5,497</b>	<b>3,653</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24a.



# Balance sheet

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2021	2022	2021	2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible fixed assets	9	1	0	208	303
Property, plant and equipment	10	43,316	46,173	107,621	113,748
<i>land, plant and buildings</i>		38,875	41,402	97,947	104,190
<i>machinery and equipment</i>		4,355	4,681	9,486	9,345
<i>other property, plant and equipment</i>		86	90	188	213
Financial assets	11	43,848	43,827	987	1,148
<b>Total non-current assets</b>		<b>87,165</b>	<b>90,000</b>	<b>108,816</b>	<b>115,199</b>
<b>Infrastructure subsidies</b>	<b>12</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>23</b>
<b>Current assets</b>					
Supplies	13	893	1,340	2,072	2,415
Receivables	14	11,377	10,954	10,584	9,729
Investments in securities etc.		-	-	-	-
Cash and bank		678	1,131	1,605	1,995
<b>Total current assets</b>		<b>12,948</b>	<b>13,425</b>	<b>14,261</b>	<b>14,139</b>
<b>Total assets</b>		<b>100,137</b>	<b>103,448</b>	<b>123,101</b>	<b>129,361</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>					
<b>Equity</b>					
Net earnings for the year		2,652	2,554	5,497	3,653
Earnings equalisation reserve		5,258	5,623	5,258	5,623
Other equity		24,597	26,884	31,896	37,023
<b>Total equity</b>	<b>15</b>	<b>32,507</b>	<b>35,061</b>	<b>42,651</b>	<b>46,299</b>
<b>Provisions</b>					
Provisions for pensions and similar obligations	16	4,055	4,265	5,278	5,559
Other provisions	17	807	359	6,394	6,013
<b>Total provisions</b>		<b>4,862</b>	<b>4,624</b>	<b>11,672</b>	<b>11,572</b>
<b>Liabilities</b>					
Non-current liabilities	18	42,064	44,733	44,568	47,081
Current liabilities	19	20,704	19,030	24,210	24,409
<b>Total liabilities</b>		<b>62,768</b>	<b>63,763</b>	<b>68,778</b>	<b>71,490</b>
<b>Total equity, provisions and liabilities</b>		<b>100,137</b>	<b>103,448</b>	<b>123,101</b>	<b>129,361</b>
<b>PLEDGES AND CONTINGENT LIABILITIES</b>					
Pledges and equivalent collateral	20	-	-	923	368
<b>Contingent liabilities</b>					
<i>Pension obligations not recognised as liabilities or provisions</i>	21	10,229	9,875	10,350	9,988
<i>Other contingent liabilities</i>	22	6,322	5,696	787	2,033

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

# Cash flow statement

Amounts in MSEK	Note	The Municipality		The Municipal Group	
		2021	2022	2021	2022
<b>OPERATING ACTIVITIES</b>					
Net earnings for the year	BR	2,593	2,554	5,438	3,653
Items not affecting liquidity	25	1,888	2,310	3,822	5,729
Items affecting liquidity	26	-96	-78	-322	-564
<b>Cash flow from activities before change in working capital</b>		<b>4,385</b>	<b>4,786</b>	<b>8,938</b>	<b>8,818</b>
Increase (-) / decrease (+) in current receivables	14	-4,957	422	-5,189	854
Increase (-) / decrease (+) supplies and inventories	13	106	-446	123	-343
Increase (+) / decrease (-) in current liabilities	19	-270	53	325	1,913
<b>Cash flow from operating activities</b>		<b>-736</b>	<b>4,815</b>	<b>4,197</b>	<b>11,242</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of intangible fixed assets	9	-	-	-67	-125
Sale of intangible fixed assets	9	-	-	1	-
Acquisition of property, plant and equipment	10	-5,333	-5,116	-11,876	-11,727
Sale of property, plant and equipment	10	624	255	1,404	826
Investment income	18	589	541	725	698
Acquisition of Municipal Group companies	11	-	-	-	-7
Sale of Municipal Group companies	11	-	-	1,491	-
Acquisition of financial assets	11	-38	-38	-120	-47
Sale of financial assets	11	-	0	-	27
<b>Cash flow from investing activities</b>		<b>-4,158</b>	<b>-4,358</b>	<b>-8,442</b>	<b>-10,355</b>
<b>FINANCING ACTIVITIES</b>					
Newly raised loans	18	8,060	8,125	8,601	8,825
Repayment of non-current liabilities	18	-7,322	-5,711	-8,615	-6,549
Newly raised loans, leases	18	495	526	-	-
Repayment of non-current liabilities, leases	18	-572	-461	-	-
Increase (+) / decrease (-) accrued connection charges and investment subsidies	18	-86	-303	-176	-413
Increase (+) / decrease (-) in interest-bearing current liabilities	18,19	296	-1,726	914	-1,714
Increase (-) / decrease (+) in non-current receivables	11	3,781	60	3,710	-132
<b>Cash flow from financing activities</b>		<b>4,652</b>	<b>510</b>	<b>4,434</b>	<b>17</b>
<b>DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES</b>	12, 17, 25	-21	-514	0	-514
<b>Cash flow for the year</b>		<b>-263</b>	<b>453</b>	<b>189</b>	<b>390</b>
Liquid funds at beginning of year	BR	941	678	1,416	1,605
Liquid funds at year-end	BR	678	1,131	1,605	1,995

# Notes including accounting policies

## 1. Accounting principles and other disclosures

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

### Introduction

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

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

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

The comparative year has been restated based on the new accounting principles in the annual report. For longer time series in tables and diagrams, etc., only the previous year is restated. It was not deemed possible to go farther back in time for a reasonable effort in relation to the benefit.

An RKR opinion on errors in the 2022 cost equalisation for municipalities states that this should be attributed to the 2022 financial year and taken into account in the annual accounts for this accounting period. The Municipality has not made an accounting entry according to the opinion because the opinion was received late and the amount of SEK 11 million is not considered material.

### Corrections

In accordance with RKR R2 *Revenue*, income from payments for street costs and developer contributions is recognised as revenue in its entirety upon completion of the investment. In 2020, there was some alignment with the recommendation, whereby revenue was recognised as income – at the central municipal level – when the investment to which the revenue was attributable was ready for use/capitalised by the administration. For 2022, the city reviewed its revenue recognition principles, which resulted in a further change. As a result, developer contributions are recognised as income as the investment is completed and the sale of the development property is recognised in full on occupancy. Consequently, a liability of

SEK 1,232 million has been transferred to equity in the closing balance of 2021. Comparative figures for 2021 were affected by SEK -40 million in the income statement.

A correction has been made for subsidised facilities – i.e. facilities with a negative value (debt facilities) – which previously reduced the asset side (netted). In the closing balance for 2021, a total of SEK 102 million was transferred from the asset side, partly to liability accounts, SEK 91 million, and partly to equity, SEK 11 million. The latter refers to private investment subsidies that would have already been recognised as revenue under the current regulations. The result for 2021 was a negative impact on earnings of SEK -1 million.

A correction was also made regarding an expensed item of SEK 100 million in 2021, which improved net earnings, while also increasing equity and reducing current liability. The provision, which was charged to profit or loss in 2021, related to the risk of payment of damages to Föreningen Framstegsskolan. It was retrospectively deemed not to be a legal obligation and therefore not a basis for recognition. See notes 24a and 24b for more information.

As of 2022, future fees related to operating leases are no longer recognised as an obligation within the line item, but are only disclosed in note 23.

### **Other disclosures**

Provisions for landfills are discounted for items representing material amounts. See note 17 for more information about other provisions.

### **Combined accounts**

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

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

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

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

### **Consolidation principles**

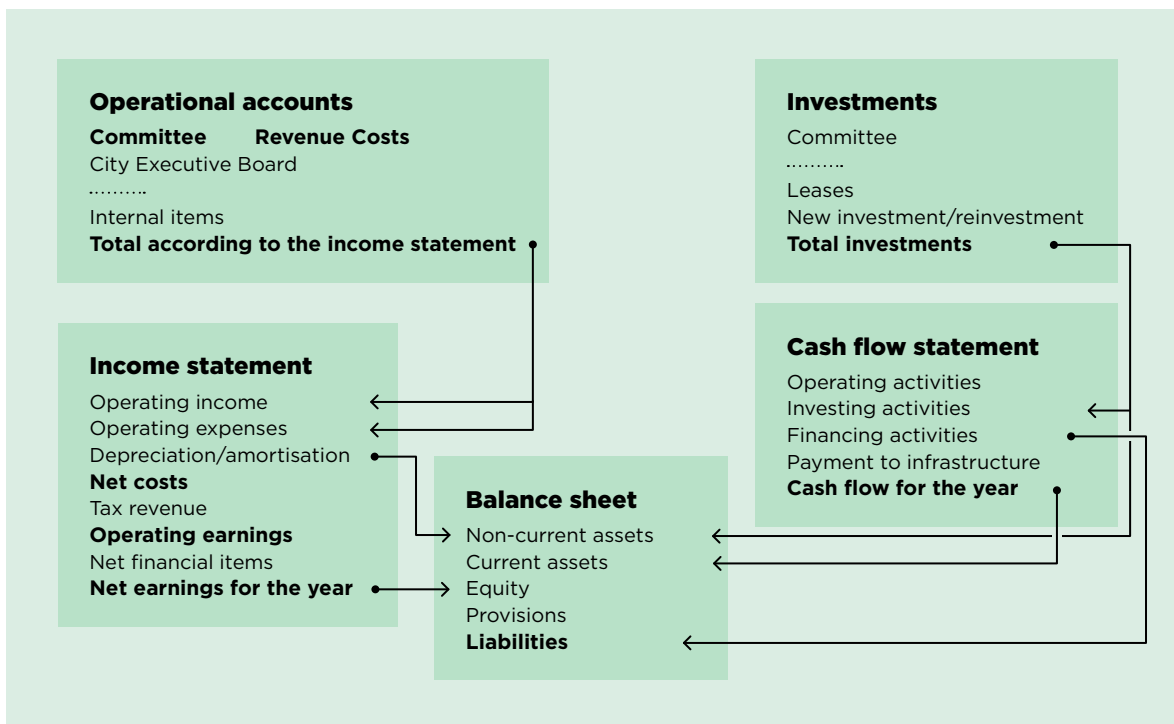
The combined accounts are prepared using proportionate consolidation, also known as the proportionate method. This means that consolidation takes place in proportion to the Municipality's share of a Municipal Group company's revenues, costs, assets and liabilities. The annual accounts of each sub-group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

### **Cash flow statement**

The cash flow statement is carried out according to the indirect model and essentially follows the layout recommended in RKR R13 *Cash flow statement*. The cash flow statement is based on changes in the balance sheet. To clarify the cash flow structure and its links to the income statement and balance sheet, supplementary disclosures were made with notes. The presentation has been changed somewhat compared with 2021. See notes 25 and 26.

### **Extraordinary items and items affecting comparability**

Events of a significant scope that are not expected to occur often and have no link with the



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

ongoing operations are viewed and recognised as extraordinary items. The item must amount to a considerable sum and be of such a nature that it is not expected to occur often or regularly. Items affecting comparability are the result of events that are not extraordinary, but are important to consider when comparing with other periods. They consist of those items that are excluded in order to arrive at what is called the Municipality's structural earnings.

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

### Operations and Investment

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

### Operational accounts

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

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

### Internal management accounting policies

Income and expenses in the operational accounts must reflect the financial relations of each committee with the outside world, of which the other committees are a part. This means that compared with income and expenses in the income statement, which contains only non-municipal items, the operational accounts also include intra-municipal items, such as purchases and sales between committees. There are also items in the income statement that have been allocated on an accrual basis in the operational accounts. Examples are personnel costs (39.35 per cent) comprising employer's contributions, contractual insurance and collectively agreed pensions, as well as internal interest (1.00 per cent) allocated on the basis of the residual book value of capitalised non-current assets.

## Investment accounts

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

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

In addition, the City Council decides separately regarding project budgets for individual projects of a fundamental nature. These designated projects will be managed within the committees' allocated investment frameworks and monitored on an ongoing basis in interim and full-year reporting.

## Revenue

### Tax revenue

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

### Other revenue

Göteborg Energi recognises its connection charges for electricity, gas and district heating in their entirety as revenue in accordance with BFNAR 2012:1 when delivery of the connection begins. In the combined accounts, the item has

been adjusted to deferred income in accordance with RKR R2 *Revenue*. All income is accrued on a straight-line basis. See notes 2 and 18.

## Costs

### Depreciation/amortisation

Depreciation of intangible assets and property, plant and equipment is normally made for the estimated useful life, with linear depreciation based on the cost excluding any residual value. Depreciation begins from the time the asset is put into use. No depreciation is made of assets in the form of land, art and work in progress. The useful life undergoes a review if there are circumstances that make this necessary, such as operational changes and changes to technology.

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

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

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

## Depreciation periods (years)

Plant	Municipality up to and incl. 2016	Municipality 2022	Companies
Capitalised expenditure for development and similar	5	3-5	3-7
Goodwill	5-10	5-10	5-10
Land improvements	20-50	7-80	10-50
Buildings	20-50	15-80	10-100
Leasehold improvements	-	2-33	10-20
Kiosks, pavilions, barracks	10	10	10
Plant, machinery and equipment	5-10	5-30	3-25
Personal computers and IT equipment	3	3-4	3
Pipe/cable rights	-	-	100
Tenancy rights	-	-	20

### Write-downs

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

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

### Interest expenses in connection with investments

According to RKR R4 *Property, plant and equipment*, interest expenses in connection with investments can be reported according to the main rule or the alternative rule. The City of Gothenburg has applied the main rule since 2014, which means that the loan expenses directly affect earnings. The

company sector follows the alternative rule which means that the loan expenses, under certain conditions, may be charged to the cost of the asset. In the company sector, loan expenses are capitalised primarily for property companies that have a yield requirement and therefore follow the alternative rule. When calculating loan expenses to be capitalised, the average financing cost of loans for investment purposes was used. See note 10.

## Assets

### Drawing a boundary between cost and investment

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

## Intangible fixed assets

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

## Property, plant and equipment

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

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

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

## Leases

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

The City of Gothenburg mainly has two major lessors. When assessing the agreements, the agreements with GSL regarding machinery and equipment are classified as financial leases. The agreements entail an economic risk for the lessee

which means that the lease can be compared to purchasing the assets. The vehicle lease agreements with GSL are still classified as operating leases because the economic risk in these agreements remains with the lessor. The agreements with Region Västra Götaland about managing assistive devices are classified as operating leases owing to the nature of the agreements.

## Financial assets

See the section *Financial liabilities*.

## State infrastructure subsidies

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

## Equity

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

## Liabilities and provisions

### Financial liabilities

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

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

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

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

### Derivative and hedge accounting

Hedge accounting in accordance with RKR R8 *Derivative and hedge accounting* is applied. Documentation of the hedging relationship is prepared,



including the purpose of the hedge, description of the nature of the hedged risk, identification of hedging instruments and assessment of the effectiveness of the hedge.

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

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

## Pensions

The Municipality's pension liability is recognised in accordance with the statutory mixed model. This means that all pensions earned before 1998 under earlier pension schemes are entered as a contingent liability as a memorandum item, and not entered as a provision in the balance sheet. Expected future special employer's contributions are also reported as a memorandum item. Payments concerning pension benefits earned before 1998 are recognised as a cost in the income statement. See note 21.

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

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

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

## Provisions

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

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

In the case of landfill restoration provisions for the Municipal Group, provisions are made progressively, taking into account the remaining life of the landfill. The remaining life depends on the inflow of waste. The size of the provisions may vary between years if new permits are provided. As owner and permit holder, Renova has a responsibility to close the landfill and have a follow-up inspection for at least 25 years after the permit has expired, or when the landfill is full. To ensure that demand can meet actual costs as they arise, Renova allocates funds annually. Renova's provisions for the restoration of landfills are discounted according to the regulations in K3 and comply with RKR R9.

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

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

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

## Memorandum items

The term 'memorandum items' refers to an accounting concept according to which pledged assets and contingent liabilities are not included as liabilities or provisions in the balance sheet, but are disclosed as a note immediately below. Contingent liabilities consists of possible commitments where there is uncertainty as to the

size of the sum and/or degree of realisation.

These include the Municipality's guarantee commitments and pension obligations dating back further than 1998. See notes 20, 21 and 22.

The pension obligation is described in its entirety in the Administration Report under the section Disclosures on pension obligations.

## 2. Operating income

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Sales revenue	384	449	8,626	11,960
Tariffs and charges	2,744	2,886	2,904	2,604
Rents and leases	1,469	1,477	8,108	9,072
State subsidies and reimbursements	2,142	2,573	2,182	2,584
Grants and gifts from private participants	36	36	36	36
EU grants	21	19	21	21
Other subsidies	825	722	1,012	800
Sale of services and consulting services	1,423	1,533	2,990	1,914
Revenue from development activities	1,202	1,214	1,202	1,231
Capital gains on non-current assets	583	244	2,291	432
Other operating income	0	-	1,811	2,107
<b>Total operating income</b>	<b>10,829</b>	<b>11,153</b>	<b>31,183</b>	<b>32,761</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24a.

## 3. Operating expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Personnel costs excluding social security contributions and pension costs	-16,431	-17,127	-19,616	-20,547
Social security contributions including employer's contribution	-5,456	-5,661	-6,514	-6,786
Pension costs	-1,748	-1,573	-2,041	-1,960
Subsidies paid	-2,743	-2,641	-2,746	-2,643
Purchase of main activity	-8,268	-8,692	-8,263	-8,318
Rent for premises and land	-1,349	-1,391	-1,087	-1,168
Fuel, energy, water, etc.	-377	-376	-5,615	-7,935
Materials, services and other operating expenses	-5,157	-6,158	-9,338	-10,728
Capital losses and disposals	-131	-40	-413	-289
Cost of sold development properties	-72	-134	-72	-134
Current and deferred corporate tax	-	-	-342	-198
<b>Total operating expenses</b>	<b>-41,732</b>	<b>-43,793</b>	<b>-56,047</b>	<b>-60,706</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24a.

#### 4. Depreciation/amortisation and write-downs

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Amortisation, intangible assets	-1	-1	-16	-30
Depreciation, buildings and plant	-1,384	-1,552	-3,798	-4,045
Depreciation, machinery and equipment	-665	-647	-1,133	-1,187
Write-down/reversal of write-down	52	-8	227	-72
<b>Total depreciation/amortisation and write-downs</b>	<b>-1,998</b>	<b>-2,208</b>	<b>-4,720</b>	<b>-5,334</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24a.

#### 5. Tax revenue

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Preliminary municipal tax	30,326	32,058	30,326	32,058
Preliminary final settlement, current year	666	687	666	687
Final settlement difference, previous year	96	186	96	186
<b>Total tax revenue</b>	<b>31,088</b>	<b>32,931</b>	<b>31,088</b>	<b>32,931</b>

#### 6. General state subsidies and equalisation

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Income equalisation	2,537	2,772	2,537	2,772
Cost equalisation	-1,178	-1,177	-1,178	-1,177
Settlement subsidy/charge	1,733	1,619	1,733	1,619
Municipal property charge	879	915	879	915
Subsidy/charge for LSS equalisation	208	297	208	297
Other subsidies in equalisation system	56	-	56	-
Other general state subsidies	232	127	232	127
<b>Total general state subsidies and equalisation</b>	<b>4,467</b>	<b>4,553</b>	<b>4,467</b>	<b>4,553</b>

General state subsidies received but not recognised as income amount to SEK 45 million.

General state subsidies	Not recognised as income	Original amount
Refugee temporary aid Ukraine war	SEK 14 million (June 2022–December 2023 12 months left)	SEK 22 million
Increased staffing million	SEK 31 million (June 2022–December 2023 12 months left)	SEK 49
<b>Total</b>	<b>SEK 45 million</b>	<b>SEK 71 million</b>

## 7. Financial income and expenses

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Dividends on shares and participations	1	5	-7	-1
Dividends on shares and participations Group companies	-	-	-	-
Revenue from financial assets	11	10	11	10
Interest income	35	53	54	63
Interest income Group companies	372	462	-	-
Guarantee fees	10	8	-	-
Other financial income	3	2	6	16
<b>Total financial income</b>	<b>432</b>	<b>540</b>	<b>64</b>	<b>88</b>
Interest expenses	-346	-481	-449	-506
Interest expenses Group companies	-11	-27	-	-
Financial expense change in pension provision	-48	-81	-70	-101
Other financial expenses	-29	-33	-19	-33
<b>Total financial expenses</b>	<b>-434</b>	<b>-622</b>	<b>-538</b>	<b>-640</b>

## 8. Items affecting comparability

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2021	2022	2021	2022
Gains/loss on sale of fixed asset		593	253	-	-
Gains/loss on sale of development property		901	620	-	-
Gains/loss other development activities		178	440	-	-
Change in pension obligation because of changed life expectancy assumptions	3	-115	-	-	-
<b>Total items affecting comparability</b>		<b>1,557</b>	<b>1,313</b>	<b>-</b>	<b>-</b>
<b>Itemisation:</b>					
Capital gains on sale of property, plant and equipment	2	583	244	-	-
Gains on sale of financial asset	7	11	10	-	-
Other sales-related expenses	3, 7	-1	-1	-	-
<b>Gains/loss on sale of fixed asset</b>		<b>593</b>	<b>253</b>	<b>-</b>	<b>-</b>
Sales price development property	2	973	754	-	-
Cost of sold development property	3	-117	-124	-	-
Change in future obligations	3	45	-10	-	-
<b>Gains/loss on sale of development property</b>		<b>901</b>	<b>620</b>	<b>-</b>	<b>-</b>
Developer contributions*	2	215	451	-	-
Co-financing from developer	2	16	19	-	-
Other development-related revenue	2, 7	0	3	-	-
Co-financing to state and region	3	-53	-33	-	-
Other development-related expenses	3	0	0	-	-
<b>Gains/loss other development activities</b>		<b>178</b>	<b>440</b>	<b>-</b>	<b>-</b>

\* Includes value of public space transferred from developer.  
Comparative figures for 2021 have been adjusted as a result of corrections/amendments by a total of SEK -40 million, see note 24a. The assessment only covers items affecting comparability for the Municipality.

