



Stockholms
stad

The City of Stockholm Annual report gives you an overview of the City's finances and operations during 2014. The report covers both the City's committees and the operations carried out through joint stock companies.

A separate Annual Report is also produced for Stockholms Stadshus AB and the companies which are part of the Group.

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The year in brief



PHOTO: LENNART JOHANSSON

▲ A business-friendly city

During the year, the City of Stockholm was appointed to lead the prestigious European project GrowSmarter. The project looks at how cities can grow sustainably and create more jobs through smart environmental technology, while also becoming more energy efficient and offering better travel.

▼ Sustainable living environment

One of the City's strategies to reduce the climate impact are 100 percent of the City's vehicles to be green vehicles. That has virtually been achieved. Moreover, 16.1 percent of the City's vehicles are electric cars, which means that the target for the year of 9 percent was achieved.



PHOTO: SIMON GATE

▲ Citizen dialogues

In 2014, the mobile meeting site "Dialogue Pavilion" was inaugurated as a part of developing and establishing new methods and channels for dialogue with the residents.



PHOTO: KRISTINA HÖRNQVIST

◀ Cultural Year 2014

In June, the Medieval Museum was awarded the Certificate of Excellence 2014 for continued fantastic ratings from satisfied visitors on TripAdvisor. Lonely Planet named the Millennium Tour the world's best literary walking tour.



PHOTO: LENNART JOHANSSON



PHOTO: PÅR OLSSON

◀ Reduced costs for financial assistance

In 2014, dependence on assistance decreased in the City. The percentage of the population in need of financial assistance fell to 1.9 percent, the proportion of adults dependent on long-term financial assistance compared with all adult residents fell to 1.2 percent. The proportion of children who live in families claiming financial assistance dropped to 3.4 percent.

► More summer jobs

In 2014, around 6,200 young people were employed in summer jobs in the City's operations, which can be compared with around 5,700 young people in 2013.

PHOTO: MAGNUS SELANDER



PHOTO: MIKAEL ULLÉN

▲ Expansion of future transport systems

In November 2014, most of the Norra Länken bypass was opened for traffic. Norra Länken extends between Karlberg and Värtan and has a connection to Roslagsvägen at Stockholm University.

▼ Strong finances

The City of Stockholm was again awarded the highest possible credit rating from the international credit rating Institute, Standard & Poor's, with short-term and long-term credit ratings of AAA/Stable and A-1+ respectively.

► The City as an employer

Staff surveys show that the City's staff are committed and motivated to improve the City's operations and they feel that their work is meaningful.

PHOTO: FREDRIK PERSSON



PHOTO: YANAN LI

The City's investments on bicycling ►

During the year, a strategy was adopted for more cycling in the City. The cooperation with the neighbouring municipalities to tie together bicycle paths over the municipal borders is continuing.



PHOTO: FREDRIK PERSSON

◀ Childcare and education

Efforts on the training of child minders to become preschool teachers have gained speed. In 2014, 180 people participated in the further education, an increase with more than 50 percent over last year.



PHOTO: LIESELOTTE VAN DER MEIJ

A city where everyone can grow and develop

Stockholm is a fantastic city to live in. Stockholm's brand is strong in terms of the quality of life, community service and attractiveness. Here, people find work and have a chance to realise their dreams. But Stockholm also stands before major challenges. In the election in September 2014, the voters pointed out a new direction for Stockholm. A cooperation policy of jobs, welfare and housing is now in focus.

2014 marked the end of eight years of liberal and conservative governance in Stockholm. The last few months of the year entailed a change of course for the City. The short-term financial thinking, the policy of reducing taxes and ideologically driven privatisation were replaced with investments in employment and growth for a financially, socially and ecologically sustainable City. Stockholm should be a cohesive city.

Stockholm has a good economy with sound finances, something we will protect. The 2014 annual accounts show a surplus in accordance with the balanced-budget requirement, and that all of the City's financial targets for sound financial management have been achieved. The City is well-prepared for investments in infrastructure and housing. The credit rating agency Standard & Poor's gives the City of Stockholm the highest possible rating for both short-term and long-term borrowing. It is clear that the economy in Stockholm is growing stronger.

Employment in Stockholm is increasing and the situation on the labour market improved in 2014. The employment rate was nearly 74 percent in the fourth quarter of 2014. More than 19,000 people were openly unemployed, a decrease of 8 percent compared with December 2013. However, the labour market in Stockholm is characterised by a shortage of labour in certain industries while unemployment remains high in certain groups. The city is therefore now conducting individually adapted labour market efforts, such as Stockholm jobs and the youth guarantee. There will be more places in Municipal Adult Education, and vocational training continues to be developed. At the same time, the rate of employment among those aged 15 to 74 is significantly higher in Stockholm compared with the rest of the country, even compared with other major cities. Stockholm is the centre of Sweden's largest and most well-functioning labour market region.

A strong labour market provides conditions for prosperity and a healthy population. But this presupposes that people also have somewhere to live. The housing shortage limits the City's development and is a threat to Stockholm's growth. The rate of housing construction must increase and focus should be on rental apartments with reasonable rent levels. The long-term objective is to build 140,000 apartments between 2010 and 2030. By 2020, 40,000 new homes should be built. To succeed, we have introduced a new organisation in City management. As early as 1 October to 31 December, the City Planning Committee made a

decision to adopt or approve plans for more than 4,000 homes.

Stockholm's capacity to handle climate changes is considered good. But major investments are needed to handle the climate challenges of the future. Stockholm should be an ecologically sustainable city and we have raised our ambitions within the climate and environment issues.

The City shows a positive trend in terms of reduced energy consumption. The housing companies made major energy efficiency enhancements over the year. The goal is to make Stockholm independent of fossil fuels by 2040. Through a half-time evaluation of the climate objectives in the autumn, we are preparing for a revision of the environmental programme. The City of Stockholm was named the 2014 National Earth Hour Capital of Sweden by the Worldwide Fund for Nature (WWF).

A part of the raised ambitions in the climate and environment is to promote sustainable development in urban and transport planning. Bicycle, pedestrian and public transport will be prioritised. The mild winter entailed lower emissions from road traffic, but the climate policy cannot be based on fortunate weather conditions. Environmentally friendly transports must be stimulated and an effective and climate smart transport system must be prioritised.

A reduced environmental impact is related to good passability in traffic. As Stockholm grows, higher demands are placed on infrastructure investments. In order to make pressing investments in road and rail transportation, the City is a co-financier of a number of major infrastructure projects, including the Citybanan commuter rail line and the expansion of the metro system.

The construction of the Stockholm Bypass is under way. The bypass will tie together the northern and southern parts of Stockholm County and at the same time lead heavy traffic away from the inner-city. The City's largest infrastructure project is the creation of the new Slussen area. An expert group was appointed at the end of the year, their conclusion is now being included in the continued work. Slussen will become a more passable, pleasant and modern area. Stockholm's Accessibility Strategy aims to get people and goods to flow as efficiently as possible. Means of transport with strong capacity will thereby be prioritised.

A welcomed decision on the expansion of the metro system was made in 2013. In 2014, the City contributed to the planning together with the County Council Administration. The agreement

includes the construction of 45,900 homes close to the metro in Söderort, Hagastaden and Södermalm. In order to meet the set targets, the rate of construction must increase. The new organisation for housing construction is an important cog in the machinery for this to become reality. In this context, it is worth mentioning that the Development Committee exceeded its own target for land allocations by 24 percent, which can be interpreted that the planned metro system expansion contributed to greater interest from the market for these areas.

Stockholm is shaped by the people who live and work here. The residents of Stockholm are perceptive and sensitive to trends. But Stockholm is also a divided city. The income gaps continue to grow. The income gaps are smaller in our neighbouring Nordic cities Copenhagen and Oslo. A divided city limits the possibilities for many Stockholmers. This trend must be broken. Stockholm should be a socially sustainable city. The City's operations should give all Stockholmers the possibility to grow based on their individual circumstances.