## 9. Intangible fixed assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Internally developed intangible fixed assets</b>				
Opening cost	19	-	695	735
Cost	-	-	65	113
Sales/disposals	-19	-	-21	0
Reclassifications/transfers	-	-	-4	-12
<b>Closing cost</b>	<b>0</b>	<b>0</b>	<b>735</b>	<b>836</b>
Opening accumulated depreciation/amortisation	-19	-	-629	-624
Sales/disposals	19	-	20	0
Reclassifications/transfers	-	-	-	0
Depreciation/amortisation for the year	-	-	-15	-27
<b>Closing accumulated depreciation/amortisation</b>	<b>0</b>	<b>0</b>	<b>-624</b>	<b>-651</b>
Opening accumulated write-downs	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
<b>Closing accumulated write-downs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Acquired intangible fixed assets</b>				
Opening cost	23	23	464	471
Cost	-	-	-	0
Sales/disposals	-	-	-	1
Reclassifications/transfers	-	-	7	24
<b>Closing cost</b>	<b>23</b>	<b>23</b>	<b>471</b>	<b>496</b>
Opening accumulated depreciation/amortisation	-21	-22	-305	-307
Sales/disposals	-	-	-	-1
Reclassifications/transfers	-	-	-	0
Depreciation/amortisation for the year	-1	-1	-2	-3
<b>Closing accumulated depreciation/amortisation</b>	<b>-22</b>	<b>-23</b>	<b>-307</b>	<b>-311</b>
Opening accumulated write-downs	-	-	-54	-67
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-13	-
<b>Closing accumulated write-downs</b>	<b>0</b>	<b>0</b>	<b>-67</b>	<b>-67</b>
<b>Closing carrying amount</b>	<b>1</b>	<b>0</b>	<b>97</b>	<b>118</b>
<b>Total intangible fixed assets</b>	<b>1</b>	<b>0</b>	<b>208</b>	<b>303</b>
<b>Intangible fixed assets</b>				
<b>Carrying amount at beginning of year</b>	<b>2</b>	<b>1</b>	<b>171</b>	<b>208</b>
Cost	-	-	65	113
Sales/disposals	0	-	-1	0
Write-downs	-	-	-13	-
Depreciation/amortisation	-1	-1	-17	-30
Other changes	-	-	3	12
<b>Carrying amount at year-end</b>	<b>1</b>	<b>0</b>	<b>208</b>	<b>303</b>

## 10. Property, plant and equipment

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Land, plant and buildings</b>				
Opening cost	51,974	55,669	149,644	158,166
Cost	4,897	4,443	9,849	9,971
Sales/disposals	-378	-255	-1,538	-620
Reclassifications/transfers	-824	-310	211	440
<b>Closing cost</b>	<b>55,669</b>	<b>59,547</b>	<b>158,166</b>	<b>167,957</b>
Opening accumulated depreciation/amortisation	-15,624	-16,790	-54,907	-57,926
Sales/disposals	214	208	820	471
Reclassifications/transfers	2	1	-89	82
Depreciation/amortisation for the year	-1,382	-1,552	-3,750	-4,030
<b>Closing accumulated depreciation/amortisation</b>	<b>-16,790</b>	<b>-18,133</b>	<b>-57,926</b>	<b>-61,403</b>
Opening accumulated write-downs	-53	-4	-2,535	-2,293
Sales/disposals	-	-	5	1
Reclassifications/transfers	-	-	0	0
Write-downs/reversals for the year	49	-8	237	-72
<b>Closing accumulated write-downs</b>	<b>-4</b>	<b>-12</b>	<b>-2,293</b>	<b>-2,364</b>
<b>Closing carrying amount</b>	<b>38,875</b>	<b>41,402</b>	<b>97,947</b>	<b>104,190</b>
Estimated average useful life (years)	26.9	27.2	30.5	30.2
<b>Machinery and equipment</b>				
Opening cost	6,127	7,261	16,242	17,509
Cost	774	701	2,063	2,220
Sales/disposals	-106	-27	-483	-712
Reclassifications/transfers	466	293	-313	-1,117
<b>Closing cost</b>	<b>7,261</b>	<b>8,228</b>	<b>17,509</b>	<b>17,900</b>
Opening accumulated depreciation/amortisation	-2,536	-2,906	-7,251	-7,911
Sales/disposals	98	22	455	564
Reclassifications/transfers	194	-18	32	76
Depreciation/amortisation for the year	-662	-645	-1,147	-1,172
<b>Closing accumulated depreciation/amortisation</b>	<b>-2,906</b>	<b>-3,547</b>	<b>-7,911</b>	<b>-8,443</b>
Opening accumulated write-downs	-	-	-112	-112
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	0	-
Write-downs/reversals for the year	-	0	0	0
<b>Closing accumulated write-downs</b>	<b>0</b>	<b>0</b>	<b>-112</b>	<b>-112</b>
<b>Closing carrying amount</b>	<b>4,355</b>	<b>4,681</b>	<b>9,486</b>	<b>9,345</b>
Estimated average useful life (years)	9.8	11.7	9.8	10.7
<b>Other property, plant and equipment</b>				
Opening cost	101	120	260	283
Cost	2	3	5	27
Sales/disposals	-1	0	-10	0
Reclassifications/transfers	18	2	28	13
<b>Closing cost</b>	<b>120</b>	<b>125</b>	<b>283</b>	<b>323</b>

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Opening accumulated depreciation/amortisation	-32	-34	-85	-95
Sales/disposals	1	0	4	0
Reclassifications/transfers	-	2	0	0
Depreciation/amortisation for the year	-3	-3	-14	-15
<b>Closing accumulated depreciation/amortisation</b>	<b>-34</b>	<b>-35</b>	<b>-95</b>	<b>-110</b>
Opening accumulated write-downs	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
<b>Closing accumulated write-downs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing carrying amount</b>	<b>86</b>	<b>90</b>	<b>188</b>	<b>213</b>
Estimated average useful life (years)	27.9	26.7	16.5	14.8
<b>Total property, plant and equipment</b>	<b>43,316</b>	<b>46,173</b>	<b>107,621</b>	<b>113,748</b>
<b>Property, plant and equipment</b>				
<b>Carrying amount at beginning of year</b>	<b>39,957</b>	<b>43,316</b>	<b>101,256</b>	<b>107,621</b>
Cost	5,672	5,147	11,917	12,218
Sales/disposals	-172	-52	-748	-296
Write-downs	49	-8	237	-72
Depreciation/amortisation	-2,046	-2,199	-4,910	-5,217
Other changes	-144	-31	-131	-506
<b>Carrying amount at year-end</b>	<b>43,316</b>	<b>46,173</b>	<b>107,621</b>	<b>113,748</b>
<b>Itemisation: Of which leases</b>				
<b>Machinery and equipment</b>				
Cost	3,327	3,835	-	-
Accumulated depreciation/amortisation	-2,089	-2,532	-	-
Write-downs	-	-	-	-
<b>Closing carrying amount</b>	<b>1,238</b>	<b>1,303</b>	<b>0</b>	<b>0</b>
Estimated average useful life (years)	6.6	8.4	-	-
<b>Itemisation: Of which ongoing</b>				
Opening cost	12,096	9,223	19,732	17,372
Cost	5,672	5,147	11,917	12,218
Transfers	-8,545	-5,284	-14,446	-12,193
Sales/disposals	-	-	-3	-25
Write-downs	-	-	60	-52
Other	-	-	112	237
<b>Closing carrying amount</b>	<b>9,223</b>	<b>9,086</b>	<b>17,372</b>	<b>17,557</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

The Municipality's impairment charge relates to Isdala ice rink, which will cease operations in May 2023. The impairment amount of SEK 8 million is adapted to the remaining useful life of the facility. For the Group as a whole, there are additional impairment charges of SEK 120 million and reversed impairment charges of SEK -56 million. Items written down by companies and then reversed in the Municipal Group have decreased by SEK 60 million during the year.

For the Group, the value of capitalized borrowing costs of SEK 635 million is included. Of this amount, SEK 19 million was added during the year (previous year SEK 50 million) calculated on an interest rate of 1.3 per cent.

## 11. Financial assets

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Shares and participations in:*				
Göteborgs Stadshus AB	9,451	9,451	-	-
Kommuninvest Cooperative Society	375	412	375	412
Other companies, tenant-owner dwellings and basic fund capital trusts	18	19	83	73
Non-current lending to Group companies	34,001	33,893	-	-
Other non-current receivables	3	52	529	663
<b>Total financial assets</b>	<b>43,848</b>	<b>43,827</b>	<b>987</b>	<b>1,148</b>

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

## 12. Infrastructure subsidies

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Swedish Transport Administration subsidies</b>				
Total subsidy	31	31	31	31
Accumulated dissolution	-7	-8	-7	-8
<i>of which dissolution for the year</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>
<b>Total infrastructure subsidies</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>23</b>

The original total grant was SEK 30 million. Closing value refers to eight projects for a pedestrian and bicycle path, roundabout and commuter parking. The largest project corresponds to an original amount of SEK 15 million. Time for dissolution is 25 years for all projects. Dissolution for the year is SEK -1 million (previous year SEK -1 million) and accumulated dissolution is SEK 8 million.

## 13. Stocks, stores and development properties

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Supplies and inventories	36	66	428	784
Development properties	857	1,274	1,644	1,631
<b>Total supplies</b>	<b>893</b>	<b>1,340</b>	<b>2,072</b>	<b>2,415</b>
<b>Itemisation: Development properties</b>				
Value brought forward	964	857	1,797	1,644
Expenses for the year	43	556	771	835
Withdrawal of book value	-154	-137	-961	-868
Reclassification/revaluation	4	-2	37	20
<b>Total development properties</b>	<b>857</b>	<b>1,274</b>	<b>1,644</b>	<b>1,631</b>



## 14. Receivables

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Accounts receivable	502	571	1,651	1,748
Accounts receivable, Group companies	113	173	-	-
VAT receivables	352	407	421	442
Receivables, state subsidies and reimbursements	513	573	538	608
Municipal tax receivables	667	1,540	667	1,540
Other current receivables	3,506	587	4,644	1,982
Other current receivables, Group companies	4,290	5,701	-	-
Prepayments and accrued income	1,434	1,402	2,663	3,409
<b>Total current receivables</b>	<b>11,377</b>	<b>10,954</b>	<b>10,584</b>	<b>9,729</b>

## 15. Equity

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Equity brought forward	29,855	32,507	37,147	42,651
Other adjustments	-	-	7	-5
Net earnings for the year	2,652	2,554	5,497	3,653
<b>Closing equity</b>	<b>32,507</b>	<b>35,061</b>	<b>42,651</b>	<b>46,299</b>
<b>Itemisation: Equity</b>				
Net earnings for the year	2,652	2,554	5,497	3,653
Earnings equalisation reserve	5,258	5,623	5,258	5,623
Other equity	24,597	26,884	31,896	37,023
<b>Total equity</b>	<b>32,507</b>	<b>35,061</b>	<b>42,651</b>	<b>46,299</b>
<b>Itemisation: Earnings equalisation reserve</b>				
Opening earnings equalisation reserve	4,530	5,258	4,530	5,258
Change in earnings equalisation reserve for the year	728	365	728	365
<b>Total closing earnings equalisation reserve</b>	<b>5,258</b>	<b>5,623</b>	<b>5,258</b>	<b>5,623</b>

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

## 16. Provisions for pensions and similar obligations

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Defined-benefit pension scheme	3,251	3,425	4,385	4,619
Collective agreement occupational pension, fixed-term pension, etc.	12	7	12	7
<b>Total pensions</b>	<b>3,263</b>	<b>3,432</b>	<b>4,397</b>	<b>4,626</b>
Employer's contribution	792	833	881	933
<b>Total provisions for pensions and similar obligations</b>	<b>4,055</b>	<b>4,265</b>	<b>5,278</b>	<b>5,559</b>
<b>Itemisation: Change in provision over the year</b>				
Provision brought forward	3,578	4,055	4,799	5,278
New commitments during the year	489	282	547	408
<i>of which newly earned pension</i>	331	197	375	253
<i>of which interest and base amount indexation</i>	48	81	81	120
<i>of which change in actuarial bases</i>	94	0	88	38
<i>of which pension to survivors</i>	10	4	10	4
<i>of which miscellaneous</i>	6	0	-7	-7
Payouts for the year	-105	-113	-169	-178
Change in special employer's contribution for the year	93	41	101	51
<b>Total provisions for pensions and similar obligations</b>	<b>4,055</b>	<b>4,265</b>	<b>5,278</b>	<b>5,559</b>

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

## 17. Other provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>A. Provision for restoration of landfill</b>				
Carrying amount at beginning of year	21	20	82	82
Provisions for the period	-	-	8	7
Provisions utilised	-1	-1	-9	-1
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-
<b>Closing provision</b>	<b>20</b>	<b>19</b>	<b>81</b>	<b>88</b>
<b>B. Provision for infrastructure measures</b>				
Carrying amount at beginning of year	649	688	649	688
Provisions for the period	60	30	60	30
Provisions utilised	-21	-494	-21	-494
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-
<b>Closing provision</b>	<b>688</b>	<b>224</b>	<b>688</b>	<b>224</b>

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>C. Provision for measures in the construction sector</b>				
Carrying amount at beginning of year	112	77	1,507	1,638
Provisions for the period	29	31	297	364
Provisions utilised	-60	-12	-175	-387
Unused amounts reversed	-4	-13	-16	-47
Reclassification	-	-	25	1
<b>Closing provision</b>	<b>77</b>	<b>83</b>	<b>1,638</b>	<b>1,569</b>
<b>D. Provision for environmental measures</b>				
Carrying amount at beginning of year	23	13	83	53
Provisions for the period	1	13	4	15
Provisions utilised	-3	-1	-6	-1
Unused amounts reversed	-8	-	-28	0
Reclassification	-	-	-	-
<b>Closing provision</b>	<b>13</b>	<b>25</b>	<b>53</b>	<b>67</b>
<b>E. Other provisions</b>				
Carrying amount at beginning of year	31	9	211	226
Provisions for the period	-	1	48	11
Provisions utilised	-7	-1	-9	-8
Unused amounts reversed	-15	-1	-24	-1
Reclassification	-	-	-	-
<b>Closing provision</b>	<b>9</b>	<b>8</b>	<b>226</b>	<b>228</b>
<b>F. Deferred taxes</b>				
Carrying amount at beginning of year	-	-	3,488	3,708
Provisions for the period	-	-	278	278
Provisions utilised	-	-	-14	-39
Unused amounts reversed	-	-	1	-18
Reclassification	-	-	-45	-92
<b>Closing provision</b>	<b>-</b>	<b>-</b>	<b>3,708</b>	<b>3,837</b>
<b>Total opening balance</b>	<b>836</b>	<b>807</b>	<b>6,020</b>	<b>6,395</b>
<b>Total provisions for the period</b>	<b>90</b>	<b>75</b>	<b>695</b>	<b>705</b>
<b>Total utilised</b>	<b>-92</b>	<b>-509</b>	<b>-234</b>	<b>-930</b>
<b>Total unused amounts reversed</b>	<b>-27</b>	<b>-14</b>	<b>-67</b>	<b>-66</b>
<b>Reclassification</b>	<b>-</b>	<b>-</b>	<b>-20</b>	<b>-91</b>
<b>Total closing balance</b>	<b>807</b>	<b>359</b>	<b>6,394</b>	<b>6,013</b>

## The Municipality

### A. Landfill

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

### B. Infrastructure

In 2010, the Municipality signed an agreement on the co-financing of infrastructure measures as part of the West Sweden Package in which SEK 400 million related to co-financing linked to land use. This was entered into the Municipality's income statement and balance sheet in 2011. In 2022, the Municipality paid out and settled the provision in accordance with the current co-financing agreement. In 2014, the Municipality entered into a co-financing agreement for the extension of the E20 highway and the work to take a stretch of the E45 highway underground. The agreement for the extension of the E20 is a sub-agreement between the Göteborg Region Association of Local Authorities (GR) and the City of Gothenburg. In the main agreement, the City of Gothenburg is represented by GR. Inflation during the year has led to significant index adjustments once again in 2022, which together amount to approximately SEK 30 million. The lowering of the E45 is fully restored and is expected to be completed in 2023.

### C. Measures in the construction sector

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

### D. Environmental measures

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

### E. Other provisions

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

## The Municipal Group

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

### A. Landfill

The provision for restoration of landfill, aside from the Municipality's provision of SEK 20 million, refers to the restoration of landfill sites within the Renova Group. These relate to the landfills in Tagene, Torsviken and Fläskebo. The OB of SEK 61 million has increased to SEK 69 million, with Tagene accounting for SEK 45 million.

### B. Infrastructure

See the *Municipality*.

### C. Measures in the construction sector

The provision for measures in the construction sector refers, aside from the Municipality's provisions, which in total increased from SEK 77 million to SEK 83 million, largely to future obligations in construction projects within the Älvstranden Group. These provisions have decreased overall by SEK 36 million, from SEK 1,483 million to SEK 1,447 million and mainly comprise:

- Masthuggskajen, the opening provision for the year is basically unchanged with a CB of SEK 1,202 million, but has both new and utilised amounts of approximately SEK 250 million. The provision is expected to have an ongoing outflow through 2030.
- Lindholmshamnen, OB SEK 136 million; SEK 48 million was utilised, giving a CB of SEK 89 million. It is expected to have an ongoing outflow through 2025.
- Sannegården, new provision with a net for the year of SEK 49 million and an expected ongoing outflow until 2029.
- Frihamnen, OB SEK 44 million is unchanged.
- Celsiusgatan, OB SEK 46 million; SEK 11 million was utilised, giving a CB of SEK 35 million.
- Västra Eriksberg, OB SEK 31 million; SEK 21 million was utilised, giving a CB of SEK 11 million.
- Kvillebäcken, OB SEK 6 million; SEK 4 million was utilised, giving a CB of SEK 2 million.
- Skeppsbron, OB SEK 13 million is unchanged.

The Älvstranden Group also reports an ongoing provision regarding various construction projects with OB SEK 4 million and CB SEK 3 million, as does Higab AB, OB SEK 36 million and CB SEK 35 million and Förvaltnings AB Framtiden with OB SEK 11 million and CB SEK 4 million. The future provision with an OB of SEK 30 million for guarantee commitments relating to one-coat rendered façades ended during the year.

### D. Environmental measures

Funds earmarked for environmental measures refer, aside from the Municipality's provision of SEK 25 million, to the provision within the Göteborg Energi Group linked to ongoing confirmed future environmental measures, such as the restoration of land. The CB for the year of SEK 34 million increased by SEK 2 million compared with the OB. The remaining amounts are unchanged and encompass both a provision for decontamination of the Färjenäs training area used by Greater Gothenburg Rescue Services and a provision to Gryaab for land decontamination of Färjestaden of SEK 4 million each.

### E. Other provisions

Aside from the Municipality's provision of SEK 8 million, other provisions largely comprise a provision for outstanding claims within Försäkrings AB Göta Lejon. An additional provision was made here during the year for SEK 10 million, which means that the CB is now SEK 218 million, compared with the OB of SEK 208 million.

## 18. Non-current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Liabilities to banks and credit institutions	36,109	38,477	39,973	42,200
Non-current lease liability	1,238	1,303	-	-
Liabilities to Group companies	424	421	-	-
Other non-current liabilities	17	17	107	106
Deferred income construction/connection charges	619	749	831	1,009
Deferred income public investment subsidies	3,657	3,766	3,657	3,766
<b>Total non-current liabilities</b>	<b>42,064</b>	<b>44,733</b>	<b>44,568</b>	<b>47,081</b>
<b>Non-current liabilities change over the year</b>				
Opening non-current liability	40,957	42,064	44,122	44,568
Newly raised loans	8,060	8,125	8,601	8,825
Repayment of interest-bearing liability	-7,289	-5,710	-8,580	-6,548
Accrual premiums and discounts	-21	-50	-21	-50
Change in lease liability	-77	65	-	-
Change in other non-current liabilities	-64	-	-65	-1
Change in deferred income	498	239	511	287
<b>Total closing non-current liabilities</b>	<b>42,064</b>	<b>44,733</b>	<b>44,568</b>	<b>47,081</b>
Construction/connection charges remaining number of years (weighted average)	51.3	55.9	39.0	42.3
Public investment subsidies remaining years (weighted average)	49.5	48.8	49.5	48.8
<b>Information on non-current and current borrowing</b>				
Average interest rate (%)	0.69	0.99	0.92	1.01
Average interest excluding derivatives (%)	0.41	0.97	0.43	0.94
Average fixed interest period (years)	2.5	2.9	3.1	3.3
Average fixed interest period excluding derivatives (years)	1.9	2.1	1.9	2.1
Average capital commitment (years)	3.4	3.4	3.3	3.3
Loans maturing within 0-1 years (%)	22	19	22	19
Loans maturing within 1-2 years (%)	13	16	13	17
Loans maturing within 2-5 years (%)	42	48	43	48
Loans maturing within 5+ years (%)	23	17	22	16
<b>Hedging instruments</b>				
Nominal amount of interest rate swaps	5,800	7,800	19,260	18,220
Market value of interest rate swaps	-158	481	-291	1,011
Hedged debt in foreign currency	2,816	2,816	2,816	2,816
Market value cross currency swaps	20	106	20	106

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

Regarding deferred income, public investment subsidies are accrued in the interval 10 to 80 years, depending on useful life of the component/asset to which the subsidy relates. For older revenue (before the introduction of component accounting in 2017), dissolution is applied for essentially 33 years. Beginning in 2021, connection charges are accrued at the Eco-cycle and Water Committee over 80 years (previously 50 years). For the Group, there is an additional adjustment for Göteborg Energi's connection charges, which total SEK 260 million. Of this amount, SEK 157 million was added during the year (previous year SEK 148 million) and is accrued over five years according to a simplified model to meet the costs incurred.

## 19. Current liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Liabilities to banks and credit institutions	10,405	9,162	11,774	10,060
Liabilities to Group companies	2,743	2,259	-	-
Accounts payable	2,246	2,552	3,595	3,955
VAT and excise taxes	-	0	74	57
Employee taxes, charges and deductions	336	361	399	426
Retroactive pay and compensation for inconvenient working hours*	635	693	635	693
Holiday and overtime liability*	1,411	1,413	1,821	1,808
Other accrued personnel costs	1,361	934	1,580	1,084
Municipal tax liabilities	319	-	319	-
Other current liabilities	382	338	1,308	1,096
Other accruals and deferred income	866	1,318	2,705	5,230
<b>Total current liabilities</b>	<b>20,704</b>	<b>19,030</b>	<b>24,210</b>	<b>24,409</b>
<b>Market value of swaps</b>				
Hedged debt in foreign currency	2,012	2,029	2,012	2,029
Currency swaps	71	-32	71	-32

\* Includes accrued social security contributions.

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

## 20. Pledges and equivalent collateral

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Property mortgages	-	-	28	28
Other pledged assets*	-	-	895	340
<b>Total pledges and equivalent collateral</b>	<b>0</b>	<b>0</b>	<b>923</b>	<b>368</b>

\* The item for 2022 consists solely of assets registered for coverage of liabilities by the actuarial provisions at Göta Lejon AB. In the event of insolvency, policyholders have a preferential right to the registered assets. For 2021, the item was SEK 325 million.

The previous year also included SEK 570 million in pledged assets in favour of Nasdaq Commodities.

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

## 21. Pension obligations not recognised as liabilities or provisions

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
PA-KL pension obligations, active	2,669	2,383	2,676	2,391
PA-KL pension obligations, retired	5,263	5,288	5,350	5,368
Pension obligations, annuity	293	272	293	272
<b>Total PA-KL pension obligations</b>	<b>8,225</b>	<b>7,943</b>	<b>8,319</b>	<b>8,031</b>
Pension obligations, managers' agreements	-	-	-	-
Other pension obligations	7	4	7	4
Guarantee commitments, FPG/PRI	-	-	6	7
<b>Total pension obligations</b>	<b>8,232</b>	<b>7,947</b>	<b>8,332</b>	<b>8,042</b>
Special employer's contribution	1,997	1,928	2,018	1,946
<b>Total pension obligations and special employer's contribution</b>	<b>10,229</b>	<b>9,875</b>	<b>10,350</b>	<b>9,988</b>
<b>Itemisation: Change in contingent liabilities over the year</b>				
Opening contingent liability for pension obligation	10,395	10,229	10,519	10,350
New commitments during the year	341	194	348	198
<i>of which interest and base amount indexation</i>	148	243	150	246
<i>of which change in actuarial bases</i>	226	0	231	0
<i>of which pension to survivors</i>	-	-	-	-
<i>of which miscellaneous</i>	-33	-49	-33	-48
Payouts for the year	-475	-479	-484	-488
Change in special employer's contribution for the year	-32	-69	-33	-72
<b>Total contingent liability for pension obligation</b>	<b>10,229</b>	<b>9,875</b>	<b>10,350</b>	<b>9,988</b>

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

## 22. Other contingent liabilities

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Guarantees for loans and pension obligations of own companies</b>				
Göteborgs Hamn AB	384	418	-	-
Göteborg Energi AB	237	235	-	-
Higab AB	1,075	584	-	-
Göteborgs Stadshus AB	3,330	3,230	-	-
Förvaltnings AB Framtiden	412	412	-	-
Other companies	269	253	-	-
<b>Total guarantees City companies</b>	<b>5,707</b>	<b>5,132</b>	<b>-</b>	<b>-</b>
<b>Other external guarantees</b>				
Private houses – government home loans	1	-	1	-
Foundations	454	406	454	406
Associations	160	158	160	158
Other	0	0	1	0
<b>Total external guarantees</b>	<b>615</b>	<b>564</b>	<b>616</b>	<b>564</b>
<b>Other obligations</b>				
Parent company guarantee*	-	-	-	1,330
Other contingent liabilities	-	-	171	139
<b>Total other obligations</b>	<b>0</b>	<b>0</b>	<b>171</b>	<b>1,469</b>
<b>Total other contingent liabilities</b>	<b>6,322</b>	<b>5,696</b>	<b>787</b>	<b>2,033</b>

\* A parent company guarantee was provided by Göteborg Energi AB in favour of the clearing counterparty as security for Göteborg Energi Din El AB's financial electricity trade of EUR 100 million, corresponding to SEK 1,113 million. A parent company guarantee was also provided in favour of the balance responsible party as security for Göteborg Energi Din El AB's physical electricity trade of EUR 20 million, corresponding to SEK 217 million.

Comparative figures for 2021 have been adjusted as a result of corrections/amendments, see note 24b.

In November 2012, the City of Gothenburg stood surety jointly and severally, as for a debt of its own, for all of Kommuninvest i Sverige AB's present and future obligations. All 294 municipalities and regions that were members of the Kommuninvest Cooperative Society on 31 December 2022 have entered into identical guarantee commitments. Kommuninvest's total obligation amounted to SEK 540 billion and its total assets to SEK 537 billion on 31 December 2022. The City of Gothenburg's share of the guarantee liability is 2.0 per cent, SEK 11 billion.

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

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

The Municipality's guarantee for pension obligations in certain municipal companies, joint statutory authorities and foundations amounted to SEK 751 million at the end of the year. The City of Gothenburg had to redeem guarantee commitments for SEK 0.6 million during the year.