A social investment fund will be established with the goal of preventing social exclusion and creating an equal city. A skills development fund will also be established to contribute to increasing the competence of the City's staff. Both of these efforts are expected to have long lasting effects and are distinct investments in the future.

The need for financial assistance decreased in the City in 2014. The number of people in need of financial assistance in relation to the population decreased to 1.9 percent. This is a positive development. However, there is more to do. Effective measures for more jobs are fundamental. More people will work, have secure employment and support themselves. Parallel to this, we want to see stronger support in financial assistance with a more distinct child perspective.

Public procurement is a means to drive development in a sustainable direction. In all procurement, the City will set clear

quality requirements. Work is under way for a new policy for the City's procurements. With the new policy, contracting authorities will be given greater opportunities to set social requirements on the tenderer. Employee rights will be safeguarded and developed.

Knowledge, education and stimulating study environments should characterise the City's compulsory and upper secondary schools. The number of children in schools and compulsory schools continues to grow. More than 54,000 children were registered in the City's preschools in 2014, and 85,000 students in compulsory schools. These are increases of 1,000 and 3,000 children, respectively, compared with last year. In upper secondary school, there are 25,200 Stockholm students.

In compulsory schools and upper secondary schools, knowledge results have been somewhat constant over time, but there are large differences between schools. We want all children and adolescents to be given the opportunity to grow and develop regardless of background or home address. Today, 12-14 percent of students in grade 9 do not qualify for national programmes in upper secondary schools. The variation of the schools' results is greatest in schools with the least beneficial socio-economic conditions. The opportunities of children and young people should not be dependent on their parents' educational background. The educational gap should decrease and equivalency in schools must be strengthened. To succeed, Stockholm schools need more teachers, more specialized education teachers, and investments in after-school centres and student health. An important challenge is to improve the results for boys.

Everyone who lives and works in Stockholm is part of creating one of the best cities in the world. We also want to direct a great and warm thank you to all of our employees who contribute to Stockholm's development. With higher ambitions for welfare, schools, employment and climate policies, we are shaping a sustainable and cohesive city for all.

PHOTO: LIESELOTTE VAN DER MEIJIS



Karin Wanngård
Karin Wanngård
Mayor

PHOTO: OLA ERIKSSON



Lars Rådth
Lars Rådth
Chief Executive Officer

Important decisions and events during the year

DECISIONS

- ▶ The 2013 Stockholm negotiations were ratified, including the agreement on 19 kilometres of new Metro track, nine new Metro stations and 78,000 homes
- ▶ A revised policy for City procurements with the possibility of setting social requirements
- ▶ A route plan for a fossil-fuel free Stockholm by 2050
- ▶ A strategy for green vehicles and renewable fuels - for a fossil-fuel free Stockholm
- ▶ Technical improvement and development of Östermalmshallen
- ▶ Guidelines for idea-based urban improvement
- ▶ A long-term direction for leisure boat life in the City of Stockholm
- ▶ Adoption of the Vision Hässelby-Vällingby 2030
- ▶ Revised guidelines for the handling of financial assistance
- ▶ Development of the City's wedding opportunities
- ▶ A donation to the Stockholm International Water Institute was decided on and turned over to secure the Stockholm Water Prize on the long term
- ▶ A programme to combat homelessness in the City of Stockholm 2014-2019
- ▶ Incorporation and transfer of the City's waste collection operations from the Traffic Committee, formerly the Transport and Waste Collection Committee, to Stockholm Vatten VA AB
- ▶ The City of Stockholm Programme of Noise measures for 2014-2018
- ▶ Renovation and improvement of the Stockholm City Museum
- ▶ Strategy and action plan for increased cycling in the City of Stockholm
- ▶ The City of Stockholm's shareholding in the company AB Fortum Värme Holding, co-

- owned with the City of Stockholm was transferred to Stockholms Stadshus AB in a non-cash issue at a value of SEK 7.5 billion
- ▶ Several development agreements, including Hagastaden (approximately 700 homes) and Royal Seaport (approximately 900 homes)
- ▶ Renovation of the Åkeshov aquatic and sports hall
- ▶ The City joined the green capital network

EVENTS

- ▶ For the seventh consecutive year, the City of Stockholm received the highest credit rating, AAA/Stable and A-1+, respectively from the international credit rating institute Standard & Poor's
- ▶ Stockholm's Culture Festival and the youth festival We are Stockholm with 750,000 visitors, 200,000 more visitors than last year
- ▶ The Relationship Violence Centre (RVC) accepted a prize for Europe's best crime prevention activities in the competition European Crime Prevention Award (ECPA)
- ▶ The City's new exhibition centre - Stockholmsrummet - was inaugurated in Kulturhuset
- ▶ Stockholm was named the 2014 National Earth Hour Capital of Sweden by the WWF
- ▶ Stockholm won the award Fibre Municipality of the Year from the infrastructure company Skanova
- ▶ The new crematorium at Skogskyrkogården was brought into use
- ▶ An agreement was signed between the City, Stockholm County Council and the municipalities of Värmdö and Nacka on the construction and financing of a bus terminal at Slussen to provide good public transport for eastern sector
- ▶ The Sustainable Järva project won the Sweden Green Building Award in the Sustainable Urban Development category, existing area
- ▶ Stockholm won EUR 1 million for its innovative bio-coal project in the prestigious Mayors Challenge competition
- ▶ The City of Stockholm was appointed to lead the prestigious European project GrowSmarter to which the European Commission contributes EUR 25 million
- ▶ Stockholm was the theme city at Barcelona's annual cultural festival La Mercè and contributed a number of programme items



The City's new exhibition centre - Stockholmsrummet - in Kulturhuset was inaugurated.