## 23. Leases

Amounts in MSEK	The Municipality		The Municipal Group	
	2021	2022	2021	2022
<b>Financial leases</b>				
<b>Lessee</b>				
Carrying amount on the balance sheet date for machinery and equipment	1,238	1,303	-	-
Present value minimum lease fees	1,290	1,365	-	-
<i>of which maturing within 1 year</i>	403	422	-	-
<i>of which maturing within 1-5 years</i>	718	764	-	-
<i>of which maturing in more than 5 years</i>	169	179	-	-
Variable charges included in net earnings for the period	-	-	-	-
<b>Lessor</b>				
External receivables	-	-	593	539
Future minimum lease fees relating to non-cancellable lease agreements	-	-	573	537
<i>of which maturing within 1 year</i>	-	-	54	55
<i>of which maturing within 1-5 years</i>	-	-	208	212
<i>of which maturing in more than 5 years</i>	-	-	311	270
<b>Operating leases</b>				
<b>Lessee</b>				
Lease fees paid for the financial year	2,095	2,172	986	1,019
Future minimum lease fees relating to non-cancellable lease agreements	1,760	1,819	1,530	1,531
<i>of which maturing within 1 year</i>	403	545	272	326
<i>of which maturing within 1-5 years</i>	873	1,822	733	709
<i>of which maturing in more than 5 years</i>	484	452	525	496
<b>Lessor</b>				
Contracted future lease fees	930	921	9,110	10,252
<i>of which maturing within 1 year</i>	332	319	1,717	1,894
<i>of which maturing within 1-5 years</i>	358	294	3,681	4,404
<i>of which maturing in more than 5 years</i>	240	308	3,712	3,955

## 24a. Effects in the income statement for the comparative year 2021 as a result of corrections/amendments

Amounts in MSEK Extract:	Note	The Municipality			The Municipal Group		
		2021	+/-	2021	2021	+/-	2021
Extract:							
Operating income	2.8	10,864	-35	10,829	31,218	-35	31,183
Operating expenses	3	-41,832	100	-41,732	-56,147	100	-56,047
Depreciation/amortisation	4	-1,992	-6	-1,998	-4,714	-6	-4,720
<b>Net operating expenses</b>		<b>-32,960</b>	<b>59</b>	<b>-32,901</b>	<b>-29,643</b>	<b>59</b>	<b>-29,584</b>
<b>Operating earnings</b>		<b>2,595</b>	<b>59</b>	<b>2,654</b>	<b>5,912</b>	<b>59</b>	<b>5,971</b>
<b>Earnings after financial items</b>		<b>2,593</b>	<b>59</b>	<b>2,652</b>	<b>5,438</b>	<b>59</b>	<b>5,497</b>
<b>Net earnings for the year</b>		<b>2,593</b>	<b>59</b>	<b>2,652</b>	<b>5,438</b>	<b>59</b>	<b>5,497</b>

Operating income was adjusted by SEK -40 million as a result of changes in revenue recognition.

Operating income was adjusted by SEK +5 million and Depreciation/amortisation by SEK -6 million due to the transfer of debt facilities from the asset side to the liability side.

Operating expenses were adjusted by SEK 100 million as a result of the correction of an item entered as an expense.

## 24b. Effects in the balance sheet for the comparative year 2021 as a result of corrections/amendments

Amounts in MSEK	Note	The Municipality			The Municipal Group		
		2021	+/-	2021	2021	+/-	2021
Extract:							
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	10	43,214	102	43,316	107,519	102	107,621
<b>Total non-current assets</b>		<b>87,063</b>	<b>102</b>	<b>87,165</b>	<b>108,714</b>	<b>102</b>	<b>108,816</b>
<b>Total assets</b>		<b>100,035</b>	<b>102</b>	<b>100,137</b>	<b>122,999</b>	<b>102</b>	<b>123,101</b>
<b>EQUITY</b>							
Net earnings for the year		2,593	59	2,652	5,438	59	5,497
Other equity		23,313	1,284	24,597	30,612	1,284	31,896
<b>Total equity</b>	15	<b>31,164</b>	<b>1,343</b>	<b>32,507</b>	<b>41,308</b>	<b>1,343</b>	<b>42,651</b>
<b>LIABILITIES</b>							
Non-current liabilities	18	43,205	-1,141	42,064	45,709	-1,141	44,568
Current liabilities	19	20,804	-100	20,704	24,310	-100	24,210
<b>Total liabilities</b>		<b>64,009</b>	<b>-1,241</b>	<b>62,768</b>	<b>70,019</b>	<b>-1,241</b>	<b>68,778</b>
<b>Total equity, provisions and liabilities</b>		<b>100,035</b>	<b>102</b>	<b>100,137</b>	<b>122,999</b>	<b>102</b>	<b>123,101</b>
<b>PLEDGES AND CONTINGENT LIABILITIES</b>							
Pledges and equivalent collateral	20	6,322	-6,322	0	1,539	-616	923
Contingent liabilities					171	-171	
<i>Other contingent liabilities</i>	22	1,760	4,562	6,322	1,530	-743	787

The item Property, plant and equipment was adjusted by SEK 102 million, Equity by SEK 11 million and Non-current liabilities by SEK 91 million as a result of the transfer of debt facilities from the asset side to the liability side. Of these amounts, SEK -6 million, SEK -1 million and SEK -5 million respectively relate to the adjustment for 2021.

Equity was increased and Non-current liabilities were reduced by SEK 1,232 million due to a change in revenue recognition. Of these amounts, SEK -40 million relates to the adjustment for 2021.

Equity was also increased, while Current liabilities was reduced by SEK 100 million as a result of the correction of an item expensed in 2021.

Pledges and contingent liabilities were reduced by a total of SEK 1,760 million for the Municipality and SEK 1,530 million for the Municipal Group because operating leases are no longer recognized above the line. In addition, an internal adjustment above the lines was made to reflect changes in accounting practice.

## 25. Cash flow, items not affecting liquidity

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
Capital gains from intangible assets and property, plant and equipment	9, 10	-452	-203	-656	-530
Depreciation/amortisation	9, 10	1,845	2,200	4,978	5,262
Write-downs	9, 10	-49	8	-224	72
Capital gains from Municipal Group companies	11	-	-	-1,436	0
Provisions made for pensions	16	583	323	647	459
Other provisions made	17	91	75	695	705
Reversal other provisions	17	-28	-13	-87	-156
Accrual premiums and discounts on loans for the year	18	-102	-100	-102	-100
Subsidies infrastructure, reported in a different sector	RR	0	20	0	20
Adjustment, equity	24	-	-	7	-3
<b>Total items not affecting liquidity</b>		<b>1,888</b>	<b>2,310</b>	<b>3,822</b>	<b>5,729</b>

## 26. Cash flow, items affecting liquidity

Amounts in MSEK	Included in note	The Municipality		The Municipal Group	
		2020	2021	2020	2021
Payment of pension provision	16	-106	-113	-169	-178
Payment other provisions	17	-71	-15	-234	-436
Receipt and payment of premiums and discounts, loans	18	81	50	81	50
<b>Total items affecting liquidity</b>		<b>-96</b>	<b>-78</b>	<b>-322</b>	<b>-564</b>

Interest payments of SEK 494 million are included in 2022 for the Municipality.

Outgoing interest payments of SEK 417 million are included for the Municipality in 2022.

Dividends of SEK 6 million are included in the Municipality in 2022.

## 27. Disclosure of prepared separate reporting

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

Special reports prepared in accordance with the *Swedish Electricity Act (1997:857)*, *Swedish District Heating Act (2008:263)* and *Swedish Natural Gas Act (2005:403)* relating to the electricity grid, gas

network and district heating will be available at the Göteborg Energi AB website: [goteborgenergi.se](http://goteborgenergi.se).

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

## 28. Disclosure about costs for auditing of accounts

Amounts in SEK thousand	The Municipality		The Municipal Group	
	2021	2022	2021	2022
Expert assistant	4,679	4,839	13,036	13,387
Elected auditors	33	34	4,362	4,659
<b>Total cost for auditing of accounts</b>	<b>4,712</b>	<b>4,873</b>	<b>17,398</b>	<b>18,046</b>

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

## 29. Disclosure on intra-group conditions

### Internal transactions

Amounts in MSEK	Sales		Loans		Interest and guarantee fee		Surety	
	Income	Cost	Lender	Recipient	Income	Cost	Lender	Recipient
Companies	2,620	1,547	2,121	39,590	23	469	-	5,032
Municipality	1,561	2,933	39,590	2,521	470	26	5,133	-
Joint Statutory Authorities	325	26	400	-	2	-	-	101
<b>Total</b>	<b>4,506</b>	<b>4,506</b>	<b>42,111</b>	<b>42,111</b>	<b>495</b>	<b>495</b>	<b>5,133</b>	<b>5,133</b>

### Group and shareholders' contributions

Amounts in MSEK	Shareholder contribution		Group contribution		Dividend	
	Given	Received	Given	Received	Given	Received
Göteborgs Stadshus AB	220	5	-	664	-	318
Göteborg Energi AB	-	-	-	-	217	-
Göteborgs Hamn AB	-	92	216	-	-	-
Higab AB	-	61	249	-	-	-
Förvaltnings AB Framtiden	-	-	-	-	-	-
Göteborg & Co AB	-	55	68	-	1	-
Göteborgs Stads Kollektivtrafik AB	-	3	71	-	100	-
Business Region Göteborg AB	-	5	-	-	-	-
Göteborgs Stads Leasing AB	-	-	54	-	-	-
Boplats Göteborg AB	-	4	6	-	-	-
Municipality	5	-	-	-	-	-
<b>Total</b>	<b>225</b>	<b>225</b>	<b>664</b>	<b>664</b>	<b>318</b>	<b>318</b>

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

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

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

<b>Company / Organisation</b>	<b>Company reg. no.</b>	<b>Ownership stake (%)</b>
<b>GÖTEBORGS HAMN AB</b>	<b>556008-2553</b>	<b>100</b>
Göteborgs Stuveri AB	556284-3614	100
Scandinavian Distripoint AB	556206-1654	100
Arendal Holding AB	556711-0365	100
Göteborgs Hamn Holding AB	559338-6799	100
Halvorsäng Holding AB	559338-6807	100
Halvorsäng Fastighets AB	559338-6781	100
Halvorsäng Fastighetsbolag Syd AB	559338-6823	100
Halvorsäng Fastighetsbolag Nord AB	559338-6815	100
Halvorsäng Fastighetsbolag Öst AB	559338-6831	100
Göteborgs Hamn Arendal Fastighets AB	559324-3164	100
<b>GÖTEBORGS STADS KOLLEKTIVTRAFIK AB</b>	<b>559161-0190</b>	<b>100</b>
Göteborgs Spårvägar AB	556353-3412	85
GS Buss AB	556771-4380	100
GS Trafikantservice AB	556771-2251	100
<b><u>OTHER</u></b>		
Kommuninvest Cooperative Society*	716453-2074	2.1
Greater Gothenburg Rescue Services	222000-0752	70.6
Gothenburg Coordination Association	222000-3285	25
Gothenburg Region Association of Local Authorities**	222000-0265	55.6
Göteborgsregionens Internationella Skola AB (ISGR)**	556527-5657	100
Gryning Vård AB**	556605-8201	54
Tolkförmedling Väst**	222000-2972	16.4

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

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

# Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Investments/gross costs** Gross investments/operating expenses, or net investments/operating expenses.

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

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

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

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

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

**Net investment** Investment expenditure less investment income.

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

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

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

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

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

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

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

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

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

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

**Total debt/equity ratio and degree of provision**  
Provisions/total assets, or current Economic and financial reporting.





# 3

## Economic and Financial Report

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

## **Economic and Financial Report**

### **100 Operational accounts**

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

### **108 Investment accounts**

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

### **116 Foundations**

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

# Operational accounts

## Municipality's operational accounts

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

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

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
<b>COMMITTEES WITH A SPECIAL FOCUS AREA</b>							
Planning and Building Committee	201	-366	166	0	0	191	-340
Property Management Committee	765	-801	49	13	0	714	-723
Pre-school Committee	565	-5,107	4,481	-61	-152	511	-4,879
Compulsory School Committee	1,182	-10,086	9,017	114	0	1,095	-9,645
Sports and Associations Committee	167	-732	571	6	0	114	-648
Municipality Management	174	-543	383	14	0	144	-479
Cultural Affairs Committee	154	-778	638	14	0	133	-761
Commercial Premises Committee	3,429	-3,453	0	-24	0	3,331	-3,282
Environmental and Climate Committee	93	-189	105	9	0	99	-187
Labour Market and Adult Education Committee	288	-975	740	54	0	308	-946
Committee for Democracy and Citizen Services	74	-161	88	0	0	73	-144
Committee for Disability Support	597	-5,366	4,772	3	0	594	-5,183
Purchasing and Procurement Committee	90	-84	8	14	0	72	-77
Committee for Intraservice	1,268	-1,290	22	0	0	1,159	-1,179
Parks and Landscape Committee	450	-784	333	-1	0	505	-817
Social care committee Centrum	166	-1,362	1,227	31	0	164	-1,301
Social care committee Hisingen	135	-1,224	1,171	82	0	126	-1,202
Social care committee Nordost	197	-1,708	1,655	144	0	146	-1,725
Social care committee Sydväst	485	-1,198	749	36	0	467	-1,152
Road Traffic Committee	1,419	-2,718	1,352	53	43	1,226	-2,292
Education Committee	1,053	-3,308	2,255	1	-6	1,048	-3,212
Electoral Committee	21	-42	32	11	0	0	-6
Committee for the elderly, nursing and care	1,458	-7,161	5,824	121	0	1,372	-6,820

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income previous year	Costs previous year
<b>DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS</b>							
Eco-cycle and Water Committee	1,789	-1,773	-	16	-66	1,607	-1,689
Change of liability to subscriber Eco-cycle and Water Committee	-16	-	-	-16	66	81	-
<b>Financial framework for special budget items</b>							
Archives Committee	40	-59	24	5	0	40	-61
Property Management Committee: Transfers	0	-54	68	14	0	0	-58
Social care committee Centrum: Adult education associations	0	-29	29	0	0	0	-30
Auditors' Office	5	-44	38	-1	-1	5	-41
Chief Guardians' Committee: Fees	2	-33	33	2	0	1	-23
<b>Total for committees</b>	<b>16,251</b>	<b>-51,427</b>	<b>35,828</b>	<b>652</b>	<b>-115</b>	<b>15,327</b>	<b>-48,903</b>
Central municipal items	38,920	-2,503	-35,828	589	-85	36,874	-2,202
<b>Earnings before items affecting comparability</b>	<b>55,171</b>	<b>-53,930</b>	<b>0</b>	<b>1,241</b>	<b>-200</b>	<b>52,201</b>	<b>-51,105</b>
Dividend	-	-	-	-	220	-	-
Capital gains	873	-	-	873	600	1,494	-
Developer contributions	440	-	-	440	-	189	-11
Other items affecting comparability	-	-	-	-	-	-	-116
<b>Earnings Municipality</b>	<b>56,484</b>	<b>-53,930</b>	<b>0</b>	<b>2,554</b>	<b>620</b>	<b>53,884</b>	<b>-51,232</b>
<i>Adjustment for items that are not attributable to operating expenses and income according to the income statement</i>	<i>-38,024</i>	<i>622</i>	<i>-</i>	<i>-37,402</i>	<i>-36,713</i>	<i>-35,987</i>	<i>434</i>
<i>Adjustment for internal items</i>	<i>-7,307</i>	<i>7,307</i>	<i>-</i>	<i>0</i>	<i>-</i>	<i>-7,068</i>	<i>7,068</i>
<i>Operating income and expenses according to the income statement</i>	<i>11,153</i>	<i>-46,001</i>	<i>-</i>	<i>-34,848</i>	<i>-36,093</i>	<i>10,829</i>	<i>-43,730</i>
<i>Tax revenue</i>	<i>32,931</i>	<i>-</i>	<i>-</i>	<i>32,931</i>	<i>32,147</i>	<i>31,088</i>	<i>-</i>
<i>General state subsidies and equalisation</i>	<i>4,553</i>	<i>-</i>	<i>-</i>	<i>4,553</i>	<i>4,330</i>	<i>4,467</i>	<i>-</i>
<i>Financial items</i>	<i>540</i>	<i>-622</i>	<i>-</i>	<i>-82</i>	<i>236</i>	<i>432</i>	<i>-434</i>
<b>Net earnings for the year</b>	<b>49,177</b>	<b>-46,623</b>	<b>-</b>	<b>2,554</b>	<b>620</b>	<b>46,816</b>	<b>-44,164</b>

## The committees

The committees report earnings for the year of approximately SEK 650 million, which is almost SEK 800 million higher than budgeted earnings and about SEK 250 million higher than the forecast that the committees submitted in the interim report as of August. The committees' earnings for 2022 are significantly lower than both 2020 and 2021 when effects of the pandemic, both lower costs and higher revenue through state subsidies, contributed to the surplus. Meanwhile, several committees saw significantly higher costs towards the end of 2022, in part due to higher costs for purchases.

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

- » City Council decision to expand municipal subsidies to the committees
- » Government compensation for sick pay costs because of the pandemic
- » Higher than budgeted other state subsidies
- » Lower than budgeted personnel overhead surcharge

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

The Hisingen, Centrum, Sydväst and Nordost social care committees report an overall surplus of SEK 293 million. According to the committees, the surplus is mainly attributable to the increased municipal subsidy received during the year that was not used, as it was difficult to make short-term and, at the same time, appropriate investments. Fewer households and lower costs for income support, generally lower costs for measures linked to decisions by public authorities and lower staff costs due to vacancies also contribute to the surplus.

The Committee for the Elderly, Nursing and Care reports a surplus of SEK 121 million. The positive deviation is mainly attributable to the primary explanations above.

The Compulsory School Committee reports a surplus against the budget of SEK 114 million, largely due to the main explanations described above.

The Pre-school Committee's result is SEK -61 million, which means a surplus of SEK 91 million against the year's budget of SEK -152 million. The deviation is mainly attributable to higher state subsidies for sick pay costs, quality enhancing

measures and better language development, items that were not fully budgeted in the activities.

The Labour Market and Adult Education Committee reports a positive deviation of SEK 54 million. The surplus is mainly attributable to lower demand for adult education and higher state subsidies.

The Eco-cycle and Water Committee's outcome for the year is SEK 16 million. The Committee's activities had budgeted SEK -66 million for the year with the aim of reducing the accumulated surplus from the previous year. The outcome compared with the budget is therefore positive at SEK 82 million. The outcome for waste management services deviates positively at SEK 4 million compared with the budgeted SEK -25 million. The Committee largely attributes the entire deviation to higher tariff income and higher sales income than budgeted. The surplus for water and sewage services, where the deviation is SEK 78 million compared with the budgeted amount of SEK -41 million, can largely be attributed to the sale of a property at Ringön for a total of SEK 20 million, as well as the postponement of the scrapping and demolition of the old pumping station at Kodammarna, a cost that did not arise of around SEK 30 million.

The result for the Road Traffic Committee is positive, SEK 53 million, which is SEK 10 million higher than the positive budget of SEK 43 million for the year. The positive budgeted result is due to significantly lower capital costs for the Hisingsbron bridge and the fact that parts of the demolition of the Göta Älvbron bridge were carried out in 2021 instead of 2022, as was originally planned. The Committee provides several explanations for the surplus exceeding the budget by SEK 10 million, including higher revenues (mainly from parking), but the Committee also received an increased municipal subsidy that has not been used. On the expenditure side, costs for personnel and maintenance measures are lower than what the Committee planned.

The Commercial Premises Committee's result amounts to SEK -24 million, which corresponds to an equally large deviation from the year's budget. The Commercial Premises Committee states that wasteful expenditure of SEK 15 million arose due to a large project that was discontinued at the end of the year. In addition, the Committee has recognized local plan costs and other wasteful expenditure of approximately SEK 9 million in profit or loss, which were previously incorrectly entered on investment projects.

The Parks and Landscape Committee had a deficit of SEK 1 million that was mainly attributable to higher costs for operations and maintenance, winter maintenance services and costs associated with the winding up of the Committee.

The City Audit Office reports a deficit of SEK 0.6 million, which is a deviation of SEK 0.1 million compared with the budget.

### **Central municipal level**

The central municipal items mainly consist of revenue from taxes, general state subsidies and equalisation, as well as costs for the municipal subsidy that is distributed to the City's committees. In addition, there are also a number of budgeted costs for specific purposes. The central municipal items report an overall surplus of SEK 589 million. This result deviates positively from the budget by SEK 674 million. The result can mainly be attributed to three major deviations.

Tax revenue was about SEK 800 million higher than the budget. The number of hours worked during the year rose more than what most analysts had expected, which caused the development of the City's tax revenue to be significantly better than expected as well.

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

municipal subsidies reduce the central municipal surplus by about SEK 550 million.

The strong performance of the committees affects the central municipal outcome as budgeted contingency funds for the possible use of equity by the committees have not been used. In addition, in several cases the committees have been able to finance initiatives within their own framework instead of calling on funds allocated at the central municipal level. In total, the positive deviation due to unused reserves and other unused central municipal call-off items amounts to approximately SEK 450 million.

### **Items affecting comparability**

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

Capital gains amounted to SEK 873 million, which is SEK 273 million higher than in the budget. Developer contributions totalled SEK 440 million. Since the developer contributions are subject to great uncertainty, they have not been budgeted and thus represent a deviation from the budget in their entirety. The budgeted dividend of SEK 220 million from Göteborgs Stadshus AB was not paid in accordance with a City Council decision in November.



# Municipal subsidies and supplementary budget committees

Amounts in MSEK	City Council budget 2022	City Council 28 April	City Council 19 May	City Council 24 Nov.	Total municipal subsidy 2022
Archives Committee	23.7	-	-	-	23.7
Planning and Building Committee	162.1	-	3.5	-	165.6
Property Management Committee	45.7	-	3.0	-	48.7
Property Management Committee, transfers	68.0	-	-	-	68.0
Pre-school Committee	4,481.1	-	-	-	4,481.1
Compulsory School Committee	8,881.0	51.5	85.0	-	9,017.5
Sports and Associations Committee	568.9	-	2.0	-	570.9
Municipality Management	373.2	-	10.2	-	383.4
Cultural Affairs Committee	628.0	-	10.0	-	638.0
Environmental and Climate Committee	105.1	-	-	-	105.1
Labour Market and Adult Education Committee	739.9	-	-	-	739.9
Committee for Disability Support	4,686.8	-	85.0	-	4,771.8
Purchasing and Procurement Committee	8.0	-	-	-	8.0
Committee for Intraservice	21.8	-	-	-	21.8
Committee for Democracy and Citizen Services	88.2	-	-	-	88.2
Parks and Landscape Committee	332.4	-	0.5	-	332.9
Auditors' Office	38.4	-	-	-	38.4
Social care committee Centrum	1,187.0	-	39.9	-	1,226.9
Social care committee Hisingen	1,124.3	-	46.5	-	1,170.8
Social care committee Nordost	1,591.6	-	63.3	-	1,654.9
Social care committee Sydväst	722.7	-	25.9	-	748.6
Social care committee Centrum, Adult education associations	29.2	-	-	-	29.2
Road Traffic Committee	1,332.9	-	19.0	-	1,351.9
Education Committee	2,225.9	19.2	10.0	-	2,255.1
Electoral Committee	31.7	-	-	-	31.7
Committee for the Elderly, Nursing and Care	5,746.0	-	59.5	18.1	5,823.6
Chief Guardians' Committee Fees	32.6	-	-	-	32.6
<b>Total</b>	<b>35,276.0</b>	<b>70.7</b>	<b>463.3</b>	<b>18.1</b>	<b>35,828.1</b>



# Joint statutory authorities' operational accounts

Amounts in MSEK	Revenue	Costs	Net costs	Municipal subsidy	Net earnings for the year	Closing equity
Greater Gothenburg Rescue Services	513	-515	-2	-	-2	74
Acquisition company for Gothenburg joint statutory authorities	17	-19	-2	-	-2	3
<b>Total for joint statutory authorities</b>	<b>530</b>	<b>-534</b>	<b>-4</b>	<b>-</b>	<b>-4</b>	<b>77</b>

The values correspond with the City's ownership stakes.

The City of Gothenburg is the largest owner of Greater Gothenburg Rescue Services (RSG), with a 70 per cent ownership stake. RSG's earnings for 2022 totalled SEK -2.5 million. During the year, the joint statutory authority incurred high overtime costs, due to the pandemic at the beginning of the year and during the summer to ensure staffing in operational activities. The joint statutory authority took a special strategic decision in conjunction with the outbreak of the war in Ukraine. This led to new priorities for the year

and the focus, in addition to the base assignment, has largely been on continuity and contingency planning and preparations for the expansion of the joint statutory authorities with the three municipalities Tjörn, Stenungsund and Lilla Edet from January 1, 2023.



## Companies – financial performance

Just as for the Municipality, a financial performance review is conducted here for the cluster of companies and those companies that are not included in the cluster. Unlike the committees, the City Council does not decide on the budgets for the companies, for which reason the review here focuses on the companies' own approved budgets. In addition, information on total assets, equity/assets ratio and equity is also provided to give an idea of the financial position of the companies.

The Stadshus AB Group posted net earnings after financial items of SEK 1.4 billion, which is SEK 0.2 million over budget and can be compared with net earnings of SEK 3.1 billion in 2021. The Group's earnings include capital gains of SEK 0.8 billion and capital losses of SEK 0.2 billion.

The Commercial Premises cluster (Higab Group) deviates positively, mainly due to capital gains from property sales in Göteborgs Stads Parkerings AB and Älvstranden Utveckling AB. The Tourism, Culture and Events cluster (Göteborg & Co Group) also deviates positively with higher than budgeted earnings from Liseberg and Got Event. This outcome is due to an increase in the number of visitors, higher sales and lower costs for Liseberg, and more events for Got Event. Liseberg's earnings also include extraordinary items related to the sale of a hotel business and compensation received for short-term support for the period 2020–2021.

The Housing cluster (Framtiden Group) reports lower than budgeted earnings. This deviation is mainly due to higher operating and maintenance costs, which can be attributed to factors such as price increases for repairs and property management services, as well as higher than expected damage costs. Göteborg Energi's earnings also fell short of the budget. This outcome occurred even though it includes capital gains of SEK 350 million from the sale of Ale Fjärrvärme. District heating production was negatively impacted by increased raw material costs. This also applies to electricity and gas trading. District heating operations deviated negatively by SEK 325 million against the budget. Once again, the electricity business is responsible for a large loss, SEK -180 million. The operational

area Cooling also continues to show negative earnings, SEK -24 million for the year.

In general, essentially all clusters/companies show positive deviations from the budget.

The Stadshus AB Group's total assets increased from SEK 78.7 billion in 2021 to SEK 82.7 billion. The equity/assets ratio remained the same as the previous year at 30.4 per cent. No dividend was paid. At the end of 2022, the Group's total loan volume was SEK 43.9 billion, up slightly from the previous year's loan volume of SEK 43.2 billion. Equity as a share of earnings amounts to 5.4 per cent, down from 12.6 per cent the previous year, because of higher earnings in 2021 compared with 2022.

Amounts in MSEK	Operating income	Earnings after financial items	Budget	Earnings 2021	Total assets	Equity/ assets ratio (%)
Energy	10,035	433	601	280	16,194	45.1
Housing	7,384	247	451	953	39,831	31.3
Commercial Premises	2,191	471	180	1,615	11,649	34.6
Business	207	-49	-46	-48	160	44.4
Public Transport	1,223	20	13	24	761	64.1
Port	917	248	237	266	4,221	51.6
Tourism, Culture and Events	1,899	-66	-283	191	4,186	39.4
Försäkrings AB Göta Lejon	210	31	19	12	473	42.7
Göteborgs Stads Leasing AB	826	41	13	46	2,729	35.5
Gryaab AB	297	31	12	31	945	11.7
Renova AB	1,469	51	66	77	1,988	31.8
Grefab AB	57	3	0	3	19	18.7
Parent company (Göteborgs Stadshus AB)	29	-113	-434	-387	15,340	73.7
Boplats	41	5	0	7	27	45.2
Eliminations	-1,439	92	390	81	-20,365	95.1
<b>Total</b>	<b>25,347</b>	<b>1,447</b>	<b>1,219</b>	<b>3,149</b>	<b>82,718</b>	<b>30.4</b>

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



# Investment accounts

## The Municipality's investment accounts

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

As part of the 2022 budget, the City Council established investment frameworks for each committee and year. For the Eco-cycle and Water Committee, however, the City Council established one framework for water and sewage services and one for waste management operations. The City Council's budget decisions refer to net amounts per

committee for the period 2021–2025, broken down by income and expenses including new investments and reinvestments. The budget presented for 2022 refers to the budgets approved by the committees themselves.

Amounts in MSEK	Outcome 2022	Budget 2022	Deviation	Budget 2021-2025
<b>Property Management Committee</b>				
Income	0	0	0	1
Expenses	-128	-477	349	-1,930
<i>of which new investment</i>	-78	-379	301	-1,544
<i>of which reinvestment</i>	-50	-98	48	-386
Net investments	-128	-477	349	-1,929
<b>Sports and Associations Committee</b>				
Income	5	0	5	0
Expenses	-362	-460	98	-3,237
<i>of which new investment</i>	-328	-412	84	-2,336
<i>of which reinvestment</i>	-34	-48	14	-901
Net investments	-357	-460	103	-3,237
<b>Eco-cycle and Water Committee</b>				
<b>Water and sewage</b>				
Income	148*	0	148	0
Expenses	-643	-915	272	-4,512
<i>of which new investment</i>	-497	-740	243	-3,647
<i>of which reinvestment</i>	-146	-175	29	-865
Net investments	-495	-915	420	-4,512
<b>Waste</b>				
Income	0	0	0	0
Expenses	-2	-21	19	-274
<i>of which new investment</i>	-1	-20	19	-269
<i>of which reinvestment</i>	-1	-1	0	-5
Net investments	-2	-21	19	-274

Amounts in MSEK	Outcome 2022	Budget 2022	Deviation	Budget 2021-2025
<b>Heavy rainfall</b>				
Expenses	-1	-10	9	-100
<i>of which new investment</i>	-1	-10	9	-100
Net investments	-1	-10	9	-100
<b>Technical water</b>				
Expenses	-4	-100	96	-500
<i>of which new investment</i>	-4	-100	96	-500
Net investments	-4	-100	96	-500
Net investment Eco-cycle and Water Committee	-503	-1,046	544	-5,386
<b>Commercial Premises Committee</b>				
Income	1	0	1	0
Expenses	-1,920	-2,865	945	-16,460
<i>of which new investment</i>	-1,089	-2,000	911	-10,400
<i>of which reinvestment</i>	-831	-865	34	-6,060
Net investments	-1,919	-2,865	946	-16,460
<b>Parks and Landscape Committee</b>				
Income	14	0	14	0
Expenses	-169	-240	71	-647
<i>of which new investment</i>	-132	-180	48	-570
<i>of which reinvestment</i>	-36	-60	24	-77
Net investments	-155	-240	85	-647
<b>Road Traffic Committee</b>				
Income	224	230	-6	2,596
Expenses	-949	-1,497	548	-10,852
<i>of which new investment</i>	-581	-1,019	438	-7,841
<i>of which reinvestment</i>	-368	-477	110	-3,011
Net investments	-725	-1,267	542	-8,256
<b>Total investments committees</b>				
Income	392	230	162	2,597
Expenses	-4,178	-6,585	2,407	-38,513
<i>of which new investment</i>	-2,712	-4,860	2,149	-27,308
<i>of which reinvestment</i>	-1,466	-1,724	259	-11,205
Net investments	-3,786	-6,355	2,569	-35,916
<b>Central municipal level</b>				
Leases	-527	0	-527	-495
<b>Total net investments Municipality</b>	<b>-4,315</b>	<b>-6,355</b>	<b>2,040</b>	<b>-36,411</b>
<b>Development</b>				
Development income	1,329	2,438	-1,109	9,630
Development expenses	-1,061	-2,497	1,436	-7,090
<i>of which land development</i>	-366	-915	549	-2,270
<i>of which development-financed public place</i>	-633	-1,282	649	-3,990
<i>of which tax-financed public place</i>	-62	-301	239	-830
Net development	268	-59	327	2,540
Water and sewage connection charges	0*	58	-58*	309
Expansion water and sewage	-86	-191	105	-905
<b>Net expansion water and sewerage</b>	<b>-86</b>	<b>-133</b>	<b>48</b>	<b>-596</b>
<b>Total Municipality including Development</b>				
Income	1,721	2,726	-1,005	12,536
Expenses	-5,852	-9,273	3,421	-47,003
Net investments	-4,132	-6,547	2,415	-34,467

\* In the Eco-cycle and Water Committee's outcome for water and sewage income, approximately SEK 76 million relate to income linked to connection charges within land development activities



The committees' investment expenditure was approximately SEK 4.2 billion in 2022, a deviation of SEK 2.4 billion compared with what had been budgeted for the year. Investment expenditure for 2021 was SEK 4.5 billion. The committees' investment volume therefore decreased by SEK 0.3 billion compared with the previous year. State investment subsidies and other investment income totalled just under SEK 0.4 billion during the year, for a net investment of approximately SEK 4.3 billion, including the Municipality's expenditure for leases. The committees have the option to allocate and reallocate investment funds between years during the investment period 2021–2025. Funds not used in 2022 can instead be used in the remaining years of the investment period. The August forecast shows that the investment volumes are not expected to be used in line with the budget for the investment period decided by the City Council.

The committees with the highest budgeted net investment volume, the Commercial Premises Committee and the Road Traffic Committee, used 67 per cent and 57 per cent of the investment budget for the year, respectively, which can be compared with last year's net expenses used of 74 per cent and 58 per cent of the budget, respectively.

The Commercial Premises Committee, which owns and manages the city's commercial premises, reports a net investment volume in line with last year's outcome, but just over SEK 900 million lower than budgeted for the year. According to the Committee, the main reason was construction of planned new investment projects that were not

carried out as planned. Current market conditions with cost increases are affecting the progress of projects, while schedules have been revised with postponements due to reduced population forecasts. Reinvestment and replacement investment measures during the year have proceeded largely according to plan, at a higher rate than in the previous year. The Committee notes that the change process implemented regarding planning and ordering of long-term maintenance measures has been effective.

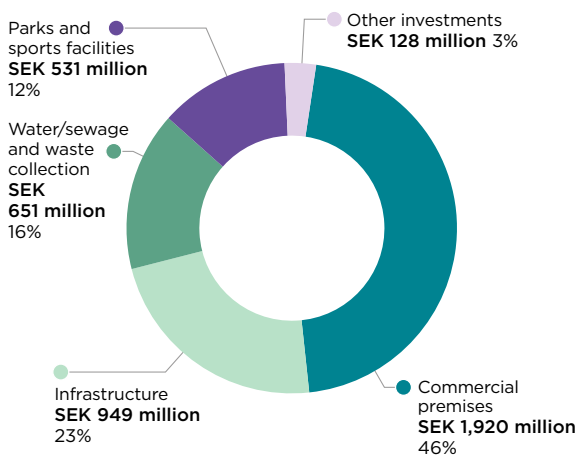
The Road Traffic Committee reports a lower level of investment than in recent years, including in relation to the budget. The Committee states that deviations between this year's outcome and the budget are mainly due to time delays, but also to the lower total cost of the Hisingsbron bridge project. The outcome for the Hisingsbron bridge in 2022 accounts for 24.3 per cent of the administration's total investment expenditure. Also mentioned is the complexity of urban development and investment projects, which often involve a high degree of coordination between different projects and with other administrations. During the year, measures have been put on hold due to the lack of a framework contract. Postponements due to land access and building permit problems, as well as the involvement of several actors and measures that have to coexist on adjacent sites, are some examples that have affected the progress of investment activities.

The Eco-cycle and Water Committee also reports a large deviation in relation to net investment volume. Water, sewage and waste management

activities have used a total of 53 per cent of the budgeted volume, which means a deviation of SEK 544 million. According to the Committee the projects for both water and sewage services and waste management have been postponed. Within waste management, the deviation is due to the further postponement of the investment in a new recycling centre in southern Gothenburg. The deviation for water and sewage services can be linked to postponed projects in drinking water distribution and sewage; moreover, planned measures related to tunnel mouths were not carried out due to a lack of resources and were therefore postponed. The consequences of the lack of action include an increased number of burst pipes due to ageing networks and a persistent risk of interruption to the supply of raw water and drinking water.

Other committees report outcomes amounting to 56 per cent of their respective budgets, with the Sports and Associations Committee's outcome amounting to 78 per cent of its budget for the year. The Property Management Committee, which used only 27 per cent of what was planned, states that the deviation is mainly because the funds budgeted for the year's property acquisitions were not used.

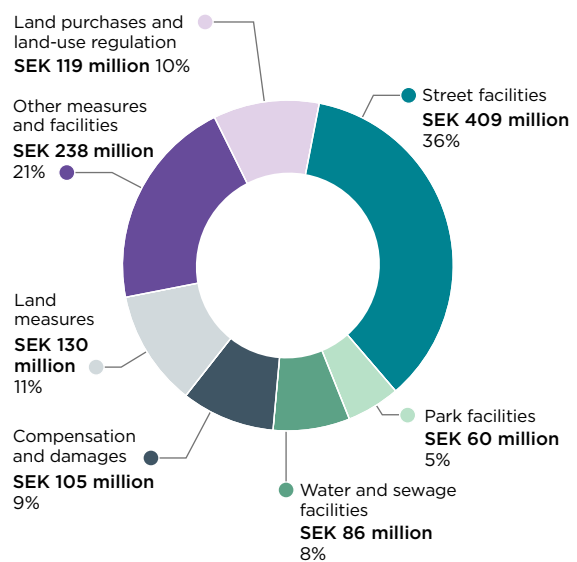
### Investment expenditure



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

The Municipality's development activities show a net outcome for the year that is just over SEK 0.3 billion higher than budgeted and where the coverage and implementation rate are clearly lower than the year's budgeted volumes. The deviation in development income is mainly attributable to postponed sales of land and building rights due to the economy and overly optimistic implementation planning in some of the larger development projects. The lower outcome on the expenditure side is also mainly due to delays in implementation, with the expansion of public space in the Masthuggskajen area accounting for the majority of the deviation. The deviation in the budgeted water and sewage expansion project can also be explained in this way. Water and sewage revenues are largely in line with the budgeted level for the part of the connection charges linked to land development activities.

### Development expenses



The diagram shows the distribution of total development expenses in 2022. As in previous years, a large part of the development expenses are land-related measures for acquiring, regulating and preparing saleable land, as well as expanding various street facilities. The majority of other measures and facilities consist of expenses related to the substructure for public land on the peninsula in the development of Masthuggskajen and therefore also include preparatory land measures in large parts of the area. Compensation and damages include both internal project management and government fees, as well as co-financing of state infrastructure that is subsequently financed by the developers.

# The companies' investment accounts

Amounts in MSEK	Actual investments	Budgeted investments
Energy	1,200	1,400
Housing	2,690	3,135
Commercial Premises	1,161	1,379
Business	1	0
Public Transport	53	71
Port	708	638
Tourism, Culture and Events	916	1,110
Försäkrings AB Göta Lejon	0	1
Göteborgs Stads Leasing AB	795	694
Göteborgs Stads Upphandling AB	-	-
Gryaab AB	35	76
Renova AB	268	324
Grefab AB	7	8
Parent company (Göteborgs Stadshus AB)	0	0
Boplats	0	0
Eliminations	0	0
<b>Total</b>	<b>7,834</b>	<b>8,836</b>

The Stadshus Group's investments for the period January–December 2022 amounted to SEK 7,834 million, which is higher than in the same period the previous year, but SEK 1,002 million lower than the budget for the year.

The Göteborg Energi Group primarily invests in district heating, electricity networks, urban fibre and district cooling. Investments during the year amounted to SEK 1,200 million, which is slightly higher than the corresponding period the previous year, but SEK 200 million lower than the budget. During the year, the company continued to replace electricity meters and started the expansion of a new district heating pipeline linking the Gothenburg and Mölndal district heating networks. Investments were also made in the electricity grid, in preparation for new businesses and services on Hisingen.

Göteborgs Hamn AB reported investments of SEK 708 million for the year, which is higher than both the budget and the previous year. The majority relates to the acquisition of property in Arendal, which was completed in June. Other investments relate mainly to future ferry terminal areas in Arendal, concrete repairs to quay facilities and the design and construction of an electricity connection for tankers. A border control station with facilities for control of food and agricultural

products is also under construction and scheduled for completion in early 2023.

The Higab Group's Premises cluster made investments of SEK 1,160 million during the period, which is lower than the budget, but higher than the previous year.

In Higab AB, investments in the Bergsjön Cultural Centre and the Maritime Museum were completed during the first half of the year. Current projects include a new warehouse for several of the city's museums, renovation and extension of the Museum of Art and construction of the Slottsskogsrinken skating rink.

Göteborgs Stads Parkering AB continued to work with Higab AB on developing the Masthuggskajen Väst parking facility. A car park with about 1,500 spaces is being built to meet the parking needs of Liseberg AB's activities and Volvo's experience centre. A first commissioning is planned for March 2023.

Älvstranden Utveckling AB continued to invest in several urban development projects in progress in both North and South Älvstranden. During the year, a contract with a general contractor for the "Halvön" peninsula project was signed and work has begun.

The Framtiden Group reports investments of SEK 2,690 million for the year, which is slightly

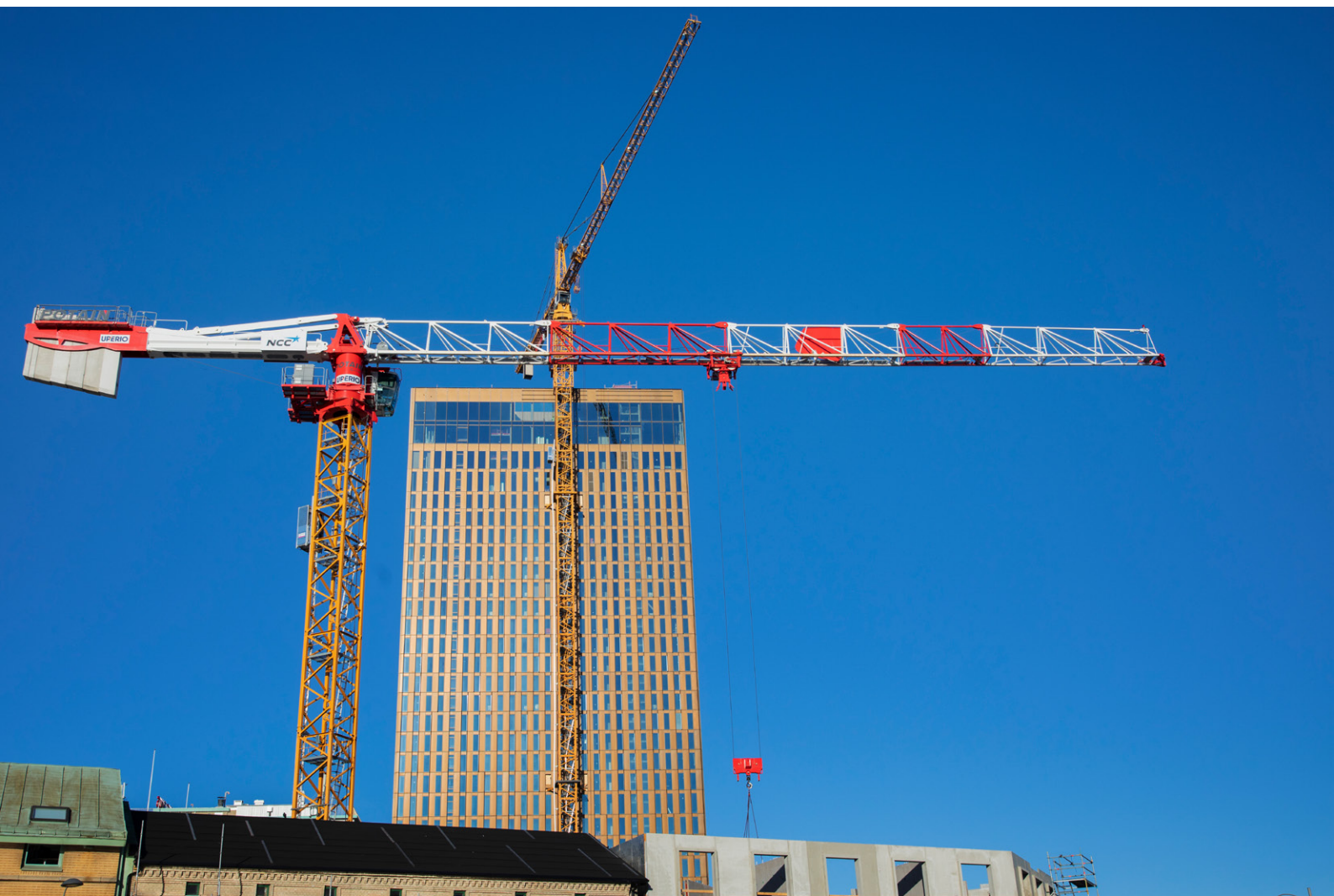


lower than last year and lower than budgeted. In 2022, the Group completed 775 new homes. Currently, 870 homes are under construction.

Investments from Tourism, Culture and Events mainly involve Liseberg's Anniversary Project with hotel and water park, and amount to SEK 916 million. The hotel will open in spring 2023 and the water park is expected to be completed in 2024.

Göteborgs Stads Leasing AB invests in financial and operating lease assets. Investments for the year amount to SEK 795 million, which is higher than the budget and the previous year. The operating leases mainly relate to vehicles and machinery within the City's services. The financial leases largely relate to the City's IT and other equipment, the M31 and M32 trams, as well as corrosion audits on them.

The Renova Group continued construction of its new workshop during the year, which is expected to be completed in 2023, and completed construction of a facility to recover zinc from the ash formed during waste incineration. The Group has also started modernization of flue gas cleaning, which is expected to be commissioned in 2023.



## Selected investment and development projects

A number of selected investment and development projects from the project portfolios of the committees and companies are presented below. The selection is based on projects and initiatives that have received a project decision or equivalent at the City Council level and have entered an implementation phase. The presentation changes as individual decisions are handled at City Council level and as projects are completed during the current year. The figures in brackets are the project costs on which the investment decision is based. For projects with a fixed price level, both the outcome and the forecast are presented at the same level as the approved project budget.

### Selected investment and development projects

Amounts in MSEK	Council approval	Accumulated outcome		Total project forecast		Project budget		Ending year
		I	E	I	E	I	E	
<b>I=Income E=Expenses</b>								
<b>Investment committees</b>								
Hisingsbron bridge (2009)	X	1,589	-2,996	1,589	-3,100	1,566	-3,500	2021
Skeppsbron Stage 2 (2017)	X	25	-57	125	-1,405	0	-1,405	2032
Kvilleleden and streets around Backaplan (2016)	X	65	-132	318	-768	318	-768	2029
E45, underground section of Götaleden (2013)	X	437	-802	449	-809	490	-849	2021
Korsvägen junction (2017)	X	43	-45	746	-860	746	-860	2028
Haga station urban development (2017)	X	1	-65	40	-660	0	-660	2028
Engelbrektslänken Link (2019)	X	10	-29	138	-260	138	-260	2025
City bus Backastråket line (2016)	X	29	-35	300	-400	300	-400	2029
Tram and city bus Frihamnen-Lindholmen (2020)	X	56	-74	525	-700	525	-700	2025
Tram and city bus Brunnsbo-Hjalmar Brantingsplatsen (2019)	X	10	-6	332	-442	332	-442	2029
Torslanda cross-link (2022)	X	0	-13	0	-234	0	-234	2027
New barrier (Ultrafilter) Alelyckan water treatment plant (2022)	X	0	-159	0	-799	0	-1,027	2026
Björlanda Pump Chain (2022)	X	0	-160	0	-351	0	-410	2024
Technical water (2022)	X	0	-4	0	-400	0	-500	2024
Centenary Park phase 1, part of development of Frihamen (2018)	X	0	-181	0	-216	0	-347	2023

Amounts in MSEK	Council approval	Accumulated outcome		Total project forecast		Project budget		Ending year
		I	E	I	E	I	E	
<b>I=Income E=Expenses</b>								
<b>Investments Stadshus</b>								
Bergsjön Cultural Centre (ongoing)	X	0	-137	0	-145	0	-145	2022
Maritime Museum, renovation and extension (ongoing)	X	0	-132	0	-136	0	-136	2022
Warehouse for Cultural Affairs Committee (ongoing)	X	0	-19	0	-540	0	-540	2025
Museum of Art renovation and extension (ongoing)	X	0	-2	0	-800	0	-800	2028
Garage facility Skeppsbron (ongoing)	X	0	109	0	*	0	-828	*
Parking facility Liseberg (ongoing)	X	0	-360	0	-493	0	-493	2023
Liseberg: Anniversary Project Hotel (ongoing)	X	0	-1,069	0	-1,273	0	-1,273	2023
Liseberg: Anniversary Project Water park (ongoing)	X	0	-351	0	-1,245	0	-1,245	2024
Göteborgs hamn: Terminal relocation and development Arendal 2 (ongoing)	X	0	-929	0	-2,582	0	-2,591	2027
<b>Developments</b>								
Järnvägsgatan/Masthuggskajen (2017)	X	1,345	-717	1,860	-2,130	1,860	-2,130	2031
Per Dubbsgatan (ongoing)	X	2	-59	240	295	240	294	2030

\*No forecast is reported for the Skeppsbron garage facility, as there is confidentiality in runup to the upcoming procurement process.

Below is a discussion of changes from previous reporting or projects that were added in 2022 in the central municipal project follow-up. From 2022 onwards, only those projects that have implementation decisions or similar at City Council level and where an implementation phase has started are reported.

Because of the uncertainties in the external environment, review processes and other changed circumstances, a number of infrastructure projects have postponed completion dates in relation to previous follow-ups. This includes the development of the West Link (Västlänken) station sites in Haga and Korsvägen, but also projects such as Kvilleleden and streets in Backaplan, the expansion of public space in Skeppsbron and the delayed start of construction of the Engelbrekt Link (Engelbrektslänken). New planning is underway for the garage facility on Skeppsbron, but the matter is subject to confidentiality because of the upcoming procurement process, for which reason no project forecast is reported at this stage.