PHOTO: LENNART JOHANSSON

Organisation and governance

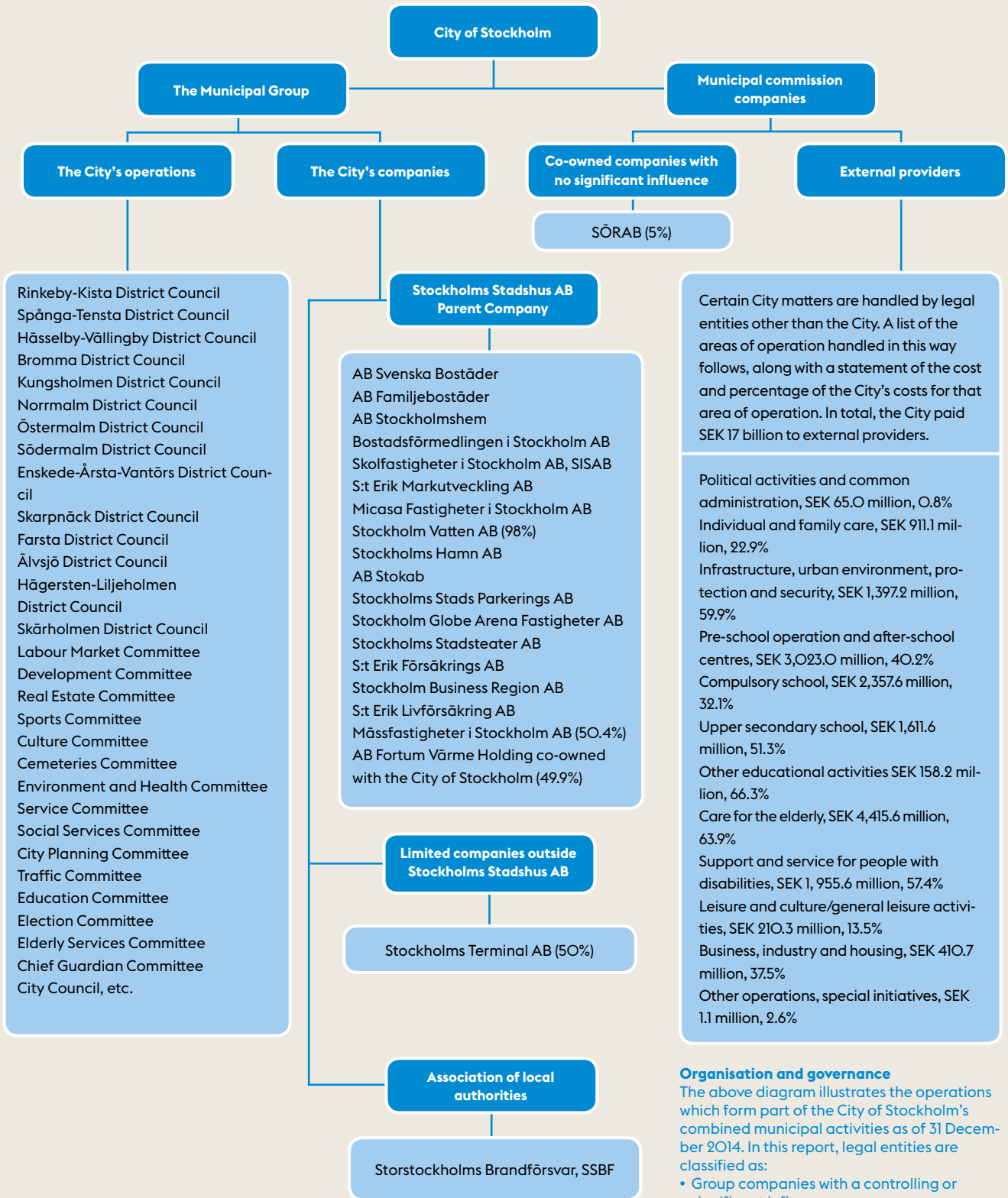




PHOTO: PAWEL FLATO

The world and the future

The global economy grew relatively weakly in 2014. Weak development, particularly in the Euro zone, is holding back the Swedish economy, and GNP growth amounted to a moderate 2.1 percent in 2014. However, a strengthening of the economy is notable in the City of Stockholm and the labour market improved during the year. The number of Stockholm residents also continues to grow. Stockholm's economic growth was stable in 2014 compared with other cities in Europe

and North America, and Stockholm County has a high gross regional product (GRP) per capita from an international perspective. Stockholm has a higher BRP per capita than both Copenhagen and Helsinki, for example.

Stockholm has achieved considerable success in its expressed cutting-edge industries and is highly ranked internationally in terms of both IT and Life science. Stockholm also distinguishes itself as a sustainable city, especially from an environmental perspective.

Stockholm in the world

Stockholm is described in terms of a perceptive city and sensitive to trends. The City attracts many creative companies in information and communication technology (ICT), for instance, and the City is awarded for its successful gaming companies. In Ericsson's Networked Society City Index from 2014, Stockholm ranks first in terms of ICT maturity and urban sustainability, for example.

Stockholm has a strong brand in terms of quality of life, public services and attractiveness, among other aspects. This is clear both in international indexes and in international media coverage. Stockholm is described as an attractive place for home buyers: "With unspoilt nature at its door, excellent education and a thriving cultural scene – not to mention new bar and restaurant openings on the back of a buoyant economy – it is no surprise to see Stockholm close to the top of many 'liveability' surveys" (Financial Times, 2014). Being a growing and attractive city also involves challenges, however, and housing construction cannot keep up with the large demand, for example, and prices have risen sharply. However, this is nothing unique to Stockholm.

Stockholm is facing the challenge of larger gaps in society. As in many other parts of the world, the trend in Stockholm has been towards larger differences in income. Cities like Copenhagen, Prague and Oslo have somewhat smaller income gaps than Stockholm. However, the gaps are larger in London, for instance, and on a par with those in the US states of New York and California (OECD Regional Well-being, 2014). People with different backgrounds being included in society is important to the City's cohesion and an effective use of the City's human resources. For example, according to the 2014 EU Perception Survey nearly 90 percent of surveyed Stockholmers feel that the presence of foreigners is good for the City, which is a high proportion compared with other parts of Europe. However, only 38 percent of Stockholmers feel that people with a foreign background are well-integrated into the City. In London, this ratio is clearly higher at 58 percent and more than 60 percent in Munich.

In Stockholm, the employment rate is high.

According to Eurostat, more than 80 percent of Stockholmers aged 15-64 are employed. Nearly 9 percent of Stockholm's young people (aged 18-24) do not study, work or do practical training, which is a somewhat higher percentage than in cities such as Prague, Munich, Oslo, Copenhagen and Amsterdam.

The proportion with at least an upper secondary education is growing in most countries and cities, but this level has remained still for many years in Stockholm.

In the latest OECD Pisa study from 2012, the level of knowledge among Sweden's 15-year-old students was below average while it was above average in 2000.

The fact that Stockholm has capacity to handle climate changes comes forth in the Resilience Cities Report from 2014 where Stockholm is ranked sixth. The index aims to measure the resilience of cities from two dimensions: how vulnerable cities are to climate changes and how resilient the cities are in handling climate changes. Of the European cities, Stockholm is the city ranked the highest. Stockholm above all gets a high score in terms of the City's ability to handle and withstand climate changes.

The future

By offering the infrastructure that ties together global flows, financial systems and creativity that generates innovations and meetings between people, cities have increased their political power alongside of the national states. Today, more than 50 percent of the earth's population live in cities and researchers agree that this proportion will steadily increase. Cities are already the hub of economic growth. All aspects of Stockholm's sustainable development need to be able to hold their own against the world's urban metropolises in order for Stockholm to be able to compete for attractive employees and remain a knowledge-intensive hub.

The Stockholm region has grown strongly even in comparison with other world cities. Being a growing and attractive city also entails challenges. The housing market is one example of this. Matching the population growth with more housing construction continues to be a challenge.



In Ericsson's Networked Society City Index, Stockholm ranks first in terms of ICT maturity and urban sustainability.

The City Executive Board's supervisory duty

The supervisory duty is defined by Sweden's Local Government Act as managing and coordinating the administration of the municipality's affairs. This applies to both the City's committees and the City's wholly and partially owned limited companies. As part of its supervisory duty, the City Executive Board has examined the committees' operational plans, including risk and materiality analyses for 2014. In cases where committees had set annual targets for indicators which were too low, they were urged to come up with more ambitious targets with the aim of achieving the City Council's annual goals. The super-

visory duty was also exercised through the City Executive Board's follow up of the four-monthly reports and the annual report for the City of Stockholm. The City Executive Board must annually determine whether the wholly-owned and part-owned companies have conducted their respective operations in compliance with the objectives adopted by the City and within the framework of the municipal powers of the City. The City Executive Board considers that the City's wholly-owned and part-owned companies have carried on their respective operations in conformity with the law.

SOUND FINANCIAL MANAGEMENT

Integrated management system – ILS

All planning and follow-up take place in accordance with the City's management model, the integrated system for management and governance of operations and finances (ILS). As an aid in this work, there is a web-based tool which is used at all levels in the City, from the City Council to the individual unit.

In the annual budget, the City Council establishes orientation goals and targets for the operational areas, indicators and activities. The indicators measure target attainment, and the City Council sets an annual target for each indicator. The committees and boards set out the City Council's goals for the operational areas in concrete form through administration/company targets.

City governance according to ILS

Planning and follow-up takes place in the City's ILS control system, an integrated system for managing and following up operations and finances.



Supplementary guidance documents



CITY COUNCIL ORIENTATION GOALS

The City Council decided on the following three orientation goals in the 2014 budget:

- Stockholm is an attractive, safe, accessible and flourishing city for residents, enterprise and visitors
- Quality and freedom of choice is promoted and improved
- The City’s operations are cost effective

The orientation goals provide the framework for the City’s management of its operations. The degree to which the orientation goals are achieved is vital to the achievement of sound financial management for the City.

For every goal, there is a number of indicators and for every indicator, an annual target is set. The assessment of goal achievement is based on a weighing of the indicators chosen for the respective goal. Annual targets for the indicators are set based on the situation, conditions and level of ambition and based on what level should

be achieved for the respective year. If all annual targets for the indicators have been achieved, the goal is deemed to be “met in full”. If several of the indicators’ targets are achieved, the goal is probably only deemed to be “met in part”.