During the year, an implementation decision was taken on the Torslanda cross-link. The City Council also dealt with decisions concerning the Port of Gothenburg's terminal relocation and continued development of Arendal 2 during the

year. The follow-up of the port project includes the collective measures presented when the City Council approved the additional investment needs.

The Centenary Park is currently being managed as an investment project while waiting for the development of the Frihamnen area to restart. The project forecast currently reflects the lack of external funding for the project via developer contributions and the scope of implementation is based on the available budgeted municipal funds.

The Bergsjön Cultural Centre and the renovation and extension of the Maritime Museum were completed during the year and are therefore closed projects. The Hisingsbron bridge project and the underground section of Götaleden are also essentially completed projects with only minor measures and final financial settlement left.

Regarding the development of Järnvägsgatan/Masthuggskajen, there are still major uncertainties about the implementation and the financial terms. The city's partners see that there is room to manoeuvre in the coming years to actively work with both income and expenditure to manage the project within the agreed budget levels. Consequently, the forecast remains in place at this stage.

# Foundations

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

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

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

Amounts in MSEK	2020	2021	2022
Number of foundations	74	74	74
Number of gifts	2	2	2
Net earnings for the year	169.9	89.9	3.4
Approved grants	19.3	18	32.3
Management costs	2.9	2.6	2.6
Equity and liabilities	1,112	1,180	1153
Market value, wealth	1,189	1,409	1153

The education foundations have contributed grants and travel subsidies to students and teachers, primarily in the municipal compulsory schooling and upper secondary schools. Students also received bonuses for school achievements and other progress and schools have been awarded financial support for various class activities. In all, these foundations awarded a total of SEK 9.1 million.

Foundations with a social focus have granted funds to people who are in financial need according to three categories: families with children, the elderly and adults, as well as children with special needs and their families. In all, these foundations awarded a total of SEK 9.9 million.

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

Museum of Fashion, Design and Decorative Arts, the Museum of Gothenburg and the Maritime Museum. The museums used the grants to buy works of art in the form of paintings, sculptures and other objects. The grants were also used for conservation work, exhibitions, research and other purposes. In all, these foundations awarded a total of SEK 8.1 million.

During the year foundations awarded money to associations and other voluntary organisations for various projects and activities. Activities were organised for children in Gothenburg and for public interest, cultural and charitable causes that benefit the Gothenburg community. In all, these foundations awarded a total of SEK 5.2 million.



# 4

## Overall operational goals and developments in operations

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

The City Council has established indicators and target values for each of these overall operational goals. Assessment of whether or not the overall goals have been fulfilled is based on an assessment of the degree to which the operational goals have been fulfilled. Assessment of goal fulfilment for the overall operational goals is in turn largely based on whether the target values for each indicator have been met. Consideration is also given to the long-term trend in the indicators.

## **Overall operational goals and developments in operations**

- 121 City Council's goals and Agenda 2030**  
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# City Council's goals and Agenda 2030

The City of Gothenburg has been committed to sustainable development for a long time, and for the past 15 years the City's budget has focused on three dimensions of sustainability: economic, ecological and social. The regulations of all committees state that they must carry out integrated and proactive measures to improve sustainability and meet the goals of Agenda 2030. The ownership directives of the boards state that the City's companies must contribute to a society that is sustainable in the long term by conducting active sustainability measures.

Agenda 2030 is made up of 17 global goals for sustainable development that are sub-divided into 169 targets. Key principles are that the goals should be integrated and indivisible, that success is required in all areas in order to achieve the overall goal and that no one should be excluded. The goal is to bring about social transformation that leads to economically, socially and environmentally sustainable development that protects the planet, eradicates poverty and generates effective welfare for everyone by 2030. The City of Gothenburg influences development towards the goals and the targets that are relevant to the Municipality in many different ways, usually within the framework of its base assignment.

On behalf of the government, the Council for the Promotion of Municipal Analysis (RKA) has produced a set of key indicators to support implementation of Agenda 2030 by municipalities and regions. These key indicators are published in the Kolada statistical database and allow comparison with other municipalities and over time. In summary, Gothenburg performs relatively well in relation to other municipalities. Of the 50 key indicators that allow comparison, the City is in the top quartile for 21 of them, the bottom quartile for 7 of them, and in the large midfield for 22 key indicators. The areas where Gothenburg performs least well are all interrelated and linked to economic gaps and social exclusion. They relate to people's living conditions in terms

of their finances and work, key indicators relating to safety, crime, mental illness and the proportion of children in pre-school. Gothenburg is among the top performers for key indicators that relate to the environment and the City's environmental efforts, infrastructure (electricity grid, broadband, public transport), gender equality and physical health. The trends are also promising; there has been a positive trend in most of the key indicators over the past five years. Only perceived safety shows a clearly negative trend. The City of Gothenburg does not conduct its own comprehensive review of performance towards Agenda 2030. In the Annual Report, several of the target areas are reviewed as part of related budget targets.

The sustainability efforts of committees and boards are monitored in several ways, and there are various documents and reports that provide in-depth information on several of the Agenda's target areas. During the year the 2030 Agenda has also been further integrated into governance, for example in several of the programmes and plans that have been developed. A detailed examination of differences in living conditions and health can be found in the City of Gothenburg's Equality Report 2023. The first comprehensive review of the *City of Gothenburg's Environment and Climate Programme* will take place in 2023 and will provide an updated picture of developments in this area.

# Links between the City of Gothenburg's budget goals for 2022 and the global sustainability goals

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

## Global goal for sustainable development

- No poverty
- Zero hunger
- Good health and well-being
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduced inequalities
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life below water
- Life on land
- Peace and justice and strong institutions
- Partnerships for the goals

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

## Overall goals

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

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

The goal is considered to be partly fulfilled since five of the six overall operational goals are partly fulfilled.

The previously severe impact of the pandemic on this target area has subsided and several operations have recovered. However, many operations have experienced bottlenecks as a result of the pandemic, in the form of staff shortages, especially in the visitor industry.

The target for care of the elderly is not considered to have been fulfilled. One indicator has increased but has not reached the target. Other indicators are at a lower level than in 2020. The assessment for pre-schools and schools is based on the fact that most indicators for pre-schools, upper secondary schools and adult education are rising and meeting target values. In compulsory schools, the target values are generally not met and the indicators instead show a negative trend.

# Gothenburg has pre-schools and schools that foster equality

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
SCB's citizen satisfaction survey, satisfaction with pre-schools	-	81.8	82.1	More than in 2021
Children registered in pre-school per full-time equivalent job	5.0	4.9	4.8*	5
Pupils in year 3 who have taken all subject tests in Swedish (SV, SV2) and maths (MA) and passed all tests			70.0	73
SCB's citizen satisfaction survey, satisfaction with compulsory schools	-	65.6	63.3	More than in 2021
Pupils in year 6 who have met educational requirements in all subjects (that the pupils are studying)	70.6	71.7	71.1	73
Pupils in year 9 who have met educational requirements in all subjects	74.9	73.2	72.4	76
Pupils in year 9 who qualify for upper secondary school	83.3	82.9	82.4	85
Pupils in year 9: I feel safe in school	81.4		81.0**	86
Pupils in year 9 I am satisfied with my school in general	70.1		67.9**	68
Upper secondary students who gained diploma within 4 years	67.2	68.7	71.7	71
SCB's citizen satisfaction survey, satisfaction with upper secondary schools	-	76.1	79.4	More than in 2021
Percentage who find employment				55
Children aged 1-5 registered in pre-school and educational care	84.2	84.5	84.1*	87
SCB's citizen satisfaction survey, satisfaction with municipal adult education	-	75.9	79.0	More than in 2021
Students of Swedish For Immigrants (SFI) who have passed at least two courses	31.0	33.0		42

\*Preliminary information from committee. \*\*Refers to municipal schools according to information from committee.

## Assessment of City of Gothenburg Executive Office

The goal is considered partly fulfilled. The assessment is based on the fact that most indicators for pre-schools, upper secondary schools and adult education are rising and meet the target values. None of the target values for compulsory schools have been met and the indicators instead show a negative trend.

The results for several of the indicators are preliminary, or the values for 2022 have not yet been published. The description of developments in services clearly indicates where the most recently published figures refer to 2021.

It is considered that the target values for compulsory schools will also be difficult to achieve in the coming years. This is because the long-term trends and results for 2022 point in the opposite direction.

## Assessment of committees and boards

The goal applies to the Pre-school Committee, Compulsory School Committee, Education Committee and the Labour Market and Adult Education Committee.

The Education Committee considers that the goal has been fulfilled well according to the indicators. The other three committees consider that the goal has been partly fulfilled.

## Developments in services

### Pre-school

The target value for enrolled children in pre-school per full-time employee has been met. The percentage of children aged 1-5 enrolled in pre-school or educational care has not met the target value. The percentage has also fallen compared with the previous year. The number of children in pre-school decreased in 2022. In particular

there are fewer children in the age group 3–5. The percentage of children aged 3–5 who are enrolled in pre-school is higher than for children aged 1–2. The decrease from the previous year is therefore due to fewer 3–5-year-olds in pre-school. The number of children in municipal and independent educational care has decreased compared to the previous year and is expected to continue falling in the future. The same trend is reported nationally. The Pre-school Committee has several ongoing initiatives to increase the proportion of children in pre-school and this work will be stepped up in the future to meet changes in the Swedish Education Act aimed at increasing pre-school take-up. The percentage of enrolled children remains lower in areas with poorer socio-economic conditions compared to other parts of the city.

The composition of the staff and the presence of trained staff in pre-schools are important requirements for achieving equality in pre-schools. The percentage of qualified pre-school teachers in municipal pre-schools has fallen compared with the previous year. In comparison with other large cities, the percentage of qualified pre-school

teachers is 37 per cent in Gothenburg, 32 per cent in Stockholm, and 30 per cent in Malmö.

The committee is working on strategies to increase the proportion of other trained staff. The percentage of childcare workers has increased from 42.7 per cent to 47 per cent. The Pre-school Committee's target for the level of training of head teachers has been met and 49 per cent of head teachers have completed head teacher training. Despite ongoing and completed initiatives, there is still an uneven distribution of qualified pre-school teachers in municipal pre-schools.

Language development remains a high priority in municipal pre-schools, which engage in a range of activities and initiatives to lay the foundations for good language development. Nevertheless, there is considerable variation in the ability of pre-schools to offer children a rich language environment and to work on language development. The Pre-school Committee reports shortcomings in compensatory measures, as some groups of children in the city are not offered sufficient support, particularly in Swedish language.





### Compulsory schools

None of the indicators for compulsory schools reached the target values. The results for all indicators have fallen in comparison with previous years.

Some of the changes are less significant, but satisfaction among pupils and residents, and the proportion of pupils attaining educational requirements in all subjects in year 9 show clear declines in recent years. The results in Gothenburg do not reach the national average for either year 6 or 9, but the results for the country as a whole have declined during the year in much the same way as in Gothenburg. In year 3, the results are on a par with the country as a whole. The results for year 6 have shown a downward trend since 2015. Over the past three years, however, the results have stabilised and around 71 per cent of pupils achieve the targets in all subjects.

As in previous years, girls perform better than boys at all ages, and by year 6 the gap has increased to 5.8 percentage points. Over the past year, however, the gap has narrowed in year 9, as girls' results have fallen and boys' results have risen or are on a par with the previous year.

In year 9, 77.7 per cent (2021) of Gothenburg pupils attend a municipal school in Gothenburg, which is 1.5 percentage points higher than the lowest level reported, in 2015. Over the same period the proportion of pupils in municipal schools in Sweden as a whole has fallen by 1.6 percentage points to 82.9 per cent. Academic results between municipal and independent schools show significant differences for pupils living in Gothenburg. In year 3 there is little difference in Swedish language, and pupils in municipal schools get better results in maths than in independent schools. In year 6, grade results are 8.5 percentage

points higher for pupils in independent schools. In year 9, the difference favours independent schools: 13.4 percentage points for eligibility for upper secondary school and 15.2 percentage points for pupils who achieve targets in all subjects. In recent years, however, pupils in municipal schools have improved their results at earlier ages and maintained consistent performance in years 6 and 9, while results for pupils in independent schools have fallen slightly in year 9.

The proportion of pupils in Gothenburg who are recent immigrants was 4.8 per cent in 2021, which is slightly higher than for the country as a whole. The previously large difference between municipal and independent schools has levelled out following a reduction in the percentage of recent immigrants in municipal schools from 16.5 per cent in 2017 to 5.7 per cent in 2021. In independent schools, the proportion of pupils who are recent immigrants has remained relatively steady throughout this period, at around 3–5 per cent.

The Compulsory School Committee has not set target values for indicators linked to the committee's operational goals. The committee nevertheless considers that the goals have been partly fulfilled for the municipal operations. This is because academic results are seen to be stable, with a cautiously positive general trend in relation to the previous year. The committee believes that in light of the fact that schools, like society at large, have been severely tested by the pandemic, the stability of the results should be interpreted positively.

In compulsory special schools, there is an upward trend in both the number and the proportion of students. This reflects a national trend, but both the proportion of pupils and the rate of increase in compulsory special schools are higher in the City of Gothenburg than in the country as a whole.

The percentage of pupils attending a municipal school is 96.3 per cent. The committee has agreed on basic principles for better governance, management and organisation of compulsory special schools, student health, collective special education teams and dedicated special schools. The aim is to improve the quality of teaching, increase equality, participation, protection of rights and sustainability. Some important changes include creating larger compulsory special schools with more places, co-locating activities with compulsory schools and providing better support for pupils in the special needs target group who attend pre-school classes. Skills provision is a challenge in several operations, but it is especially difficult to find teachers with the right qualifications and skills for compulsory special schools.

### Upper secondary schools

The target values for upper secondary schools have been met according to the indicators.

The proportion of pupils gaining a diploma within three or four years is rising. The proportion of pupils gaining a diploma within four years is eight percentage points higher than when the measurements began in 2015. Gothenburg still has poorer results than the country as a whole, but the difference has gradually fallen from 6.6 to 2.0 percentage points. Women get better result than men throughout the period and the difference was 8.3 percentage points in 2022. The proportion of pupils who gain a diploma within three years

has also increased by 10.2 percentage points since measurements began in 2014. Once again, the result is slightly worse than for the country as a whole. In higher education preparatory programmes, the proportion of students gaining a diploma within three years has decreased compared to the previous academic year, while the proportion of students who gain a diploma within four years has increased. Among students in vocational programmes, a significantly larger proportion than before graduate within three years. The proportion of students graduating within four years has decreased. There is a wider difference between the results for women and men in vocational programmes than in preparatory programmes.

There is a long-term downward trend in the proportion of students attending municipal upper secondary schools in Gothenburg. In 2021, the figure was 42.6 per cent, compared to 48.5 per cent for Sweden as a whole. The municipal provider only has limited ability to influence the achievement of target values which are mainly influenced by other providers in and beyond Gothenburg. It is not possible to compare the target achievement of municipal schools with other providers. This is due to a lack of data on results for Gothenburg students from other providers, and because municipal schools have a significantly larger proportion of students in introductory programmes and vocational programmes.



Attendance in municipal upper secondary schools has shown an upward trend between the academic years 2017/18 and 2020/21. In the 2021/22 academic year, attendance fell as a consequence of the pandemic. In the 2020/21 academic year, teaching took place remotely and students were able to follow teaching from home even if they had mild symptoms of illness. During the 2021/22 academic year, teaching was again based in schools, while other restrictions in society remained in place. In combination with periodically high infection rates, this has had a negative impact on attendance. Efforts to improve the quality of teaching in various areas were particularly important during the 2021/22 academic year, as schools saw a need to compensate for the effects of remote learning and increased school absence. It is believed that these efforts contributed to an increase in the proportion of pupils who passed their upper secondary school exams in university preparatory programmes, while the proportion who qualified for vocational programmes was maintained.

The proportion of students in upper secondary special schools who completed 22 weeks of workplace-based learning (APL) decreased during the 2021/22 academic year. It has been difficult to find APL places since the pandemic and even when places could be offered, fewer students chose to take part in APL. Future work will include the appointment of a joint APL coordinator for the national programmes.

The Education Committee considers that the percentage of students who find employment after completing upper secondary special school education is still too low.

## Adult education

Adult education aims to facilitate entry into the labour market by creating opportunities for work or further study through various initiatives. The activities of the Labour Market and Adult Education Committee can thus help to foster equality by increasing opportunities for integration and employment for adults who are also guardians. One way this is done is through Swedish For Immigrants (SFI).

The committee's efforts to foster equality include getting more parents into employment and supporting those on parental leave with learning Swedish. The administration, in particular, monitors the number of families with children to ensure goals are fulfilled, and reviews the children's rights plan during preparation of the annual report. During the year, around 180 parents of around 790 children completed initiatives within the committee's operational area to move towards financial independence. This number is lower than in 2021, when 220 parents of around 820 children became financially independent.

The proportion of abandoned education programmes has increased compared to the previous year for all forms of education except basic-level adult education. Among students in higher vocational education, the proportion who qualify for relevant professional work after completing the programme continues to rise.

The proportion of pass grades in each form of education has decreased since the previous year. Women generally achieve a higher percentage of pass grades than men.

Parameters and key figures	2020	2021	2022
Children enrolled in educational care (number)*	496	436	329*
Certified pre-school teachers in municipal pre-schools (percentage %)*	40.7	39.6	37.2*
Certified, full-time teachers in compulsory schools trained in at least one subject, in municipal schools (percentage %)	73.8	73.3	
Pupils who have achieved year 1 educational requirement in reading, in municipal schools (percentage %)*	87.2	85	86.8*
Pupils who have achieved year 3 educational requirement in Swedish 2, social studies, science and maths, in municipal schools (percentage %)*	80.5	78.8	**
Pupils in year 6 with minimum grade E in Swedish, including Swedish as a second language, registered locally (percentage %)	86.7	87.9	86.4
Upper secondary students who gained diploma within 3 years, registered locally (percentage %)	63.2	66.2	67.6

\*Information from committee \*\*Data is no longer reported in Kolada. Percentage of pupils in year 3 (registered locally) who took all subject tests in 2022 and passed all tests: 71% in Swedish and Swedish as a second language and 69% in maths.



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

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Number of households in long-term receipt of income support.	7,620	7,219	6,278	7,600
Percentage (%) of non-repeated claims 0-12 years	60	-	-	61
Evictions that affected children, number of children per 100,000 residents	1.7	3.7	3.2	1.6
SCB's citizen satisfaction survey, satisfaction with social services' support and assistance for vulnerable people	-	48.1	54.7	Higher than in 2021
User assessment of daily activities for people with disabilities: user is always satisfied with daily activities, percentage (%)	86	86	87	85

## Assessment of City of Gothenburg Executive Office

The City of Gothenburg Executive Office considers the goal to be partly fulfilled. This assessment is based on a number of indicators reaching the target values for 2022, but not all.

The indicator for income support was achieved in 2022. The indicators for SCB's citizen satisfaction survey and user assessment were also achieved and show a positive trend. According to SCB, women are more satisfied than men with support received from social services.

## Assessment of committees and boards

The goal applies to the regional social care committees and the Committee for Disability Support. Social Care Committee Hisingen considers that the goal has been fulfilled well, while others consider it has been partly fulfilled.

The committees base their assessments on their operations, but also note that there are some areas for improvement.



## Developments in services

Based on the Convention on the Rights of the Child, the administrations have taken various measures in 2022 to increase children's influence and their opportunities to be heard. Among other things, operations that meet children face to face have introduced ways of working in which written and spoken communication are aimed at children and can be understood by them. As a result, the operations increasingly write reports of investigations and children's letters in a way that addresses children directly in language that matches their abilities. In one project, children in foster homes are offered various forms of support. There are also EU-funded projects aimed at strengthening the right to protection, support and influence for children who have experienced domestic violence, both during and after their time in sheltered accommodation.

A large part of awareness-building and preventive work on initiatives for children and their parents is carried out in collaboration with other stakeholders. In many aspects of social services' work with children, the focus is on improving protection and detecting risk factors. The administrations therefore provide general and individual support measures for parents.

In 2022, the family-centred approach has continued to be an important part of the awareness-building and prevention activities. Field activities have been improved to reach more people and to detect and collaborate on early interventions for children and young people in the urban area. Within SSPF (schools, social services, police and recreation) collaborative efforts are being taken to improve preventive measures for children and young people.

The social care administrations inform other stakeholders and collaboration partners about the work of social services with children, young people and families. Several initiatives aimed at children in school years 6–12 years were launched during the year. This work is coordinated between a variety of assignments, including School as an Arena (Skolan som arena), SSFF (collaboration between schools, social services, recreation activities and parents for children at risk aged 6–12), parental counselling and the ABC parent support programme *All Children in Focus (Alla Barn i Centrum)*). This is in line with the new agreement for a family-centred approach in collaboration with the region. Close cooperation has been established between the combined student

health service and school counsellors at municipal schools.

In 2022, the City's ability to reach out to those in need of early intervention was partly affected by the ongoing disinformation campaign against social services. The operations have taken awareness-building measures on the issue of disinformation and LVU – the Swedish Care of Young Persons (Special Provisions) Act. The aim is to build trust in social services for those who may need support from services. For example, information sessions have been organised to explain the implications of LVU. The aim is to provide easily accessible ways for residents, authorities and various stakeholders to meet. The police authority, school staff, housing companies and other public organisations all take part. The target groups for the information meetings were professionals, parents and pupils.

## Evictions

The City of Gothenburg has worked on eviction prevention during the year to improve housing security for individuals, reduce the risk of social vulnerability and counteract homelessness. A housing consultant was recruited in autumn to improve the support provided to individuals with housing issues, by preventing evictions and helping people to find housing. A guide to the City of Gothenburg's eviction prevention efforts has been introduced to prevent and avoid evictions in the metropolitan area.

## Domestic violence and honour violence

According to the *City of Gothenburg's security and crime prevention programme*, which was adopted in June 2022, Gothenburg should be safe and secure for everyone who lives, works and stays in the city, and everyone should be able to move freely and feel safe in their homes. This also applies to adults and children who witness, are at risk of, or experience domestic violence and honour-related violence. The honour violence resource team has supported operations and contributed to initiatives for young people and adults living with honour-based abuse.

Among other things, a broad agreement on a non-profit public partnership has been drawn up between the City's four regional social care administrations and 11 non-profit organisations that work to combat domestic violence. In 2022, an assignment was coordinated within the City

to identify and propose measures that would enable the City's social services to take stronger action against perpetrators of violence. This work focused in particular on collective training and knowledge support around methods, as well as improving the equality of support and initiatives for people who have similar needs, regardless of where they live in the city.

### Substance abuse

In 2022, outreach teams were set up to work with the slightly older adolescents and young adults, working at individual and group level, primarily reaching out to target groups that are at risk of crime, addiction and mental illness. A support and treatment team within adult care works proactively with individuals who are active substance abusers.

Many of the children and young people who are referred have serious and complex problems and several need care outside the home. These are mainly young people aged 13–16. The problems are mainly related to socially destructive behaviour, criminality and substance abuse. Younger children exposed to violence are also among those who receive placements.

Investments have been made in programmes for people with addiction problems who require employment during drug rehabilitation, and this initiative has been made permanent by providing ongoing employment at Smedjan. There is a need for a similar initiative aimed at women with addiction problems.

The Addiction Severity Index (ASI) is a standardised assessment method in interview form that is used to tackle substance abuse and addiction. The proportion of residents who feel their situation in relation to drugs has improved following intervention from social services has fallen slightly since 2021, while the proportion who feel their mental health has improved following intervention has risen since 2021. The results for Gothenburg are better than the national results.

### Daily activities

The Disability Support Administration, in collaboration with the Labour Market and Adult Education Administration and Studium, has carried out training initiatives in daily activities with the aim of boosting participants' self-confidence and creating opportunities for independent living. The Disability Support Administration has also begun working closely with the Labour Market and Adult Education Administration, the Parks and Landscape Administration, the Social Insurance Agency and the Public Employment Service to enable participants in daily activities to move on to publicly protected employment in the city. To improve goal fulfilment, the committee sees a need for continued collaboration to find ways for participants in daily activities to enter the labour market. The administration has received funding from the European Social Fund to work on projects that will help people with disabilities gain employment in the public sector or the business community.