Several of the goals set by the City Council are in most cases long-term goals. The long-term goals presented in the annual report shall therefore be seen as an assessment of whether we are on the right path and the degree to which the current year’s ambition/target level has been achieved than if the long-term goal has been achieved.

Based primarily on the results of the indicators, an assessment of the City Council’s operational goals has been carried out, and the overall assessment is that the City partially fulfilled the requirements for sound financial management in 2014. The summary of the goal assessments is presented below.

The table shows the overall assessment of the City Council’s orientation goals and targets for the operational areas.

City Council’s goals orientation goals/operational targets	Municipal Group City of Stockholm
1. Stockholm is an attractive, safe, accessible and flourishing city for residents, enterprise and visitors	Met in part
1.1 Companies choose to operate in Stockholm in preference to other cities in northern Europe	Met in full
1.2 Stockholm’s residents are able to support themselves	Met in full
1.3 Stockholm’s living environment is sustainable	Met in part
1.4 A large number of homes are constructed in Stockholm	Met in part
1.5 Accessibility in the region is high	Met in full
1.6 Stockholmers are satisfied with the City’s cultural and sports opportunities	Met in part
1.7 Stockholm is experienced as a secure, safe and clean city	Met in full
2. Quality and freedom of choice is promoted and improved	Met in part
2.1 Stockholmers experience a freedom of choice and diversity	Met in full
2.2 Children and pupils learn and develop knowledge and values	Met in part
2.3 Stockholmers experience the service and care they receive as excellent	Met in part
2.4 The City of Stockholm is an attractive employer offering exciting and challenging work	Met in part
3 The City’s operations are cost effective	Met in full
3.1 The budget is balanced	Met in full
3.2 All operations financed by the City are efficient	Met in full



PHOTO: LENNART JOHANSSON

ATTAINMENT OF ORIENTATION GOALS

Stockholm is an attractive, safe, accessible and flourishing city for residents, enterprise and visitors

The overall assessment is that the orientation goal was achieved in part during the year. This assessment is based on the fact that four of seven underlying targets were achieved in full and three were achieved in part.

Companies choose to operate in Stockholm in preference to other cities in northern Europe Growth in the Stockholm region is very strong. In Stockholm, 14.1 new companies are founded per 1,000 residents compared with 6.6 in the rest of Sweden. The City of Stockholm has been commissioned by the European Commission to lead the prestigious European project GrowSmarter, which is about how cities can create more jobs and grow using smart environmental technology solutions at the same time that they become more energy efficient, easily accessible and attractive to the residents. The efforts conducted by the operations have contributed to a very good indicator result and helped position Stockholm as an attractive city for meetings and business establishments. Four out of five indicators' annual targets were achieved during the year. Due to the above, the goal is assessed as being achieved in full.

Stockholm's residents are able to support themselves. In 2014, the need for financial assistance decreased in the City. The percentage of the population in need of financial assistance, the proportion of adults dependent on long-term financial assistance compared with all adult residents and the proportion of children who live in families claiming financial assistance decreased. This positive trend also led to a decline in the cost of financial assistance. Due to the above, the goal is assessed as being achieved in full.

Stockholm's living environment is sustainable. Through Royal Seaport Innovation, the City of Stockholm stimulated the development

of innovative solutions in sustainable buildings. During the year, a number of topics were brought up in forums for sustainable solutions such as "How we build plus energy buildings" and "The best from the Norra 1 quarter in Royal Seaport". For 2014, seven of 11 indicators were achieved in full. One indicator has been removed from the assessment and three indicators are assessed to have been achieved in part. Due to the above together with the efforts conducted in the rest of the areas to safeguard the environment and the residents' health, the City Executive Office assesses that the operational goal has been achieved in part.

A large number of homes are constructed in Stockholm. In light of the higher ambitions for housing construction, the target for the Number of homes for which land has been allocated was sharply increased for 2014 compared with 2013 from 5,000 to 7,000. The outcome ended up just below the target at 6,860. Compared with the outcome for 2013, this means an increase of 35 percent. The target for the Number of homes in approved/accepted local plans was achieved by a wide margin, 6,991 compared with the target of 5,000 homes in approved/accepted local plans. The annual targets for three of seven of the City Council's indicators were achieved in full, two were achieved in part and two were not achieved. Due to the above, the goal is assessed as being achieved in part. *Accessibility in the region is high.* During the year, a strategy for delivery traffic and a strategy for more cycling in the City were adopted. The work on implementing the Cycle Plan is under way. In November 2014, most of the Norra Länken bypass was opened for traffic. Norra Länken is an important piece of the puzzle to resolve the region's traffic problems and a prerequisite for the development of the new city districts Hagastaden and Royal Seaport. Six of the City Council's ten indicators were achieved in



Through Royal Seaport Innovation, the City of Stockholm stimulated the development of innovative solutions in sustainable buildings.

full, three were achieved in part and one was not achieved. Due to the above, the goal is assessed as being achieved in full. *Stockholmers are satisfied with the City's cultural and sports opportunities.* During the summer of 2014, Brunkebergstorg was converted into a meeting place in the City with culture, entertainment and a varying range of dining. In Södermalm, the "Open Streets" project was carried out, where Götgatan was closed to traffic over seven Saturdays and the street was filled with various activities that drew hundreds of thousands of visitors during the summer. The construction of five new sports centres has begun and continues in 2015. A number of new artificial grass football pitches were completed during the year and an old favourite, Vanadisbadet, was renovated and re-opened in June 2014. The City's investment in outdoor gyms is appreciated and in 2014 alone, the City built seven new outdoor gyms. The annual targets for five of the City Council's indicators were achieved in full and two were achieved in part. Due to the above, the goal is assessed as being achieved in part.

Stockholm is experienced as a secure, safe and clean city. The annual targets for ten out of 14 of the City Council's indicators were achieved in full, two were achieved in part and two were not achieved. The City's efforts to increase safety and security for the citizens are extensive. For example, it can be mentioned that 13 District Councils have social intervention groups for young people. The District Councils have also invested in developing, improving and preserving playgrounds, parks and green spaces. Existing parks are cared for and developed at the same time that new parks are made in urban development areas. Due to the above, the goal is assessed as being achieved in full.

Quality and freedom of choice is promoted and improved

The overall assessment is that the orientation goal was achieved in part during the year. The assessment is based on three out of four underlying goals for the operational area being achieved in part and one being achieved in full.

Stockholmers experience a freedom of choice and diversity. For users who are over the age of 80, recurring information meetings are arranged and the councils conduct outreach services for those who cannot participate in these meetings for various reasons. The City's pre-school units have improved their external information provision through measures including brochures, exhibitions about their operations and information briefings at the pre-schools. The outcomes in the user survey show that a large part of the target group is aware of their possibilities of choosing providers. Due to the above, the goal is assessed as being achieved in full.

Children and pupils learn and develop knowledge and values. Of the City Council's 22 indicators in the educational field, 14 were achieved in full. In compulsory school and upper secondary school, knowledge results have been somewhat constant over time and there are large differences between schools. In pre-schools, the results of the user surveys have improved while they have declined in upper secondary schools. Due to the above, the goal is assessed as being achieved in part.

Stockholmers experience the service and care they receive as excellent. In 2014, 82 percent of the residents in sheltered housing are satisfied with their housing, which is a decline of two percentage points from last year. Security in sheltered housing and satisfaction with the food and the mealtime situation also declined compared with 2013. The level of satisfaction with the home-help service was 84 percent, which is unchanged on the figure for 2012 and 2013. The results of user surveys relating to support and services for people with disabilities show that the City Council's goals are being met in part. In individual and family care, four out of eight indicators meet the City Council's set targets. Due to the above, the goal is assessed as being achieved in part.

The City of Stockholm is an attractive employer offering exciting and challenging work. Staff surveys show that the City's staff are still committed and motivated to improve the City's operations, and they feel that their work is meaningful. The trend in sick leave among the committees reflects the trend in sick leave nationally, which means an increase in 2014 and the work to reduce sickness absences continues to be prioritised. Of the City Council's six indicators, three are met in part and two are not met. Due to the above, the goal is assessed as being achieved in part.