Parameters and key figures	2020	2021	2022
Prevention initiatives for children and young people, net cost, individual and family care (MSEK)	111	129	150
Number of days in institutional care, children and young people	72,129	72,510	82,347
Number of children and young people in foster homes	879	885	888
Number of days in temporary accommodation	497,132	460,303	491,112
Number of decisions not implemented within 3 months, Buildings with Special Service (BmSS), daily activities for people with disabilities (LSS) in Q4	100	103	108
Number of decisions not implemented within 3 months, daily activities, LSS in Q4	103	113	128
Number of people in daily activities	1,799	1,834	1,852
Number of people in Buildings with Special Service (BmSS), LSS and SoL	1,889	1,920	1,973

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

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
User assessment of home-help service in care of the elderly – overall, percentage %	80	-	80	81
User assessment of special housing in care of the elderly – overall, percentage %	80	-	77	81
User assessment of home-help service in care of the elderly – security, percentage %	79	-	80	81
User assessment of special housing in care of the elderly – often affected by loneliness, percentage %	20	-	25	18
User assessment of home-help service in care of the elderly – affected by loneliness, percentage %	51	-	56	50
User assessment of special housing in care of the elderly – opportunity to choose times, percentage %	60	-	56	61
User assessment of home-help service in care of the elderly – opportunity to choose times, percentage %	49	-	45	52
SCB's citizen satisfaction survey, satisfaction with care of the elderly	-	45.3	49.6	More satisfied than in 2021

## Assessment of City of Gothenburg Executive Office

The City of Gothenburg Executive Office considers that the goal has not been fulfilled. One indicator, the proportion of older people who have confidence in home-help services, has increased from 79 to 80 per cent. Other indicators have not met the target values and are at lower levels than in 2020. SCB's citizen satisfaction survey *Satisfaction with elderly care* was carried out in 2021 and 2022. It shows that satisfaction has increased since 2021 and that men are more satisfied with elderly care than women. The same outcome is seen in the user assessment, where men are more satisfied than women with home-help services and special housing.

## Assessment of committees and boards

The goal applies to the Committee for the Elderly, Nursing and Care. The assessment of the committee is that targets have been partly fulfilled. This assessment is based on the results of the user survey and the proportion of implementation plans drawn up. In October, the number of implementation plans completed was 89 per cent, compared with 90 per cent in the previous year. In a ranking of metropolitan municipalities,

Stockholm is at the top, followed by Gothenburg. The committee's goal is to gain the top position among the metropolitan municipalities.

## Developments in services

### Home help

In home-help services, the number of approved home-help hours increased during the year. At the same time, the proportion of time spent on home help decreased. The percentage of staff working hours that are spent at users' homes also decreased despite a higher permanent staffing level.

In an effort to improve the influence and participation of users, the home-help service reintroduced care supervisors in all units.

Over the course of 14 days, a user may meet more than 15 carers. In its annual report, the Committee for the Elderly, Nursing and Care states that ongoing efforts to increase the number of implementation plans for home help and provide permanent care contacts, which has been a statutory requirement since 1 July 2022, is expected to lead to better continuity in the long term.

### Care homes and nursing homes

The share of people who moved into residential care homes in 2022 has increased since 2021.



Because the number of approved applications also increased and is higher than the implementation rate, the queue has grown and more people are waiting for a place than in previous years.

At the start of 2022, users were given more opportunities to choose their nursing home or care home, including private homes. Private homes were previously used when the Municipality's own homes were fully occupied, so could not be selected by individuals.

The proportion of care recipients who select and subsequently move into private nursing and care homes has increased. The overall increase in the number of approved and implemented places in nursing and care homes has largely occurred in the private sector. The number of places implemented in the Municipality's own homes has decreased, and the occupancy rate in these homes is lower than forecast for 2022.

To improve opportunities for users to participate and exert influence, the Municipality's nursing and care homes are planning to resume the user councils that were suspended due to the pandemic.

### Municipal healthcare and medical care

In a patient survey conducted in 2021 and 2022 by the Gothenburg Region R&D unit, 87 per cent of users responded that they were fairly satisfied or very satisfied with municipal healthcare and medical services in Gothenburg. This result is unchanged since the previous year.

In its annual report, the committee states that further development is needed in mobile working

to adapt the activities to provide person-centred care and improve goal fulfilment. All relevant staff were given access to laptops and mobile phones during the year to enable access to patient data at the individual's home.

Better understanding and use of coordinated individual plans is needed to improve the person-centred approach. This applies primarily to cooperation and collaboration for patients with palliative care needs.

### Assignment to improve the elderly perspective

Age-friendly Gothenburg and the City of Gothenburg's membership of the WHO network *Age-friendly Cities and Communities* aim to improve equality in the city by highlighting the needs of the older generation in all urban development processes and by counteracting ageism. Collaboration with the Future Developers was resumed during the year following a break due to the pandemic. A Rollator Run was organised to draw attention to older people's place in the urban environment and the importance of accessibility in the city's outdoor spaces for people who use various walking aids.

In collaboration with the mental health organisation Hjärnkoll, health promotion services have set up discussion groups for men with the aim of improving mental health. Mental health problems are more common among older men than women.

Parameters and key figures	2020	2021	2022
Continuity in home-help service, number of staff over 14 days	15.4	15	16
Delivery level of home-help service, municipal operation (%)	74	71	68*
Waiting time for special housing, number of days	59	51	54*

\*Information taken from the Committee for the Elderly, Nursing and Care's own data

# Gothenburg is distinguished by close collaboration between the City, academia, civil society and the business community

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Leisure habits survey – percentage of young people who are a member of an association, club or group, total	-	61	-	62
Leisure habits survey – percentage of young people who are a member of an association, club or group, girls	-	60	-	61
Leisure habits survey – percentage of young people who are a member of an association, club or group, boys	-	63	-	64
Corporate climate according to Confederation of Swedish Enterprise, overall ranking	189	191	195	170
European Regional Innovation Scoreboard (regional level), total index EU28=100	138.8	137.8	-	145

Leisure habits survey was only conducted in 2021. The European Regional Innovation Scoreboard is published at regional level every two years, and the next one is due in 2023.

## Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. This assessment is based on the fact that the target values were achieved for the three indicators from the leisure habits survey.

Target values were not achieved for two of the indicators relating to the business climate and innovation. The outcome for the overall ranking of the business climate has deteriorated. The same applies to the European Regional Innovation Scoreboard indicator. The most recent outcome was reported in 2021, but that measurement was not fully comparable with earlier measurements, as a new method of calculation was used. Western Sweden has improved its relative position as the region rose from 18th to 11th place out of 240 compared regions in the EU from 2017 to 2021.

## Assessment of committees and boards

The goal applies to the following committees: the Eco-cycle and Water Committee, the Purchasing and Procurement Committee, the Committee for Democracy and Citizen Services, the Sports and Associations Committee and the Environment and Climate Committee. The goal also applies to the following company clusters: energy, premises, business and port. All committees and companies except the Port of Gothenburg and Business Region Gothenburg (BRG) consider the goal to have been fulfilled well.

BRG considers that further improvement in the business climate is still needed to meet the target and therefore reports that the goal is only partly fulfilled. The Port of Gothenburg has not assessed goal fulfilment.

## Developments in services

The general picture is of close collaboration between the City, academia, civil society and business.

The City is taking steps to improve collaboration with civil society based on the overall agreement between the City of Gothenburg and civil society organisations. An invitation has been sent out to umbrella organisations to submit tenders for a contract with the City to finance a coordination body that would strengthen collaboration. In collaboration with civil society the City set up a number of new meeting places and arenas for meaningful recreation during the year. The City has also held meetings with local associations to discuss opportunities and challenges as seen by the associations. There has also been further collaboration with civil society stakeholders on the family-centred approach based on All Children in Focus (Alla Barn i Centrum) courses and other parenting support.

Several administrations emphasise the value of non-profit Public-Private Partnerships (PPP) as a form of collaboration with civil society. For example, Democracy and Citizen Services report

that democracy days were organised in Frihamnen for the second year in a row as a result of a PPP. The Sports and Associations Administration also reports that holiday initiatives and weekend sports events were held during the year through development grants and PPP. Another example of a PPP that was highlighted is the RF-SISU and Passalen sports and leisure associations, where children and young people are offered free, meaningful, safe and active recreation without membership requirements.

Particular priorities are socio-economically vulnerable areas, people with disabilities and young women.

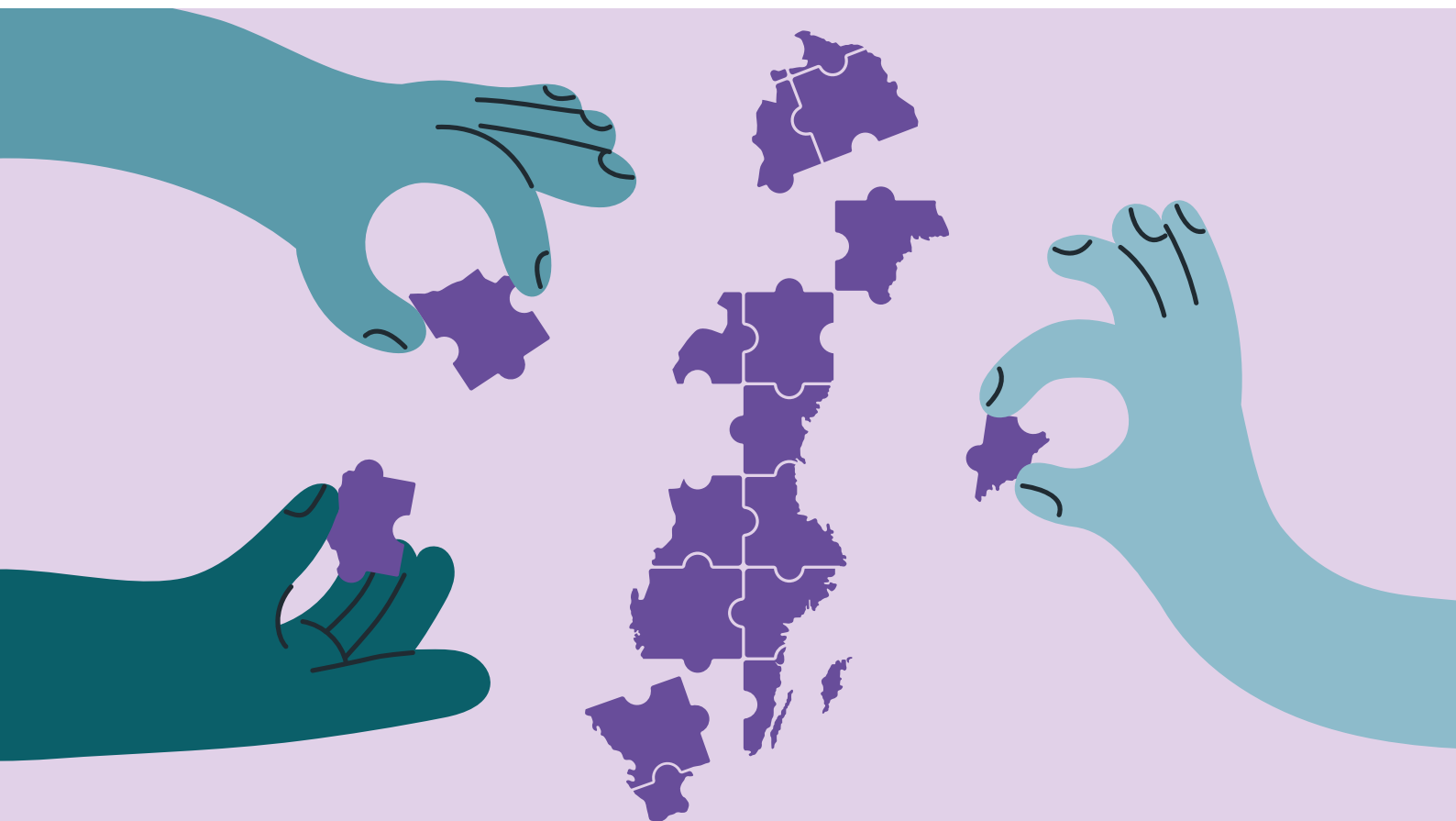
No new survey of leisure habits was carried out to assess the current state of associations activity among young people in Gothenburg. However, a survey by the Swedish Sports Confederation shows that there are major differences in sports and physical activities among young people in Gothenburg depending on geographical location, gender and disability.

A shared ambition of the City of Gothenburg, University of Gothenburg and Chalmers University of Technology to develop and deepen cooperation in line with the letter of intent between the parties has led to a number of activities during the year, based on four themes: Fossil-free Gothenburg, Sustainable Urban Development, Welfare, and Democracy and Governance. These are areas

that affect all activities in the city and are therefore important for all Gothenburg residents. The declaration of intent is based on a shared ambition and desire to create the conditions for further and deeper cooperation, with a focus on long-term knowledge and skills provision. The aim is to secure and develop Gothenburg's leading position as an attractive knowledge region in Europe.

One example of cooperation with the business community is the work by Framtidskoncernen and Business Region Gothenburg (BRG) on the Handshake initiative (Handslaget), which involves concrete investments in schools, work and leisure. This is expected to increase security in residential areas. It involves local collaboration between private and public sectors and working together by sharing responsibilities and skills to develop a particular area. This partnership has now been established and developed in three areas in Gothenburg: Tynnered, Biskopsgården and Bergsjön.

The Gothenburg region is ranked highest in Sweden for R&D. This ranking is based largely on strong collaboration between the public sector, academia and industry. However, BRG believes that not enough public expenditure is set aside to create the conditions for innovation, research and development projects, and if this were to happen it would have a positive impact on the rating.





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

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Number employed in tourism-dependent industries	31,904	34,864		
SCB's citizen satisfaction survey, satisfaction with the offering of City libraries	-	85.9	88.4	More than in 2021
SCB's citizen satisfaction survey, satisfaction with local culture and entertainment in the Municipality	-	83.2	88.1	More than in 2021
SCB's citizen satisfaction survey, satisfaction with the opening times of municipal sports and exercise facilities	-	84.6	81.2	More than in 2021
SCB's citizen satisfaction survey, satisfaction with opportunities for residents to use municipal sports and exercise facilities	-	82.3	79.5	More than in 2021
SCB's citizen satisfaction survey, satisfaction with the offering of outdoor exercise spaces in the Municipality	-	62.8	70.7	More than in 2021



## Assessment of City of Gothenburg Executive Office

The goal is considered partly fulfilled.

Half of the target values for indicators have been met. The indicators that do not meet the targets relate to citizens' satisfaction with opening times and opportunities to use the Municipality's sports and exercise facilities.

There is no indicator for the number of people employed in tourism-dependent industries in 2022. Similarly, no target value has been set.

The assessment is backed up by the strong recovery in the visitor industry and the improvement in the range of cultural offerings since the pandemic.

## Assessment of committees and boards

The goal applies to the Cultural Affairs Committee, the Sports and Associations Committee and the company cluster Göteborg & Co.

Göteborg & Co considers that the goal has been fulfilled well; the Cultural Affairs Committee and the Sports and Associations Committee consider the goal to be partly fulfilled

## Developments in services

The pandemic had major consequences for Gothenburg as a city of culture, sport and events. The visitor industry recovered well during the year following the pandemic years of 2020 and 2021, and several records were reported for the numbers of overnight stays and visitors to events in summer. Like many of the City's operations, skills provision is a major challenge for the visitor industry.

Satisfaction with the City's libraries has improved since 2021 and the number of visitors is increasing. The number of times various media are borrowed from the libraries has remained relatively constant over the past few years, but has risen slightly since the previous year. Libraries and cultural centres deliver services online and in real life, and use outreach to continuously meet the needs of residents. Particular emphasis was placed on outreach activities in 2022 to attract new users and bring back old ones.

Satisfaction with local culture and entertainment has also increased since last year. Women are more satisfied than men, but the improvement is similar for both. One explanation is probably the increased offering since the pandemic restrictions on opening hours and availability.

On the other hand, satisfaction with opening hours in exercise and sports centres has decreased since last year. The reasons have not been investigated, but opening hours were limited at some swimming pools and ice rinks due to renovation work. Men are less satisfied than previously, while women are on average more satisfied than last year.

Although the number of visits to sports and exercise facilities has more than doubled since the previous year, satisfaction with using the City's exercise and sports facilities has decreased. Nevertheless, women are more satisfied than men, but their satisfaction has decreased more than men's since the previous year. One exception is the level of satisfaction with the availability of public outdoor exercise facilities, which has improved since the previous year.

Parameters and key figures	2020	2021	2022
Number of media loans from libraries	3,757,339	3,581,992	3,749,591
Number of sports and exercise facility visits (Sports and Associations Committee)	657,787	381,633	885,532



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

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
SCB's citizen satisfaction survey, satisfaction with trust, municipal employees work for the best interests of the Municipality	-	48.1	49.4	Higher than in 2021
SCB's citizen satisfaction survey, satisfaction with trust. Generally speaking, do you think you can trust people?	-	66.4	61.9	Higher than in 2021

### Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. The assessment is based on an overall analysis together with the outcome of the indicators. The outcome for the indicator Municipal employees work for the best interests of the Municipality exceeded the target value. The outcome for the indicator Generally speaking, do you think you can trust people? Has fallen since the last assessment and did not meet the target value.

These are new indicators since 2021.

### Assessment of committees and boards

The goal applies to the following committees: Archives Committee, Sports and Associations Committee, Eco-cycle and Water Committee,

Committee for Democracy and Citizen Services, Purchasing and Procurement Committee, Social Care Committee Hisingen, Social Care Committee Centrum, Social Care Committee Nordost, Social Care Committee Sydväst, Electoral Committee, Committee for the Elderly, Nursing and Care and Boplats Göteborg.

The Electoral Committee and the Committee for the Elderly, Nursing and Care report that it is difficult to assess goal fulfilment.

The four regional social care committees and the Committee for Democracy and Citizen Services report that the goal is partly fulfilled.

The Purchasing and Procurement Committee, Sports and Associations Committee and Boplats Göteborg report that the goal has been fulfilled well.

The Archives Committee has not assessed goal fulfilment.

## Developments in services

There are differences in levels of trust within the population of Gothenburg and in perceptions of social isolation. The level of trust can be seen as an indication of cohesion and equality in society. Surveys from the SOM Institute and the Public Health Agency show that the level of trust and the proportion of residents who say they trust others has remained steady over time, but there are large differences between groups. Among younger people, people with low levels of education, the unemployed, people with disabilities and people born outside Sweden, the level of trust is lower than the average. People who live in areas with poor resources also express less trust in others in general than those who live in areas with good resources. Among young people aged 16–24, 41 per cent have low trust in others. Among young people with disabilities in the same age group, the figure is 56 per cent. The council of the City Executive Board and the Youth Council have important roles to play in improving knowledge and influence on issues concerning groups that have less influence, trust and participation.

An additional citizens' office was opened in Frölunda in 2022. This means that there is now at least one citizen's office in each district. Citizens' offices are intended to bridge the gap between residents who use online services and those who do not. In 2022, the City set up Rainbow House (Regnbågshuset) as a new meeting place for LGBTIQI residents.

Work to improve equality in the city is a long-term endeavour. The aim is to reduce differences in living conditions and health between residents of Gothenburg and between different parts of the city, to promote cohesion, trust and participation. A strong emphasis is placed on fostering equality among children and young people, and this work is ongoing and based on a family-centred approach. The social care administrations describe several initiatives aimed at children in the school years 6–12, such as School as an Arena (Skolan som arena), parent counselling and the parent support initiative All Children in Focus (Alla Barn i Centrum).

Both the School as Arena and Lights On projects involve stakeholders working together to develop activities that local children and residents can get involved in based on local circumstances and needs. This working approach is now in use in a total of 23 schools in the city, which have together offered around 500 activities to over 100,000 participants, such as various after-school activities. For slightly older pupils the City invests each year in offering summer jobs for young people. The outcome for the number of summer jobs is the highest ever in the City. In 2022, 84 per cent of applicants got summer jobs, compared with around 50 per cent in previous years. This meant that around 6,700 young people in total found summer or vacation jobs.

Voter turn-out in autumn's general election fell for the first time in 20 years, in Gothenburg and in Sweden as a whole. Turn-out fell more in areas that already had a low voter turn-out.



## Overall goals

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

City Council's overall goals and overall operational goals	Assessment of goal fulfilment for the year
<b>Gothenburg is a metropolitan city that is growing sustainably and has confidence in the future</b>	<b>Partly fulfilled</b>
Gothenburg takes responsibility for the quality of life of future generations	Partly fulfilled
Gothenburg is a city with sustainable mobility and good accessibility	Partly fulfilled
Gothenburg is a safe and well-managed city	Partly fulfilled
Gothenburg has attractive urban spaces that are dense and varied	Partly fulfilled

The overall goal is considered partly fulfilled. This is based on target fulfilment during the year for the four overall operational goals, all of which are deemed to be partly fulfilled. No values are available for several of the indicators for the overall operational goals, but the trend in values for these indicators was also taken into account in the assessment.

The overall assessment is that Gothenburg is to some extent a metropolitan city that is growing sustainably and has confidence in the future. The City is taking measures and initiatives for the climate transition. The proportion of journeys made

in the city using public transport has risen by 4 per cent since last year; the proportion of vulnerable areas in Gothenburg has met the target value for the year; and the city is growing in terms of the number of people moving to it and the number of completed homes. Nevertheless, the City needs to continue taking measures and work together with others to ensure that Gothenburg achieves its goal of being *a city that is growing sustainably and has confidence in the future*.



ÄR JAG OVAN  
YTAN - GRATTIS!

\* 2022

417 PPM CO<sub>2</sub>

# Gothenburg takes responsibility for the quality of life of future generations

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Waterways with healthy ecological status, percentage %	13.6	13.6	-	12
Lakes with healthy ecological status, percentage %	40	40	-	45
Greenhouse gas emissions per resident per year in the geographical region of Gothenburg (includes emissions from commercial and non-commercial sectors)	3.67	-	-	3.2
Total collected household waste (revised according to waste plan), kg/person	359	348	-	345
Area of nature conservation sites	14,337	14,337	-	At least 13,600
Interlinked urban areas (or similar designation in future general plan) with nitrogen dioxide levels (NO <sub>2</sub> ) below 20 micrograms per cubic metre.			*	Annual increase
Housing with an exposed residential facade with an equivalent sound level below 60 dBA, which has access to a sound-proofed facade with an equivalent sound level below 50 dBA.	60	-	*	Annual increase

\*Information not available for the year; to be gathered during evaluation of the goals for the Environment and Climate Programme.

## Assessment of City of Gothenburg Executive Office

The goal is considered partly fulfilled. Values for all indicators are unavailable for 2022. The historical trend for four out of seven of the indicators is that the target is fulfilled or almost fulfilled. The indicator for greenhouse gas emissions has had no outcome since 2019. No values are available for interlinked urban areas and nitrogen dioxide level. No values are available for the amount of household waste collected, but the amount of waste sent for incineration has decreased by 3,000 tonnes or 2.3 per cent compared with the previous year, while the amount of food waste sent for nutrient recovery and biogas production has increased by 4 per cent (900 tonnes). The results of the traffic noise survey during the year indicate relatively little change in the number of Gothenburg residents exposed to noise in excess of 55 dBA at exposed residential facades.

## Assessment of committees and boards

The goal applies to five committees and two company clusters: the Purchasing and Procurement Committee, the Eco-cycle and Water Committee, the Environment and Climate Committee, the Committee for Democracy and Citizen Services, the Parks and Landscape Committee and the

company clusters Göteborg Energi AB and Göteborg & Co.

The Environment and Climate Committee, the Purchasing and Procurement Committee and the Parks and Landscape Committee, Göteborg & Co and Göteborg Energi AB consider that the goal has been fulfilled well. The Eco-cycle and Water Committee and the Committee for Democracy and Citizen Services consider that the goal is partly fulfilled.

## Developments in services

### City of Gothenburg governance for the environment and climate

The City of Gothenburg's Environment and Climate Programme 2021–2030 shows the direction of measures and provides a common platform for the City's long-term environmental strategy. Strategic measures taken under the Environment and Climate Programme during the year have helped to identify solutions to eliminate obstacles blocking the programme's goals, and some of these solutions have been implemented. The City also has an environmental management system that is intended to improve environmental and climate work in the city. Supporting environmental audits are conducted as part of this environmental management system, and the results of this year's audits show that several administrations and

companies have made progress in implementing the environmental management system. Among the administrations and companies, 93 per cent (58 per cent in 2021) consider that they fully or partly apply systematic quality management.

## Climate

The 1.5 degree target of the 2015 UN climate agreement means that global warming must be reduced. The climate target of the Environment and Climate Programme is that Gothenburg should have a climate footprint close to zero. In 2022, the City of Gothenburg set up a Climate Council that works independently of the City's politicians. The members of the council are academic researchers in the three sustainability dimensions of social, economic and ecological sustainability. The council is tasked with analysing how the City can achieve its climate goals and proposing measures to reduce climate impact. The City has been selected by the European Commission to take part in its mission to deliver 100 climate-neutral and smart cities by 2030. This means, among other things, that the City gets access to advice, networks, improved funding opportunities and an opportunity to influence development. This will hopefully speed up the transition and put Gothenburg on the map at the same time.

2022 brought challenges in the energy sector in the form of fluctuating high energy prices. In response to the difficult energy situation the City of Gothenburg has taken steps to reduce energy use by the City's businesses and premises and give energy advice to individuals and companies. The City also took measure to improve preparedness for changes in electricity supplies. The municipal company Göteborg Energi AB completed a new biofuel-powered district heating boiler in 2022. In 2022, Renova AB, which is owned by ten municipalities, worked on material recycling, including the trial operation of a new plant for the extraction of zinc from fly ash. The municipal company Göteborgs Hamn AB has set up a project to support a green transition in shipping. The project gained attention when the Green Shipping Challenge was launched during the COP27 climate summit in Egypt in November. Göteborgs Hamn AB runs several projects to reduce the climate impact of emissions, including hydrogen generators, green corridors and on-shore electricity supplies for tanker vessels. Renova AB and Göteborg Energi AB have been involved in a feasibility study

for carbon capture and storage (CCS) from the waste incineration plant at Sävenäs. If the project is successful, 100,000 tonnes of carbon dioxide could be captured every year from 2030.