The City's operations are cost effective

The orientation goal was met in full during the year. This assessment is based on the 2014 annual accounts showing a surplus in accordance with the balanced-budget requirement, and on the fact that all of the City's financial targets for sound financial management have been achieved. Budgetary compliance among the committees is a pre-requisite for the funds appropriated by the City Council being used for their intended purpose. The City District Councils and Specialist Committees report a surplus totalling SEK 433.9 million after income transfers. This is above the level of 2013 when the surplus totalled SEK 304.7 million. The objective-driven efforts undertaken by the City's District Councils in 2014 have once again paved the way for achieving balanced finances in 2015. ►



During the year, a strategy for delivery traffic and a strategy for more cycling in the City has been adopted.

FINANCIAL TARGETS

Sound financial management is based on setting targets for indicators of the City's financial performance. These targets are intended to encourage sound and sustainable finances in the long term. A growing city demands expansion of city services without burdening future generations in the form of interest expenses. The City Council has adopted targets for six such indicators. Where appropriate, targets are set for both short-term and long-term performance. All financial targets were achieved in 2014.

The City's net costs in relation to tax income

The parameter of the City's net costs in relation to tax income measures how much of the net operating costs are financed through tax income. If this parameter exceeds 100 percent, the City can be forced to use its equity for operating expenses. In the short term, the budget can be financed from finite resources, i.e. the City's positive net financial interests/expense along with dividends from the Municipal Group. The target for 2014 was that net costs must not exceed tax income including net financial items and dividends. The operation's net costs for the accounting period were 95.8 percent of tax income including net financial items and dividends. Net costs were 99.7 percent of tax income. This means that the target was achieved in both the long and the short terms.

Equity/assets ratio

This ratio shows the relationship between equity and assets. If the equity/assets ratio is high, assets are largely financed through equity, and the level of loan financing is low. During periods of intensive investment activity, it is particularly important to monitor this parameter carefully. The target includes the City's pension obligations. For both the City and the Municipal Group, the target is that the equity/assets ratio should not exceed 34.0 percent in the long term and 30.0 percent in the short term. The

City's equity/assets ratio was 35.5 percent (34.0 percent) and, therefore, the target was achieved. Total assets rose by SEK 8.0 billion as a result of extensive investment activities, which increased the City's assets and also provided an increased receivable from the City's companies for borrowing for investment. The Municipal Group's equity/assets ratio amounted to 55.3 percent including pension obligations (54.2). This means that the target was achieved in both the long and the short terms.

Capital costs as a proportion of net operating costs

The City's investments led to annual operating and capital charges, which, in a number of cases, exceeded the estimated return from the investments. Such projects are justified for reasons other than financial, and represent a charge to the City's day-to-day finances. The volume of investment must be adapted to the City's financial resources, otherwise the scope for operations and other requirements will be limited. The City's long-term target is for the capital costs as a proportion of the City's net operations costs must not exceed 7.0 percent. The target for the financial year was achieved, since the share amounted to 6.1 percent.

In 2015, component depreciation will be introduced in the City of Stockholm, which will change the conditions for this parameter. A large part of the maintenance expenses will be recognised as investments, and thereby increase the capital costs. In the next few years, the impact of the component depreciation introduction is expected to be relatively minor.

Budget compliance before and after technical adjustments

Proper budget compliance is an essential condition for effective financial control and, consequently, sound financial management. Budget compliance measures how well financial control

95.8%

of tax income including net financial items and dividends, represents the net expenses of operations for the financial year.



PHOTO: LENNART JOHANSSON

PHOTO: PÅR OLSSON



is being exercised in respect of conditions set out in the budget.

For the committees, the follow-up of the operating budget includes capital costs, the results from the profit centres and the City Executive Board's technical adjustments, budget adjustments and remittance of profits. The target for budget compliance is that it must be 100 percent, both before and after technical adjustments. The targets are achieved both before and after technical adjustments, with 99.0 percent and 99.0 percent respectively.

Goal regarding forecast accuracy of the committee's second four-monthly report

Forecast accuracy describes the ability to assess deviations and to take action to keep to a set budget. Forecast accuracy is measured as the deviation between the year's forecasts and outcome, including capital costs, results of the profit centres and the City Executive Board's technical adjustments.

The goal is a maximum deviation in forecast

accuracy in the second four-monthly report from actual outcome of +/-1 percent. The target was achieved, as the forecast accuracy was -0.2 percent.

Profit for the year for the Municipal Group

After eliminating intra-Group balances, including dividends, the profit for the Municipal Group after taxes and net financial items amounted to SEK 4,087.1 million (2,502.0). The profit figure for the Municipal Group includes the results for the City, the Stockholms Stadshus AB Group and the City's other companies which are not part of the Stockholms Stadshus AB Group. The profit for the year for Stockholms Stadshus AB amounted to SEK 733.0 million (1,050.3). This figure for Stockholms Stadshus AB consists mostly of capital gains. The level of these sales was lower than the previous year. The Stockholms Stadshus AB Group's profit that is included in the Municipal Group's comparison has not been recalculated in accordance with BFNAR 2012:1 (K3). The profit for 2014 has, however, been prepared in accordance with K3.

APPROPRIATIONS WITHIN THE MUNICIPAL GROUP

The profit for the year after net financial income/expense for the Stockholms Stadshus AB Group amounted to SEK 1,105.3 million (1,340.7). In the financial statements for the Stockholms Stadshus AB Group, losses in certain subsidiaries are covered by corresponding Group contributions totalling SEK 518.3 million (478.6). An additional dividend of SEK 450.0 million for 2014 was paid to the City under the provisions of the Public Municipal Housing Companies Act. The dividend to the City in 2014 amounted to SEK 500.0 million of the budgeted dividend of SEK 1,000.0 million.

Appropriations for the Stockholms Stadshus AB Group are shown in the table. In summary, it may be noted that the Group utilised available results to strengthen the equity of subsidiaries as well as to free-up funds for future distribution to the City.

Surplus for the year for the City

The surplus for the year amounted to SEK 3,450.4 million (3,444.4). Capital gains account for the largest part of the surplus at SEK 1.9 billion. SEK 0.6 billion originate from the City's

operations where mainly educational activities, traffic and infrastructure provided surpluses. Lower pension costs, higher tax income and a positive net interest income/expense also contributes to the surplus.

The capital gains come from sales in connection with development projects, including Hagastaden and a large number of sale of leasehold land.

An additional dividend pursuant to the Public Municipal Housing Companies Act was received in an amount of SEK 450 million. These funds must be used to implement investment projects aimed at that part of the municipality's housing provision responsibility which promotes integration and social cohesion. The additional dividend means that the projects can be implemented without loan financing. Of the dividend from Stockholms Stadshus AB, SEK 500 million has been repaid according to a decision in the second four-month account closing in the City Council.

Tax income increased by SEK 1.4 billion compared with 2013. This is an effect of the large population growth in Stockholm and a positive social development. In 2014, a new equalisation system entered into effect. For

Appropriations for the Stockholms Stadshus AB Group are shown in the table. In summary, it may be noted that the Group utilised available results to strengthen the equity of subsidiaries as well as to free-up funds for future distribution to the City.

SEK thousand	Group contributions paid	Group contributions received	Shareholders' contribution paid	Shareholders' contributions received	Dividend, the Stockholms Stadshus AB* Group	Dividend, City of Stockholm*
The Parent Company						
Stockholms Stadshus AB	-259,585				-1,000,000	1,000,000
Subsidiaries						
AB Svenska Bostäder					16,663	
AB Familjebostäder					1,441	
AB Stockholmshem					1,651	
Bostadsförmedlingen i Stockholm AB						
SISAB						
Micasa Fastigheter i Stockholm AB						
S:t Erik Markutveckling AB	-28,808					
Stockholm Globe Arena Fastigheter AB		188,000				
Stockholm Vatten AB					-3,684	
Stockholms Hamn AB						
AB Stokab	-161,000					
Stockholms Stads Parkerings AB	-68,900					
Stockholms Stadsteater AB		330,293				
Stockholm Business Region AB						
S:t Erik Försäkrings AB						
S:t Erik Livförsäkring AB						
Other companies						
Group adjustments						
Total	-518,293	518,293			-980,245	1,000,000

* Group contribution was posted in the financial statements for 2014 in contrast to the dividend which is not recognised until the subsequent year.