Each year, the City's committees make purchases with a total value of around EUR 26 billion that generate 427,000 tonnes of carbon dioxide equivalents, a measure of greenhouse gas emissions. The City Council has approved revised guidelines for purchasing and procurement. The guidelines impose stricter environmental and climate requirements. The Purchasing and Procurement Committee reports that it has produced its first environmental spend analysis. This can be used as an evidence-based starting point for discussing purchasing and prioritising measures.

The City is planning and implementing adaptation measures in response to existing climate changes. Concrete measures in the near future centre on management of flood risks due to extreme weather events such as torrential rain and increased precipitation and, in the longer term, sea level rise. In autumn 2022, a collaborative organisation for water management was set up in the City of Gothenburg. The group will coordinate work in the city on various water issues, including management of storm water, torrential rain, environmental quality standards for water and high water levels. Collaboration should enable the City to achieve better planning and sustainability, by using water as a resource.

## A healthy living environment

The physical living environment is of great importance for health and well-being. Harmful substances, air pollution and areas with high noise levels can cause health problems.

Gothenburg's Environment Administration presented a survey during the year showing that around 136,000 residents of the city are exposed to daily equivalent noise levels exceeding 55 dBA from traffic at exposed residential facades. The majority of people who are estimated to be exposed to high noise levels from traffic live in the city centre, or in exposed locations close to major traffic routes. According to the Public Health Agency's environmental health report 2021, around 12 per cent of children in Sweden who live in apartment buildings have a bedroom window that faces a busy street or traffic route, railway or industry, and around 5 per cent of 12-year-olds are very disturbed by traffic noise at home.

Gothenburg's Environment Administration carried out more than 10,000 inspection visits and checks on the environment, food, alcohol and tobacco in 2022. In addition to ensuring legal compliance and taking corrective action, inspections and checks are intended to protect human health and our environment.

The volumes of waste sent for incineration have decreased since the previous year, while the volumes of food waste sent for nutrient recovery and biogas generation have increased slightly. This indicates that Gothenburg residents have become better at recycling their waste. On 1 January 2022, free visits to recycling centres for private individuals were introduced.

Visits have increased compared to last year, while the amount of waste has decreased, which indicates that more Gothenburg residents are visiting the recycling centres but they leave less waste at each visit. In 2022 the Municipality took over responsibility for collecting recycled paper from producers and is now preparing to take on new responsibilities for collecting packaging and food waste, which will be introduced in the coming years. Gothenburg's Eco-cycle and Water Administration carried out an attitude survey during the year. It shows that the majority of Gothenburg residents are satisfied with waste management. However, they want better facilities for recycling hazardous waste, electronics and bulky waste close to home. It is mainly residents who live in apartments who want more opportunities for recycling various types of waste near where they live.

Clean water and wastewater management are vital to the quality of life of future generations. The City of Gothenburg took steps to secure the long-term supply of water during the year, including setting up a project with Lerum Municipality to safeguard a fresh water supply from Lake Mjörn. Alelyckan waterworks continued working

on microbiological protection improvements in the form of an ultra-filtration facility. In 2022, the drinking water produced by the City of Gothenburg maintained a high standard, and output was sufficient to meet requirements at all times.

## Biodiversity

The Parks and Landscape Committee reports that a large proportion of its efforts to protect biodiversity involves combating invasive species that have spread throughout the Municipality. During the year, the committee also continued its work on adapting the management of mowed areas to create more meadow-like environments and flowering habitats that benefit insects. An inventory of wild pollinators is taking place in Slottsskogen and the Garden Society of Gothenburg together with a survey of areas in the park to determine how they can be developed and improved to benefit pollinators.

The City of Gothenburg is one of the municipalities that owns the most forest in Sweden. The City has a forest management policy that will help to increase biodiversity. The policy is unique in that it stipulates that the forest should never be clear-cut. During the year, the City shared its knowledge of sustainable forestry in Sweden and internationally.

In September, a green roof and roof terrace were opened to the public at Frölunda Kulturhus leisure complex. The roof is one of Gothenburg's largest green roofs with an area of 6,600 square metres. This is a biotope roof planted with sedum and other plants that will contribute to biodiversity. The roof has a blue-green design, in other words it meets several purposes, including recreation, improving biodiversity and reducing the risk of flooding. Other blue-green roofs already exist or are being developed in several locations in the city.

Parameters and key figures	2020	2021	2022
Percentage of recycled energy, district heating (percentage %)	79	69	77
Percentage of renewable energy, district heating (percentage %)	20	24	18
Weight of food waste, residual waste and mixed waste, change compared with previous year (percentage %)	-3.4	2.0	-1.6
Leakage of drinking water, litres per metre of drinking water supply pipe, 24 hrs	19.5	21.8	18.7



# Gothenburg is a city with sustainable mobility and good accessibility

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Average speed of city buses	20.6	19.2	19.8	18.4
Transport trend, share of means of transport for all journeys in Gothenburg, walking (%)	19	22	22	22
Transport trend, share of means of transport for all journeys in Gothenburg, cycling (%)	9	7	7	8
Transport trend, share of means of transport for all journeys in Gothenburg, public transport (%)	25	24	28	25
Transport trend, share of means of transport for all journeys in Gothenburg, car (%)	47	46	42	45
SCB's citizen satisfaction survey, satisfaction with opportunities to easily use public transport for daily travel, e.g. to work, school or other activity.	-	85.6	83.7	Higher than in 2021

## Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. Three out of six indicators meet the target values. The largest increase has been in travel by public transport, but there have also been increases in cycling and walking, while travel by car has decreased slightly. There was some recovery in the number of journeys taken during the year, but the trend is difficult to assess as the comparison is with a pandemic year. The average speed of city buses was measured at 19.8 km/h, which is higher than the target value and the previous year.

According to Statistics Sweden's (SCB) citizen satisfaction survey, the percentage of users who are satisfied with public transport has fallen, and men are more dissatisfied than women.

## Assessment of committees and boards

The goal applies to two committees and two company clusters: the Environment and Climate Committee, the Road Traffic Committee, Göteborg Energi AB and Göteborgs Stads Kollektivtrafik AB.

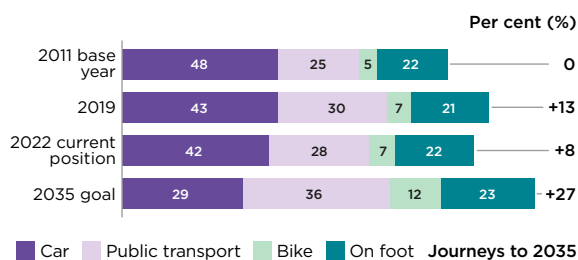
The Environment and Climate Committee, Göteborg Energi AB and Göteborgs Stads Kollektivtrafik consider that the goal has been fulfilled well. The Road Traffic Committee considers the goal to be partly fulfilled.

## Developments in services

### Share of means of transport

There was some recovery in the number of journeys taken in 2022, and the level is starting to approach that of 2019. Overall, the number of journeys in 2022 was five per cent lower than in 2019. In comparison with the base year 2011, the total number of journeys increased by eight per cent. Based on travel trends, 22 per cent of journeys were made on foot, 7 per cent by bike, 28 per cent by public transport and 42 per cent by car. This shows a slight change since 2021. A larger proportion of the journeys made during the year was by public transport, although the actual number of journeys by public transport is lower than in 2019. Renovation work began on the Tingstad tunnel during the year, and this is believed to have changed travel patterns for car journeys and to some extent changed the choice of mode of transport.

### Share of means of transport for base year 2011, current year 2022 and target year 2035





### Sustainable travel

The City of Gothenburg aims to increase the share of sustainable travel, reduce environmental impact from the transport sector and improve accessibility in the city in the long term. The growing electrification of the vehicle fleet is part of the transition to fossil-free transport and helps to reduce noise and emissions. *The Electrification Plan 2022–2030* was adopted in 2022 by the City Council. The plan contributes to the City's sustainability efforts, Agenda 2030 and the City's Environment and Climate Programme and Energy Plan. It is part of efforts to become one of the EU's first 100 climate-neutral cities, and to meet the goals of the Gothenburg Green City Zone initiative for emission-free transport.

The Electrification Plan contributes to the goals for a fossil-free vehicle fleet and transport system, as well as the goals of the Public Health Programme.

The electrification of the vehicle fleet continues. The ElectriCity partnership develops, tests and demonstrates solutions that can contribute to sustainable, electrified travel and transport. Electri-City was launched with the aim of promoting the electrification of public transport and several

routes are now served by electric buses. This work has also been extended into other areas, including construction machines, as a result of collaboration with partners in industry, the public sector and academia. A number of new trials of construction site machines were started during the year, which in the long term could lead to major benefits for the working environment and urban environment. Göteborg Energi AB continued to expand the number of charging points and fast chargers. Neighbourhood charging is being installed in several locations so that residents and visitors can charge their electric cars at public charging stations.

### Special transport

The City provides Service Travel for residents who have difficulty travelling on their own. Service Travel is a collective term for various forms of passenger transport, such as special transport and the 'book a bus' service. Service Travel was affected by the pandemic, as a significant proportion of travellers belong to risk groups. After a fall in the number of special transport journeys in 2020, the number of journeys increased in 2021 and has continued to rise in 2022. This year's increase is lower than expected, partly due to a shortage of

vehicles, as the City lacked an agreement with a supplier for additional vehicles during peak hours for parts of the year. It was therefore difficult to meet the service requirements during peak traffic. Temporary agreements were signed to meet travel needs in autumn.

### Energy efficiency

Energy consumption for lighting and traffic signals within the Road Traffic Committee's sphere of responsibility has decreased by around 6,000 MWh since the previous measurement over the same period in 2020. Energy consumption is steadily being reduced through annual energy efficiency measures such as replacing conventional light sources with LED lighting. Of the 97,000 or so lights managed by the City, around 60,000 currently use LED light sources. By 2029, it is expected that much of the stock will be completely replaced. These energy efficiency measures are effective in terms of cost, environmental impact and reliability. LED lighting also offers benefits such as the ability to dim or switch off lights if necessary.

### Large projects

In autumn, the City Council approved a request by Göteborgs Hamn to establish a new ferry terminal at Arendal and the outer ports. This will enable the relocation of Stena Line's Denmark and Germany terminals to Arendal, and the goal is that the new terminal should open sometime between 2027 and 2029. Relocation of the terminal will lead to lower emissions in the city centre by reducing road traffic and by shortening sea transport. The associated rail link should also lead to a transfer of goods from road to rail. Electrification of ferry traffic is also expected in the long term, as Stena Line is planning to introduce two electric ferries on the Fredrikshavn route in 2030.

In 2022, a supplementary agreement was approved between the parties to the National Negotiation on Housing and Infrastructure for a tram and city bus service between Brunnsbo and Linné, which is a key investment in developing the public transport system in the city. The project includes a new river crossing that will relieve pressure on Hisingsbron bridge, increase the reliability of the public transport system and is a step in the implementation of the planned inner city ring for trams.

The City of Gothenburg has reached an agreement with the Municipality of Öckerö, Region Västra Götaland and the Swedish Transport Administration concerning the Torslanda-Öckerö route (county road 155). The parties have established an agreed direction, with a step-by-step process for achieving sustainable use of the route in the short and medium term, and beyond 2040. The long-term focus will be on increasing the competitiveness of public transport.

Planning and design work have continued during the year for the City's *Korsvägen junction* project, which receives funding from the West Sweden Package. Uncertainty about how long it will take to complete the West Link (Västlänken) risks delaying the City's construction plans. The Swedish Transport Administration has implementation responsibility for the West Link project and the *Korsvägen* and *Haga* phases have been delayed by difficulties in rock excavation. Project contract negotiations for the *Slakthusmotet* junction started during the year.

Parameters and key figures	2020	2021	2022
Number of special transport journeys	389,990	423,396	485,300
Energy consumption – lighting (MWh/year)	27,700	27,800	21,740

# Gothenburg is a safe and well-managed city

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Number of particularly vulnerable areas	6	5	5	5
Percentage of population (aged 16–84) who feel that fear of crime has a strong negative impact on their quality of life (NTU)	9	8	9	9
Reported violent crimes per 100,000 residents	1,203	1,116	-	1,250
Reported cases of vandalism (per 1,000 residents)	25.9	25.9	-	26
SCB's citizen satisfaction survey, satisfaction with measures to counter vandalism and other damage, such as graffiti, abandoned vehicles	-	56.6	61.5	Higher than in 2021

## Assessment of City of Gothenburg Executive Office

The goal is considered partly fulfilled. The target values for 2022 have been met, but according to the National Security Survey (NTU) the trend indicates that concerns and insecurity among the population have remained at the same level since 2016. Women feel more insecure in their own neighbourhood and avoid going out significantly more often than men.

However, the NTU does not reveal any significant difference between men and women regarding how fear of crime affects their quality of life. Middle-aged men, young women, people born abroad and those with foreign-born parents feel that fear has affected their quality of life to a greater extent.

Gothenburg residents are more satisfied than in previous years over the Municipality's measures to combat vandalism and graffiti. The survey shows that women are slightly more satisfied than men.

## Assessment of committees and boards

The goal applies to eight committees and two company clusters for housing and premises.

The committees and company clusters have differing assessments of goal fulfilment. The goal is broad in scope and the assessments reflect different degrees of difficulty in achieving the goal, based on the different assignments of the committees and clusters.

The Eco-cycle and Water Committee, Parks and Landscape Committee, Social Care Committee Nordost and Higab AB consider that the goal has been fulfilled well. The Planning and Building Committee, Property Management Committee, Social Care Committee Centrum, Social Care Committee Hisingen and Förvaltnings AB

Framtiden consider the goal to be partly fulfilled. Social Care Committee Sydväst considers that the goal has not been fulfilled.

## Developments in services

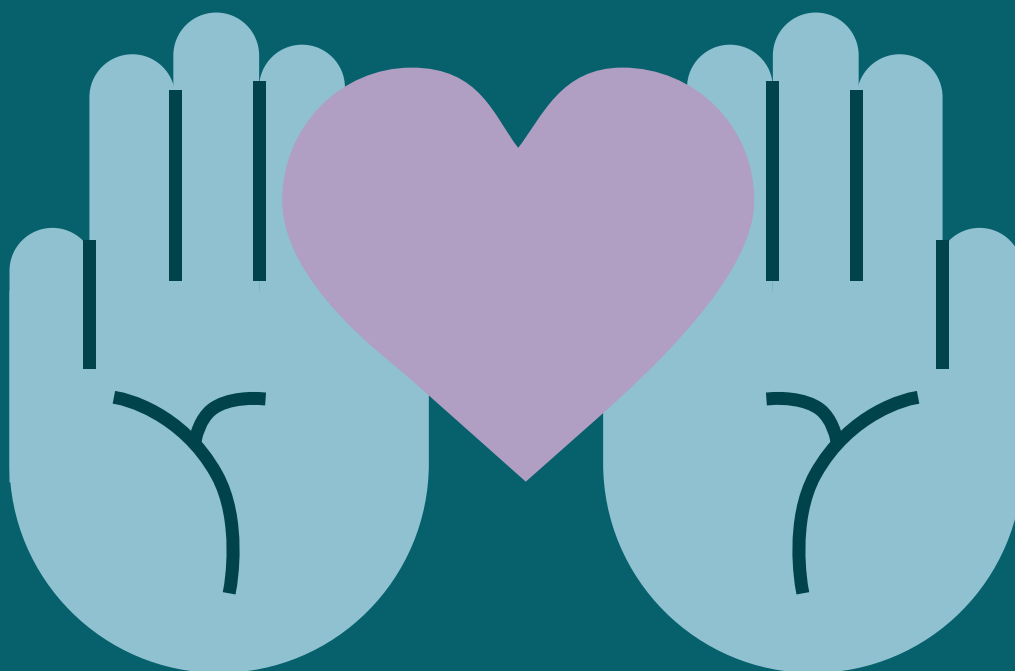
### Crime prevention and building a sense of security in the city

The City of Gothenburg continues to improve its security and crime prevention activities. The City's administrations and companies have made positive progress in this area. There are still significant challenges in coordinating the City's collective resources in security and crime prevention work.

In June 2022, the City Council approved a security and crime prevention programme. The programme focuses on improving knowledge and collaboration, reducing insecurity due to fear of crime, reducing the inclination to commit crime and reducing opportunities to commit crime. Crime prevention is also about countering family-based criminal networks, other organised crime and the development of parallel societal structures.

### Combating unauthorised influence

Since 2019, the City has taken a structured approach to countering unauthorised influence on decision-makers. In 2022, the City of Gothenburg contributed to the development work of Swedish municipalities and regions in this area. City employees receive ongoing training and a special training team has been set up to counteract unauthorised influence. Since 2021, the City has taken active measures to counteract unauthorised letting of apartments in Framtidskoncernen's rental portfolio. This work was conducted in collaboration with the Swedish Tax Agency, which is tasked with combating civil registration and welfare offences.



### **Perceived security among Gothenburg residents and entrepreneurs in 2022**

The City conducted a *Security in Gothenburg* survey in 2022. It shows that the physical characteristics of the area and people in the neighbourhood are factors that influence perceived security. The survey shows that most Gothenburg residents feel secure in their neighbourhood, but that fewer feel secure in vulnerable and particularly vulnerable areas. Women and LGBTQI people feel less secure in their neighbourhood than men, according to the survey. Five out of ten Gothenburg residents believe that Gothenburg is a safe and secure city. Those who agree most with this statement live in the north-eastern part of the city. The results of the survey are in line with the results of the National Security Survey for 2022.

Business Region Gothenburg has conducted the first security survey in the City of Gothenburg aimed at the city's entrepreneurs. Companies help to improve security in the city by creating jobs and implementing measures in the urban space that increase security. The survey shows

that businesses consider littering and vandalism, including graffiti, to be problems. These are areas that the City will continue working on to make improvements. Companies in Gothenburg also feel that concerns about burglary, fraud and traffic disruption have a negative impact on their business.

### **Co-operation with other community stakeholders**

The City of Gothenburg signed a new collaboration agreement with the Greater Gothenburg Police Authority in 2022 that clarifies expectations and commitments in joint efforts to improve security and reduce crime. In addition, the City of Gothenburg, the Greater Gothenburg Police Authority and the Region West Prison and Probation Service have also reached an agreement on a more proactive approach to reducing serious violence.

The City of Gothenburg has many ongoing collaborations with civil society and the business community.

The social care administrations are the main recipients of support from the city's associations through a variety of partnerships intended to increase presence on the city's streets and squares in the evenings and early night-time. The City cooperates with the business community in various ways, depending on the range of reasons for insecurity that need to be addressed. The City of Gothenburg's housing company, Bostads AB Framtiden, is implementing several major development projects to ensure that Gothenburg has no vulnerable areas by 2025. For example, Framtiden AB works with private housing companies to change the physical layout of vulnerable areas and carries out concrete initiatives in schools, work and leisure. Business Region Göteborg helps to establish contacts with the residents and companies in Gothenburg. The City cooperates with the business community in areas where residents feel unsafe, such as local squares and public transport hubs. Activities of this type are taking place in Marklandsgatan and Hjalmar Brantingsplatsen.

## A well-managed city

Effective waste and litter management and measures to combat vandalism and graffiti help to make the city feel well looked after and more secure. The City of Gothenburg has security-promoting groups that work in this area. During the summer months there were many visitors to the city and many events took place. Despite this, litter management was very effective. Rapid graffiti removal and the painting of buildings with a variety of motifs have contributed to a reduction in graffiti. SCB's 2022 citizen satisfaction survey also shows that Gothenburg residents are more satisfied with the City of Gothenburg's measures to combat vandalism and graffiti.

Parameters and key figures	2020	2021	2022
Men who feel unsafe outdoors, aged 16-84 (percentage %)	17	-	18
Women who feel unsafe outdoors, aged 16-84 (percentage %)	43	-	35
Total reported crimes	115,093	106,913	-
Total number of reported crimes in public	1,805	1,657	-

# Gothenburg has attractive urban spaces that are dense and varied

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Net movement to Municipality	730	679	6,112	3,000
New construction: single-family homes	351	262	282	500
Number of completed homes	4,494	5,365	5,930	5,000
SCB's citizen satisfaction survey, satisfaction with the range of cafés and restaurants in the Municipality	-	90.7	93.5	Higher than in 2021
SCB's citizen satisfaction survey, satisfaction with housing and neighbourhood, range of supermarkets within reasonable distance of home	-	91.6	89.2	Higher than in 2021
SCB's citizen satisfaction survey, satisfaction with housing and neighbourhood, closeness to schools and child care	-	-	*	Higher than in 2021
SCB's citizen satisfaction survey, satisfaction with housing and neighbourhood, access to healthcare and medical care within reasonable distance of home	-	93	92.9	Higher than in 2021
SCB's citizen satisfaction survey, satisfaction with housing and neighbourhood, parking facilities	-	-	*	Higher than in 2021

\*No such question in citizen satisfaction survey

## Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. Three indicators meet the target values for the year.

The annual target for the number of completed homes has been met, but the number of newly constructed single-family homes did not reach the target value. Net migration to the city was 6,112, which meets the target value and is at the highest level since measurements began in 1968. A total of 5,930 homes were completed during the year, exceeding the target value of 5,000 each year by a good margin. This means that the target figure of 20,000 new homes by 2022 has been achieved. A total of 282 new single-family homes were completed, which is slightly higher than in 2021 but below the target of 500 new homes. The number of planning applications for single-family homes is lower than in previous years.

Indicators based on outcomes from Statistics Sweden's (SCB) citizen satisfaction survey show that residents' satisfaction with closeness to services has not changed significantly. Women and men report similar levels of satisfaction.

## Assessment of committees and boards

The goal applies to five committees and two company clusters: the Planning and Building

Committee, Property Management Committee, Commercial Premises Committee, Parks and Landscape Committee, Road Traffic Committee, the company cluster Förvaltnings AB Framtiden and the company cluster Higab AB.

The Commercial Premises Committee, Parks and Landscape Committee, Förvaltnings AB Framtiden and Higab AB consider that the goal has been fulfilled well. The Property Management Committee, Planning and Building Committee and Road Traffic Committee consider that the goal is partly fulfilled.

## Developments in services

### Urban development

Gothenburg has a new digital general plan with an overall focus on developing a close, cohesive and robust city. The plan allows for a continued high rate of expansion. Every municipality must have an up-to-date general plan that illustrates an integrated strategy for using, developing and preserving land, water and buildings. Last autumn, the City received an award for its innovative development of a digital twin of Gothenburg. The model, known as Virtual Gothenburg, will provide a repository for all data about the City and allow the creation of different future scenarios to provide better understanding, consensus and a basis for decisions.



Extensive work was undertaken during the year to implement the new organisation for urban development. Four new committees came into effect at the end of the year and five committees were wound down. The purpose of this change is to create a more integrated urban development process in planning, implementation and management, with greater efficiency and transparency.

### **High pace of housebuilding for long-term fulfilment of goal**

Gothenburg and its population are continuing to grow. Both the population and net migration to

the city decreased during the pandemic. In 2022 the city's population grew by 9,292 and net migration was 6,112, which is the largest increase in 50 years. The main increase is in the age group 20–35. Gothenburg's population has grown by 83,000 in the last 12 years and in the next 15 years it is expected to grow by a further 90,000. Around 9,200 new homes are currently under construction and urban development and densification are taking place in many parts of the city.

New housing is under construction throughout the city to meet future needs and address the housing shortage. Despite the pandemic and



other negative social factors, the city has maintained a high level of housing construction and the number of completed homes exceeds previous years. However, the number of new builds started during the year is lower than in previous years.

A significant proportion of housing construction is in already built-up areas, leading to densification. Out of approximately 5,900 homes completed in 2022, 4,161 were in apartment buildings and 94 per cent in areas described in the general plan as the inner city or central area. Apartment sizes vary, but the proportion of one-room (plus kitchen and bathroom) apartments built is 26 per cent, two-room apartments 42 per cent, three-room apartments 23 per cent and apartments with four or more rooms 10 per cent. Construction has also become more geographically dispersed and there is a wider variety of areas with large housing projects. Around 775 homes have been built as municipal public housing, of which 491 are rental apartments.

The City's goal to build 500 single-family homes each year is challenging. The time from approval of a local plan to completion is long and is estimated at five years on average. To improve opportunities to build more single-family homes the City needs to adjust its planning strategy to favour larger single-family housing developments, which will require extensive expansion of infrastructure.