Stockholm, this has meant an overall change in the form of higher costs of SEK 0.5 billion.

The waste collection operations have been converted to a limited company form under the Stockholms Stadshus AB Group. According to special legislation, this operation is entirely financed by fees, which is why the sale is cost neutral for the City and do not affect the financial results. The City's facilities for waste collection operations have been transferred to the new company at market value, which has been assessed at book value. The Municipal Group's run-off water facilities have been gathered under Stockholm Vatten AB. Here too, the transfer has been made according to a market value that has been assessed at book value. The organisational change is assessed to be cost neutral for the City.

Stockholms Stadshus AB acquired the City's shareholding in AB Fortum Värme Holding co-owned with the City of Stockholm. The City's total shareholding does not change in that the City owns Stockholms Stadshus AB.

Change in equity for the year

The change in equity for the year amounted to SEK 3,450 million. This result means that it has been possible to allocate part of equity without risking the City's long-term financial targets. A social investment fund, a skills development fund and an incentive grant for the expansion of pre-schools, etc. are being established for 2015. These changes together with previously approved appropriations of equity are presented by the table below.

Social investment fund, etc.	
Funds for social investments	SEK 300 million
Funds for skills development	SEK 200 million
Incentive grant for pre-school, elderly care, etc.	SEK 150 million
Costs for GS-IT Digital renewal, etc.	SEK 765 million
Suburb investments	SEK 74.5 million

The City intends to prepare instructions and regulations for how the above appropriations shall be handled in spring 2015. However, the appropriation of equity can only take place if the City's long-term financial target of sustainably balanced finances can be fulfilled.

Reconciliation with the balanced-budget requirement

A reconciliation with the balanced-budget requirement must be performed in accordance with Chapter 8, Section 4 of the Local Government Act. The income statement provides the starting point for reconciliation. The aim of the



PHOTO: LENNART JOHANSSON

balanced-budget requirement is to show that a municipality is not living beyond its means. Capital gains comprise part of the sale of assets, and should not be used to finance operating activities. Capital gains should not, therefore, be included in the surpluses in reconciliation with the balanced-budget requirement. Exceptions to this rule may only be made if they are in conformity with sound financial management, for example if the sale is part of a restructuring project. Capital losses are to be included in expenses when reconciliation with the balanced-budget requirement is carried out.

Balanced-budget requirement investigation

The City's surplus adjusted in accordance with the Local Government Act requirements shows that the City is fulfilling the requirement for a balanced budget as there is a surplus of SEK 2,794.5 million (2,286.4).

Surplus for the year	SEK 3,450.4 million
Deduct income affecting comparability	-2,052.4
Additional sales revenue, development properties	1,331.0
Surplus for the year after balanced-budget requirement adjustments	2,729.0
Adjustment with the costs in accordance with extraordinary circumstances as set out in Chapter 8 Section 5b of the Local Government Act	65.4
Balance requirement for the year	2,794.5

Of the year's SEK 2,052.4 million in capital gains, SEK 1,331.0 million relates to development properties and is, under the rules, recognised in current assets. With the exclusion option, this type of capital gain does not have to be used to reduce the surplus.

In connection with previous years' financial statements, it has been decided to utilise the surplus for Vision Järva, Vision Söderort and the Hässelbylyftet project, investments in operational development with the support of IT, and for the skills development fund. Under the provisions of the Local Government Act, Chapter



The City's waste collection operations have been converted to a limited company form under the Stockholms Stadshus AB Group.



PHOTO: LENNART JOHANSSON

8, Section 5b, costs may be excluded from the balanced-budget requirement for exceptional reasons. In the City's opinion, the capital gains should be used to benefit the residents of the City through long-term investments. The expenses are non-recurring costs for long-term investments, rather than ongoing operating costs. These expenses amount to SEK 65.4 million for the year and are excluded under extraordinary circumstances.

Component depreciation

According to the K3 regulations, component depreciation shall be applied in the company sector beginning in 2014. The requirement also applies to the municipal side as of year-end. This requirement was published in December 2013, which meant that there was no possibility to introduce component depreciation as of 2014 without deviating from the democratic decision-making process. During the year, the City began a project for introduction, but the actual introduction will take place in 2015.

Budget settlement

In total, the District Councils and specialist com-

mittees report a surplus of SEK 433.9 million including settlement against surplus reserves. For 2013, the corresponding surplus was SEK 304.7 million.

The District Councils present a total surplus of SEK 58.5 million (69.3).

Total personnel costs for the City increased by 3.1 percent compared with the preceding year. Among other efforts, a venture was conducted to increase teacher salaries. Despite this, the employer's contribution for the City's personnel reported a positive deviation from the budget. The principal cause is that, as in 2013, no premiums were claimed for occupational sickness insurance.

The additional dividend from Stockholm Stadshus AB according to the Public Municipal Housing Companies Act of SEK 450.0 million is not budgeted and thereby contributes to a surplus. Of the budgeted dividend from Stockholms Stadshus AB of SEK 1,000.0 million, the City Council has decided on a repayment of SEK 500.0 million, which is why the total budget deviation is SEK -50.0 million.

Tax income and equalisation show a surplus

over budget of SEK 134.0 million, a deviation of only 0.4 percent. The tax income exceeds budget due to a somewhat faster growth of the payroll expense as a result of higher employment. The cost equalisation allowance provides a better outcome than estimated, which is attributable to Stockholm's rapid population growth. At the same time, the introduction allowance was somewhat lower than expected as a result of the change of the equalisation system.

Pensions

Pension costs in the income statement amounted to SEK 1,954.1 million including financial items (2,431.0). The pension costs for a growing number of pensioners and the pension fees, which are calculated as a percentage of the payroll expense for active personnel, increased by 3.1 percent in total. Both compared with last year and with budget, the cost for the pension liability change decreased. In 2013, the interest rate used for the present value calculation of the liability was lowered, resulting in a significantly higher opening balance for the liability in 2014 than budgeted. Taking into account the cost affecting comparability due to the RIPS interest change in 2013, the total costs for pensions became lower in 2014. This is mainly due to a significantly lower cost for the liability change than in 2013. The budget deviation for pensions totalled SEK +244.6 million. Local pension provisions over and above the municipal pension agreement, KAP-KL, are included in pension liabilities. Contingent liabilities for pension liabilities earned through the end of 1997 amounted to SEK 17,781.1 million including payroll tax, a

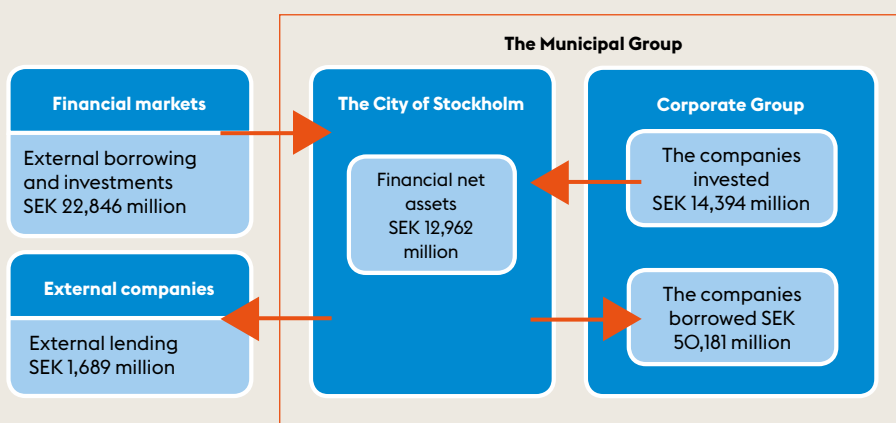
decrease of SEK 549.3 million compared with 2013. The contingent liabilities were also affected by the lowered interest rate in 2013, resulting in a higher opening balance in 2014. A continued decrease in the contingent liabilities is expected in the years ahead. The pension provisions are secured in the City's assets. A new pension agreement, AKAP-KL, will come into force on 1 January 2014 for employees born after 1985. The new agreement is a defined-contribution plan. For other groups of personnel, the old agreement, KAP-KL, remains in force. The impact on costs of the new agreement is expected to be moderate over the next few years, given that the group who will be involved initially is limited.

The Municipal Group's investing activities

The Municipal Group's gross investments in 2014 amounted to SEK 15,455.7 million (12,379.2). The gross investments of the Stockholms Stadshus AB Group in 2014 totalled SEK 10,552.2 million (8,112.0).

The gross investments consist primarily of new housing construction and acquisition of land and properties. The term "new construction in progress" means investments in non-current assets of significant value which are under construction, but not yet completed.

The City's investments in 2014 amounted to SEK 4,314.5 million (4,271.6), which is an increase of 1.0 percent over last year. Investment income for the year amounted to SEK 12.9 million (13.5).



The Municipal Group's internal dealings in 2014 in SEK million				
	Internal purchases which have been eliminated	Internal purchases which have been eliminated	Internal receivables, excluding the Group account which has been eliminated	Internal liabilities, excluding the Group account which has been eliminated
The Municipal Group	5,322.8	5,322.8	2,183.9	2,183.9



PHOTO: LIESELOTTE VAN DER MEIJUS

STAFF

Sick leave continues to grow

The City uses two methods to measure sick leave. Sick leave is measured both in accordance with the statutory requirements, and in accordance with the City’s own definition of the indicator of *Sick leave*. The qualities of the measuring methods differ. Sick leave measured in accordance with statutory requirements provides a good overview of the level of sick leave, which is comparable with that of other municipalities and county councils. Sick leave measured using the City’s own methods provides a better picture of trends and, consequently, provides a better basis for follow-up and analysis.

Unless otherwise stated, the information on sick leave in the City’s reports has been produced using the City’s own measurement method. The statutory reporting of sick leave is based on somewhat different assumptions than

the City’s own measurement method. The City’s method compares sick leave with contracted working hours. The statutory reports compare sick leave with actual hours worked, which means that that unpaid absence, such as parental leave or leave of absence, is not included. The fact that unpaid absence is excluded means that the regular working hours are slightly less than the working hours used in the City’s own measurement method. Consequently, the statutory reports will show a sick leave level above that of the City’s sick leave indicator.

Total sick leave measured in accordance with statutory requirements increased by 0.5 percentage points, from 6.2 percent to 6.7 percent, during the period 2013 to 2014. Out of the total sick leave, 48.6 percent lasted 60 days or more. The corresponding figure for 2013 was 45.5 percent.

The City’s companies have a somewhat lower sickness absence than the City District Councils. Since the total sick leave figure of 5.9 percent includes companies, this shows an increase compared with 2013, when total sick leave was 5.4 percent.

Sick leave in accordance with the City Council indicators 1 Jan. 2014 - 31 Dec. 2014

Sick leave as a percentage of contracted working hours	Total	Women	Men
Short-term absence, day 1-14	1.9	2.0	1.6
Long-term absence, day 15-	4.1	4.6	2.4
Total	6.0	6.6	4.0

Sick leave in accordance with statutory requirements 1 Jan. 2014 - 31 Dec. 2014

	Total	Women	Men	Age groups		
				-29	30-49	50-
Sick leave as a percentage of regular working hours	6.7	7.4	4.5	5.3	6.4	7.3
Percentage of total sick leave lasting 60 days or more	48.6					

Staff in figures

In December, a total of 39,081 people were employed by the City of Stockholm. Of these, 36,473 worked in the City's District Councils and 2,608 were employed in the City's companies. Nearly three out of four employees were women. The table below presents the number of employees by operational area.

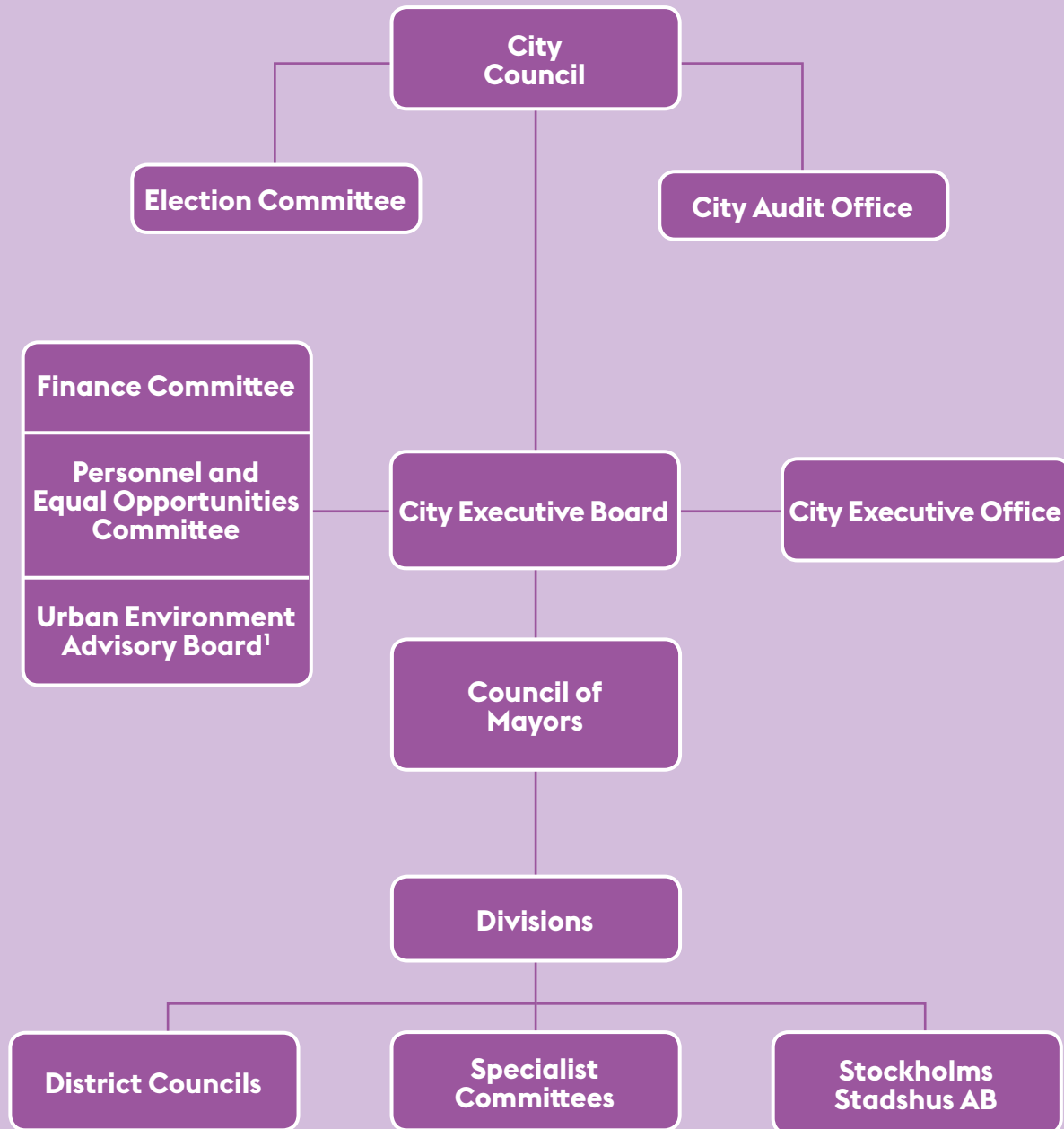
Number of employees (salaried) by operational area					
Operational area	Women	Men	2014 Total	2013 Total	Year on year change
Political operations and joint administration	1,029	428	1,457	1,431	26
Individual and family care	2,616	760	3,376	3,287	89
Infrastructure, urban environment, safety/security	583	452	1,035	1,015	20
Pre-school operation and school child care	9,615	1,466	11,081	10,938	143
Education	8,129	3,242	11,371	11,357	14
Care for the elderly	3,691	781	4,472	4,562	-90
Support and services for people with disabilities	1,195	459	1,654	1,643	11
Leisure and culture/general leisure activities	917	756	1,673	1,677	-4
Business, trade and industry, and housing	156	148	304	323	-19
Other operations	31	19	50	47	3
Stockholm Stadshus AB Group	1,107	1,501	2,608	2,545	63
Total	29,069	10,012	39,081	38,825	256
Full-time employees for the year	27,965	9,632	37,597	37,225	372

In addition to these members of staff, hourly-paid staff have provided cover equivalent to 2,613 annual full-time jobs. Compared with 2013, there has been a drop of 5 percent in the hours worked by hourly-paid staff. This information only refers to the District Councils, not the companies.