### **Gothenburg has urban spaces that are dense and varied**

The City's goal to increase the population by 250,000 by 2050 means that it needs to provide 120,000 new homes, more community services and 100,000 new jobs. The City must have attractive and safe residential areas with a dynamic mix of housing, municipal services, leisure activities, offices and a vibrant range of commercial services. New housing, offices, shops, schools and a medical centre are planned in the Karlastaden area of Lindholmen. There are plans for green spaces and terraces on the roofs of buildings. The most talked about building is the 73-storey, 245-metre-high Karlatornet, which is expected to be completed by the end of 2023. It will be the tallest building in the Nordic region, with a viewing deck open to the public, and will be a new landmark in Gothenburg that is already visible from large parts of the city.

Construction work began in autumn on the new peninsula at Masthuggskajen. The two-hectare peninsula will be home to a variety of businesses and bring residents closer to the water. The peninsula is part of the urban development along

the south bank of the river, where mixed housing, offices, hotels and parks are under construction, with an estimated completion date of 2030.

Gårda is evolving into a more vibrant and diverse district just a stone's throw from the city centre. Gårda's new high-rise buildings are changing the city's skyline. The Kineum, Citygate and Gårda Vesta towers house hotels, restaurants and offices, and are aligned along the west side of the E6 motorway.

The area around the central station is one of Gothenburg's key development areas. Work here involves complex construction plans and projects, including local plans for housing, city centre development and infrastructure near Kämpegratan.

### **Provisions for special groups**

The average waiting time for housing through the municipal Boplats agency has levelled out over the last three years and was 6.5 years in 2022. Despite the fast pace of construction and increased housing stock, the housing shortage still exists and this particularly affects groups with special needs. There is still a need for the construction of more Buildings with Special Service (BmSS) and student apartments, even though 640 student apartments were completed this year, the highest number since 2006. In the case of BmSS, 45 new homes were completed, of which 12 were in group housing. There is a strong need for group housing that offers close support.

The number of homeless people has risen by 60 compared with the previous year, to 3,221. The increase is a result of families with children who were referred to the Municipality under the Settlement Act and have moved out of transitional housing. Families who have not managed to find other housing are able to sub-let an apartment from the Municipality for 18 months. These families were not included in the previous year's figures because they had been in transitional housing for five years. However, the number of such households has decreased and is at the lowest level since 2015.

### **A sustainable green city**

Gothenburg should be both a densified and green city, and public spaces should contribute to a rich and healthy urban life. An adventure playground was opened in Centenary Park in summer, providing artful play sculptures, green glades, footpaths, jetties, new changing rooms and toilets. Construction of a new harbour bathing area is in

progress and will be completed in summer 2023. Kvibergs Park continues to be developed as a centre for sports, health, culture and education. In autumn, a playground was opened with an adventurous design inspired by the castle-like buildings of Kviberg barracks.

In November, a marine allotment was opened in Frihamnen harbour – a small-scale aquaculture farm for growing mussels and algae. The allotment is a collaborative project between the City, the University of Gothenburg, the Centre for Sea and Society and Urban Futures. It is a test facility to investigate what can be grown and harvested in the river environment.

Bergsjön Cultural Centre was opened at Rymdorget in August and immediately became a popular cultural venue for residents of Bergsjön. The architecture and design of the cultural centre reflect its surroundings. The glazed entrance facade frames the new Rymdorget square and encourages interaction, while the square and the cultural centre complement each other and create meeting spaces.

Ruddalen ice rink in Frölunda was completed in December for use by clubs and associations. The ice rink had been long awaited by many associations. The official opening took place in time for the World Junior Bandy Championship in January 2023.

## Climate challenge

Large parts of society need to be prepared to face a changing climate. The city's location at the mouth of the river mean it is exposed to the risks of higher sea levels and more extreme weather

due to climate change, which could affect future development. As part of the City's flood protection measures, studies have been carried out on how the city can be protected from flooding and torrential rain, but appropriate funding and legislative support are needed. Work has continued on a climate adaptation plan for the City's operations and the property it owns, and this will lead to clarification of the assignments of the administrations and companies regarding climate adaptation.

## Future urban development

Several large new urban development projects were launched in spring. The City Council approved the drawing up of plans for a new arena, central swimming pool and urban development in the events area around Valhallagatan. The intention is that the area around Valhallagatan should become a vibrant and attractive neighbourhood with safe streetscapes that encourage activity.

Volvo Cars and Northvolt intend to build a factory for the production of lithium-ion batteries directly adjacent to Volvo's existing Torslanda plant. The City has developed green solutions for water, electricity, logistics and cooling. The factory will create around 3,000 direct jobs and is indirectly expected to lead to thousands of new jobs in the region.

Parameters and key figures	2020	2021	2022
Percentage of completed homes that are rental properties in apartment buildings (%)	47	61*	56
Number of homeless people (adults and children)	3,733	3,161	3,221
Single-family homes	351	262	282
Number of rental properties	1,540	2,575*	2,343
Number of shared ownership properties	1,764	1,622*	1,818
Special housing (student, BmSS and other housing)	496	726	1,246
<i>of which Buildings with Special Service (BmSS)</i>	48	73	45
<i>of which student housing</i>	123	42	644
Renovation	343	180	241
Total number of homes	4,494	5,365	5,930

\* Corrected data from previous year.

## Overall goals

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

City Council's overall goals and overall operational goals	Assessment of goal fulfilment for the year
<b>Gothenburg is a metropolitan city with a stable economy and strong growth</b>	<b>Partly fulfilled</b>
Gothenburg has a balanced budget and long-term sustainable finances	Fulfilled
Residents of Gothenburg get value for their taxes and high-quality welfare	Partly fulfilled
The City of Gothenburg is an attractive employer that provides good working conditions	Not fulfilled
Gothenburg has an attractive and innovative business community of a high international standard	Difficult to assess
Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good	Partly fulfilled

The goal is considered to be partly fulfilled, since one out of five overall operational goals has been fulfilled and two are partly fulfilled.

The City's economy is stable, despite the negative impact that Russia's invasion of Ukraine has had on the economy in the form of price increases and rising interest rates. Unemployment has continued to fall and fewer households were dependent on income support.

On the other hand there has been no improvement in sick leave, which may be due to the high

rate of infection at the start of the year. Similarly there has been no improvement in the business climate.

The cost per resident for care of the elderly and individual and family care is higher than the target value for 2022. However, in relation to wage rises and price increases, the cost of individual and family care has fallen since 2021.

# Gothenburg has a balanced budget and long-term sustainable finances

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
The Municipality must achieve earnings of 2%. Percentage % over rolling ten-year period *	4.1	4.6	4.9	4.3
The level of self-financing of investments should be at least 50% over a rolling ten-year period	114	115	115	101
Equity/assets ratio 15%	22	26	28	15
The City's development activities must be balanced over 10 years	104	112	114	108
The City's operations must show good financial management				According to assignment

\* On 19-05-2022 the City Council decided to exclude private investment and developer contributions when calculating the earnings goal of 2%. The outcomes for 2020 and 2021 have been adjusted accordingly to enable comparison.

## Assessment of goal

The target for a balanced budget and long-term sustainable finances is considered to be fulfilled, since all indicators exceed the target values set in the budget for 2022. It can also be reported that three out of four indicators show an improvement compared to 2021.

Four indicators are used to monitor achievement of the goal for a balanced budget and long-term sustainable finances. The first indicator refers to the entire Municipal Group and is set as an annual minimum level for the equity/assets ratio. The remaining three indicators refer to the Municipality and are set as ten-year average values for earnings, level of self-financing of investments and balance in land development activities.

The Group's equity/assets ratio increased from 26 to 28 per cent and is thus well above the target value of 15 per cent. The fact that the Group's equity/assets ratio has increased in recent years is largely due to the fact that the Municipality and its companies have increased their equity through positive earnings.

Municipal earnings in relation to tax revenue, financial equalisation and general state subsidies amounted to 4.9 per cent over a rolling ten-year period. The outcome was therefore well above the 4.3 per cent target value for 2022.

Self-financing of investments totalled 115 per cent over a rolling ten-year period. The strong earnings, combined with lower than budgeted investments, therefore mean that the level of self-financing of investments significantly exceeds the target value for 2022.

The outcome for land development reported in the annual accounts was 114 per cent over a rolling ten-year period, compared with the target value of 108 per cent for 2022.

The committees report that they have taken active steps to improve their financial and operational governance to achieve good financial management in operations. All committees except for the Commercial Premises Committee and Parks and Landscape Committee report earnings for the year that are higher than forecast.

The targets for good financial management are evaluated in the Administration Report. The interpretation of good financial management in the City is based on the same indicators as used to assess goal fulfilment for a balanced budget and long-term sustainable finances. The Administration Report also contains an in-depth financial analysis of the Municipality and the Municipal Group.

# Residents of Gothenburg get value for their taxes and high-quality welfare

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Efficiency ranking for municipal compulsory schools, (low values indicate good results)	214	228	201	210
Staff in direct contact with residents as percentage of total staff	71	71	71	73
Cost of individual and family care, SEK per resident	7,400	7,545	7,549	7,200
Cost of care of the elderly, SEK per resident	11,101	11,185	11,666	10,400
Citizen satisfaction index – support for vulnerable people	47	44	-	49
Citizen satisfaction index – care of the elderly	46	40	-	52

## Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. The weighted result for compulsory schools has improved and has met the target value. For other indicators, the target values were not achieved.

## Assessment of committees and boards

The goal applies to the Committee for Intraservice, the Committee for Disability Support, the regional social care committees, the Chief Guardians' Committee and the internal companies.

The Committee for Intraservice considers that the goal has been fulfilled well, while the other committees consider that it is only partly fulfilled. Göteborgs Stads Leasing AB considers that the goal has been fulfilled well. Försäkrings AB Göta Lejon reports that the goal is addressed by the company's operational goals. On the basis of these assessments the goal is considered to be fulfilled.

## Indicator trends

The result reported for the indicator Efficiency ranking for municipal compulsory schools is a key figure from Kolada: Weighted result for compulsory schools, municipal schools. This is a combination of three parameters and their deviation from a model value. The outcome is reported

as a ranking of 290 Swedish municipalities, and Gothenburg is ranked in 201st place among municipal compulsory schools. The indicator shows an improvement compared to 2020 and 2021.

The proportion of staff who have direct contact with residents is still lower than the base value produced for 2019. Because the outcome is measured on the basis of hours worked, one explanation for the lower value could be the effects of the pandemic on staff who work closely with users. The level of sick leave has also been high throughout 2022, particularly among staff who have direct contact with users. It was also easier for other staff to continue working when they only had slight symptoms of illness, as they now have the opportunity to work from home.

The target values for the indicators cost per resident for care of the elderly and individual and family care assume a nominal reduction in the cost per resident. For individual and family care, there was a moderate nominal increase in both 2021 and 2022, and taking into account wage and price trends, the real cost per resident has decreased. The cost of care of the elderly also decreased in real terms in 2021, but in 2022 it rose slightly more than can be explained by rising prices and wages. However, the outcome for 2022 exceeds the set target values for both operations.

# The City of Gothenburg is an attractive employer that provides good working conditions

Indicator	Out-come 2020	Out-come 2021	Out-come 2022	Target 2022
Employee engagement index (HME) for Municipality as a whole - total index	78.6	78.0	79.0	81
Sick leave for municipal employees total, %	9.6	8.6	8.8	8.1

## Assessment of goal

The goal is not considered to be fulfilled. The target values were not achieved for the indicators sick leave or Sustainable Employee Engagement (HME).

Total sick leave rose slightly for the year as a whole, largely due to an outbreak of the highly contagious Omicron variant of Covid-19 at the start of the year. Sick leave for the Group as a whole also increased slightly since last year, from 8.1 to 8.3 per cent. At the same time, healthy attendance, which measures the proportion of employees who have a maximum of four sick days per year, fell from 37.1 to 31.4 per cent. Healthy attendance is not reported by the companies and therefore cannot be assessed at Group level.

The target for Sustainable Employee Engagement (HME) was not achieved in 2022, but has improved since the previous year. Sustainable employee engagement is an index based on the results of the employee survey and permits assessment of the organisation's own employer policy in relation to employee engagement. HME increased by one point to 79 in 2022 compared to the previous year. The same one-point increase was seen among women and men. The HME index stands at 80 for women and 79 for men. Among employees who define themselves as other the

corresponding figure was 74. The HME index for managers also improved from 81 to 82.

The *City of Gothenburg programme for attractive employers* is another way of measuring how effectively the City is working towards the goal. The programme runs from 2019 to 2023 and sets out three goals and eight strategies. The administrations and companies carry out extensive work within the scope of this programme. In addition to the above indicators, the programme also assesses other aspects of the employee survey. The proportion of employees who responded to the survey and report that they have experienced some form of victimisation, bullying or harassment has risen slightly since last year. However, this follows a steady decrease over a period of several years. Based on the employee survey, an index is also calculated to assess the perceived attractiveness of the City as an employer. Among employees and managers, this index has improved since the programme began.

Many companies take part in the City's employee and manager survey, although some only take part every alternate year. In parallel with the employee survey, many administrations and companies also use tools to carry out so-called pulse measurements and assess workplace trends during the year.

Parameters and key figures	2020	2021	2022
Healthy attendance	32.6	37.1	31.4

# Gothenburg has an attractive and innovative business community of a high international standard

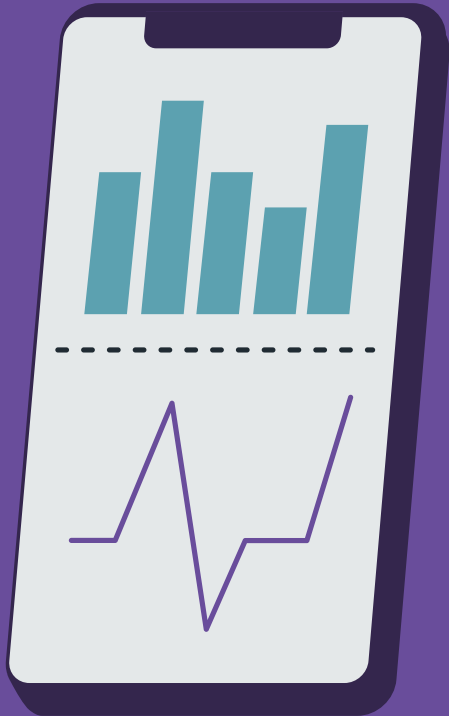
Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Corporate climate according to Confederation of Swedish Enterprise, ranking	189	191	195	170
European Regional Innovation Scoreboard (regional level), total score	138.8	137.8	-	142
Corporate climate according to open comparison	73.0	71.0	71	77
Newly registered companies per 1,000 residents	8.5	9.0	-	9.4

The European Regional Innovation Scoreboard is published at regional level every two years, and the next one is due in 2023. The outcome for corporate climate according to open comparison is preliminary; the final value for 2022 will be determined in March 2023.

### Assessment of City of Gothenburg Executive Office

The goal is difficult to assess as no values are available for two of the indicators for 2022. The outcome for the overall ranking of the business climate has deteriorated. The same applies to the indicator European Regional Innovation Scoreboard, but this measurement is not fully comparable with previous measurements, as a new

method of calculation was used. This indicator is published every two years, and a new value will be reported in 2023. Relatively speaking, western Sweden has improved its ranking, since the region has risen from 18th to 11th place out of 240 compared regions in the EU between 2017 and 2021. The national indicator for 2022 placed Sweden as a leader in the EU, in first place.



## Assessment of committees and boards

The goal applies to the company clusters for Business Region Göteborg AB, Higab and Göteborgs Hamn AB.

BRG considers the goal to be partly fulfilled. Higab considers that it has been fulfilled well. Göteborgs Hamn has not reported its assessment of the goal.

## Developments in services

BRG reports that the indicators show both good and less satisfactory results, which means that overall the goal has been partly fulfilled. It is considered that the number of newly registered companies exceeds the target value; new figures will be available in April 2023. The overall assessment of the corporate climate is that it is well below the target. The City is resolved to take measures to halt the declining trend in the long term and reverse it to achieve set targets. The trend for the second half of 2022 is positive. Several initiatives, primarily aimed at improving services, were implemented by the relevant administrations during the year. Figures for the full year will be available in April 2023. All administrations that exercise authority need to prioritise and increase engagement throughout the organisation in order to achieve good results.

No regional data is available for 2022 from the European Regional Innovation Scoreboard; the next results will be published in 2023. According to national indices for 2022, Sweden was ranked as the leading EU country for innovation. Given that just over a third of industrial R&D expenditure in Sweden is based in the Gothenburg region, there are excellent opportunities to meet the target for innovation.

Higab reports that the activities carried out by the companies in the Group contribute to creating an attractive business community. Higab has assignments that focus on cultural organisations and small businesses. Ongoing efforts are being taken through various initiatives to make Gothenburg an even more attractive city. One example is the Bagih Kronhuset heritage development plan to promote cultural and creative industries. Another is the development of Slakthuset to bring together companies that produce food, drink, culture and handicrafts.

In collaboration with Lindholmen Science Park and BRG, Älvstranden Utveckling is working on several top-rank international projects:

- » Lindholmen Science Park is continuing to be developed as one of Europe's leading technology clusters and is expanding as a result of the ongoing development of Lindholmsplatsen.
- » The Yard is a development arena in old shipyard premises for small, new and growing tech companies.
- » Geely European Innovation Centre is nearing completion.

Social Care Committee Hisingen reports that it has now begun collaborating with YesBox. YesBox is a meeting place and platform for start-ups and enterprise development run by BRG together with 16 community stakeholders. The aim of the collaboration is to support young people in developing entrepreneurship. This is achieved by helping them to explore new opportunities and meet people who can inspire them to earn money legally. By providing recreation activities, YesBox meets young people at various locations in Hisingen such as schools, meeting places and recreation centres.



# Gothenburg is a city where everyone who can, works and supports themselves, and thus contributes to the common good

Indicator	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Number of households that received income support at some time during the year, per 1,000 residents. 0–64 years	30	28	24	29
Percentage (%) of registered labour force aged 16–64 who are unemployed	9.4	8.9	7.4	4.8
Percentage (%) of registered labour force aged 18–24 who are unemployed	11.1	10.0	7.5	5.5

The 2022 outcome for the unemployment level in the age group 16–64 and all outcomes for the unemployment level in the age group 18–24 were calculated as defined by Kolada (number of active job seekers and in programme year T divided by number of employed in year T-2 plus number of active job seekers and in programme year T). The figures are the annual average value.

## Assessment of City of Gothenburg Executive Office

The goal is considered to be partly fulfilled. The number of households receiving income support and the percentage of unemployed both fell in 2022 compared with previous years. Despite this, the level of unemployment does not meet the set target values for young people or for the entire working-age population.

## Assessment of committees and boards

The goal applies to the Labour Market and Adult Education Committee and the regional social care committees.

The Labour Market and Adult Education Committee reports that it is difficult to assess goal fulfilment. Of the regional social care committees, Social Care Committee Nordost considers that the goal has been fulfilled well, while the others consider it to be partly fulfilled.

## Developments in services

### Unemployment trend

Following a rise in unemployment due to the pandemic, the labour market has gradually recovered and the number of unemployed has fallen. This trend was particularly evident among young people aged 18–24, for whom unemployment increased more sharply in 2020 than it did for the entire age group. The recovery was stronger in 2021 and 2022, and by the end of 2022 the percentage of unemployed young people was actually slightly lower than for the entire age group.

The upward trend in employment was more pronounced for men than for women, with the result that, for the first time in recent years, the unemployment rate for men was slightly lower than for women in 2022.

Among the unemployed, people born abroad account for almost two-thirds. In relative terms, unemployment rose slightly less for people born abroad during the pandemic than it did for people born in Sweden. The subsequent decrease was not as large either, which explains why the proportion of unemployed born abroad is now at the same level as before the pandemic.

Many of those who became unemployed during the pandemic were in a relatively good position to return to work quickly when the labour market improved. However, some had more difficulty finding new jobs, which led to a gradual increase in the number of people who have been unemployed for more than 24 months. It is encouraging that this number decreased during autumn.

### Income support trend

The long-term decline in the number of households receiving income support continued and was even more pronounced in 2022. The number of benefit-dependent households has halved since the start of the millennium despite the population being much larger now. The percentage decrease in 2022 was the largest in a single year over the last 20 years.

The number of households that are long-term dependent on income support also fell

in 2022 and by the end of the year was about 1,000 households lower than in 2021. From the children's perspective it is especially pleasing that the number of children living in households that received income support in December was more than 20 per cent lower than in the same month in 2021.

### Labour market initiatives

The skills centres and the Centre for Labour Market Employment have had fewer referrals from the Public Employment Service and social services. According to the Labour Market and Adult Education Committee, this is partly due to the reorganisation of the Public Employment Service and a shortage of staff in social services, which led to a disruption in the administrative chain.

Over the past year the number of places available at skills centres has not been fully utilised. But due to a broader target group and implementation of the Knowledge Centre / Swedish for Immigrants project, the number of participants increased during the autumn.

To create opportunities for more people with disabilities to take part in internships, work and studies, a variety of initiatives has been taken by the Labour Market and Adult Education Committee. One example is the *Starting Block Project (Projekt Startsträckan)*, which aims to give young people with disabilities more assistance through improved collaboration between schools, the Public Employment Service and the Municipality as an employer.

Parameters and key figures	2020	2021	2022
Number of participants in skills centres	1,636	1,280	1,253
Skills centres: transition to self-supporting (percentage %)	51	60	61
Number of households receiving income support, average for year	8,780	8,564	7,452
Number of children in households that receive income support, December	5,193	4,755	3,753
Number of children in households that receive income support, December	6,024	5,300	5,193



# Auditor's Report

Auditor's Report for 2022 for the Board, Committees and the combined annual accounts of the City of Gothenburg. City of Gothenburg, reg. no. 212000-1355.

We, the auditors appointed by the City Council of the City of Gothenburg, have examined the activities of the Executive Board and Committees of the City of Gothenburg. The activities of the City of Gothenburg's companies have also been examined by appointed lay auditors. The examination has been performed by expert advisors who assist the auditors.

The City Executive Board and Committees are responsible for activities being conducted in an appropriate and financially satisfactory manner, for the accounts and the reporting being true and fair and for the adequacy of the internal control systems.

Our responsibility is to express an opinion on the accounts, the activities and the internal control systems on the basis of our audit. We also assess whether the annual accounts are consistent with the financial and operational goals set by the City Council.

The examination has been performed in accordance with the Local Government Act, generally accepted auditing standards in municipal activities and the City of Gothenburg's audit regulations. The examination has been carried out with the focus and to the extent required to provide reasonable grounds for assessment and examination of liability.

The results of the examination of the City Executive Board and Committees are shown in the audit memoranda and audit reports submitted to the Board and the Committees. The results of the examination of the companies are shown in a corresponding way in the audit reports and audit accounts submitted to each company. The examination of the City of Gothenburg's accounts and annual accounts, including the combined accounts, can be found in a separate audit report which has been submitted to the City Executive

Board. The year's examination is summarised in our annual statement, which has been submitted to the City Council.

A critical remark was addressed to the Compulsory School Committee.\* The examination reveals significant shortcomings in special needs education at the compulsory school level. Not all students had received the education and support to which they are entitled. We also found major inadequacies in the assessment and documentation of pupils' knowledge. We consider these shortcomings to be both significant and serious. The Committee has not ensured that the special needs school at the compulsory school level is appropriately run and has therefore failed in its internal governance and control of the school form. It is our opinion that the Board and Committees of the City of Gothenburg have otherwise conducted their business in an appropriate and financially satisfactory manner, and that the internal control has been adequate.

We judge that the accounts in all essentials provide a fair and accurate picture.

A balanced budget requirement analysis has been prepared in the annual accounts. The balanced budget requirement analysis shows that the City of Gothenburg has met the balanced budget requirement in 2022.

The opinion of the City Audit Office is that the results presented in the financial statements are essentially consistent with the targets set by the Council regarding the financial goals for good financial management. Our assessment is that the adopted targets are partially met in relation to the selected indicators, given that there are shortcomings in the governance model and the data on which the assessment is based.

The auditors shall report their examination of liability of the Board and Committees to the City Council. The assignment of the lay auditors in the companies does not include a standpoint in the matter of liability.

We recommend that the City Council grant the members of the Board and the Committees discharge from liability for the financial year 2022.

We recommend that the 2022 Annual Report for the City of Gothenburg be adopted.

Gothenburg 4 April 2023

*Bengt Bivall*

*Sven Andersson*

*Monika Bandi*

*Erik Fristedt*

*Lars-Gunnar Landin*

*Lars-Ola Dahlqvist*

*Susanne Zetterberg Jensen*

*Bernt Helin*

*Gun Cederborg*

*Stefan Dahlén*

*Birgitta Adler*

*Christina Rogestam*

*Tom Heyman*

*Johan Abrahamsson*

*Torbjörn Rigemar*

*Alf Landervik*

*Anna Sibinska*

*Tore Svensson*

*Bengt-Åke Gellerstedt*

*Hans-Göran Gustafsson*

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\* The auditors Bernt Helin, Hans-Göran Gustafsson and Tore Svensson have chosen not to support the decision of the rest of the group to address a critical remark to the Compulsory School Committee.

## **City Management Office**

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