PHOTO: FREDRIK PERSSON

The Municipal Group's governance
 The following is a description of the political organisation as of 1 January 2014 based on areas of responsibility.



¹ In the City Council's 2015 budget, it was decided that the Urban Environment Advisory Board would be discontinued. It was also decided that a human rights advisory board and a suburb and democracy committee would be appointed.



How the City is governed

The City Council is the City of Stockholm's highest decision-making body. Its 101 members are elected in general elections held at the same time as Parliamentary and County Council elections. At the most recent election in September 2014, the Social Democrats, the Green Party, the Left Party and the Feminist Initiative Party secured 53 seats in the City Council, giving them a majority over the 48 seats won by the opposition parties.

The City Council sets goals and guidelines for the City's operations. The issues ruled on by the City Council are drafted by the City's committees and boards. The City Council sets tax rates, tariffs and fees, budgets and performance requirements, as well as objectives and visions for the City's committees and limited companies. The political decisions are implemented by the City Executive Board, the City committees and companies, or by others on their behalf.

As a rule, the City Council convenes every third Monday. The meetings are open to the public. The City Council has its own auditors, the City Audit Office, which audits all municipal operations.

City Executive Board

The City Executive Board comments on all decisions made by the City Council. The Executive Board also has overall responsibility for ensuring that decisions are implemented and followed up. General responsibilities include managing and coordinating the administration of the City's affairs, and supervising the operation of other committees. The Executive Board is also responsible for the City's financial management and long-term development. The City Executive Board has 13 members, who represent both the majority and opposition parties on the City Council.

The City Executive Board has a Finance Committee and a Personnel and Equal Opportunities Committee. In the City Council's budget

for 2015, it was decided that a human rights advisory board and a suburb and democracy committee is to be appointed.

The City Executive Board has an administrative unit, the City Executive Office, to support it in its mission. The City Executive Office plays a central, strategic role in the governance of the City. It is responsible for controlling, following up and developing the City's finances and operations, and for ensuring that political decisions are implemented. It also fills a secretariat role for the City Council and the City Executive Board, and is responsible for collecting and archiving copies of public documents. The City Executive Office is headed by the Chief Executive Officer, assisted in managerial functions by two Assistant Chief Executive Officers. ▶



The highest decision-making body in Stockholm is the City Council, which sets the goals and guidelines for the City's operations.

Seats on the City Council following the election in September 2014

Moderate Party (M)	28
Social Democrats (S)	24
Green Party (MP)	16
Left Party (V)	10
Liberal Party (FP)	9
Sweden Democrats (SD)	6
Feminist Initiative (FI)	3
Centre Party (C)	3
Christian Democrats (KD)	2
Total	101

On 31 December 2014, 50 of the 101 councillors were women, and 51 men.

MAYOR, VICE MAYORS AND DIVISIONS

The political organisation comprises one governing Mayor and eight governing Vice Mayors. They are full-time elected representatives and are elected by the City Council. The Mayor and Vice Mayors are each responsible for a division. A division serves as a staff function for the Mayor or Vice Mayor, and drafts matters for the City Executive Board and the City Council. There are also four Vice Mayors representing the opposition parties. The Mayor and Vice Mayors jointly form the Council of Mayors. The joint work is lead by the Mayor of Stockholm, Karin Wanngård (Social Democrats), who chairs both the Council of Mayors and the City Executive Board.

Mayor's Office

The City Executive Board, the Finance Committee, the Development Committee, the Real Estate Committee, Stockholms Stadshus AB, Stockholms Hamn AB, Mässfastigheter i Stockholm AB, Stockholm Business Region AB, the Council for Protection of Ecological and Aesthetic Matters, the Greater Stockholm Fire Brigade and other companies not assigned to one of the Vice Mayors. The Mayor's Office manages and plans the political work. The Mayor's Office is responsible for directing the committees and boards that report to the Mayor.

Mayor of Stockholm: Karin Wanngård (Social Democrats)

City Planning and Culture Division

The City Planning Committee, the Culture Committee and Stockholms Stadsteater AB. The City Planning and Culture Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for City Planning and Culture: Roger Mogert (Social Democrats)

Labour Market and Sports Division

The Labour Market Committee, the Sports Committee and SGA Fastighets AB. The Labour Market and Sports Division is responsible for the governance of the committees and boards organised under the Vice Mayor.

Vice Mayor for Labour Market and Sports: Emilia Bjuggren (Social Democrats)

Schools and Education Division

The Education Committee, Skolfastigheter i Stockholm AB (SISAB) and District Councils - Pre-school. The Schools and Education Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for Schools and Education: Olle Burell (Social Democrats)

Environment Division

Environment and Health Committee, Stockholm Vatten AB, Waste Management Committee, Service Committee. The Environment Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for the Environment: Katarina Luhr (Green Party)

Social Affairs Division

The Social Services Committee, the Chief Guardian Committee, the Disability Issues Advisory Board, the Senior Citizens Advisory Board, Stiftelsen Hotellhem, District Councils - Individual and Family Care. The Social Affairs Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for Social Affairs: Åsa Lindhagen (Green Party)

Left photo, Opposition Vice Mayors

Cecilia Brinck (Moderate Party)
Lotta Edholm (Liberal Party)
Joakim Larsson (Moderate Party)
Anna König Jerlmyr (Moderate Party)

Right photo, Majority Mayor and Vice Mayors:

Åsa Lindhagen (Green Party), Vice Mayor for Social Affairs
Olle Burell (Social Democrats), Vice Mayor for Schools and Education
Sissela Nordling Blanco (Feminist Initiative), Majority Vice Mayor for Human Rights Issues
Daniel Helldén (Green Party), Vice Mayor for Traffic
Karin Wanngård (Social Democrats), Mayor
Roger Mogert (Social Democrats), Vice Mayor for City Planning and Culture
Emilia Bjuggren (Social Democrats), Vice Mayor for Labour Market and Sports
Clara Lindblom (Left Party), Vice Mayor for the Elderly and HR
Ann-Margarethe Livh (Left Party), Vice Mayor for Housing and Democracy
Katarina Luhr (Green Party), Vice Mayor for the Environment



PHOTO: AT LEFT OLA ERIKSSON, AT RIGHT LIESELOTTE VAN DER MIEUS

Traffic Division

The Traffic Committee, Stockholms Stads Parkerings AB, Cemeteries Committee, District Councils - Urban Environment. The Traffic Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for Traffic: Daniel Helldén (Green Party)

Elderly and HR Division

The Senior Citizens Committee, Micasa Fastigheter i Stockholm AB, District Councils - Care for the Elderly, City Executive Board Personnel and Equal Opportunities Committee. The Elderly and HR Division is responsible for

directing the committees and boards that report to the Vice Mayor.

Vice Mayor for the Elderly and HR: Clara Lindblom (Left Party)

Housing and Democracy Division

Bostadsförmedlingen i Stockholm AB, the housing companies, the Suburb and Democracy Committee, Human Rights Advisory Board. The Housing and Democracy Division is responsible for directing the committees and boards that report to the Vice Mayor.

Vice Mayor for Housing and Democracy: Ann-Margarethe Livh (Left Party)

DAY-TO-DAY OPERATIONS

Day-to-day operations are carried out by the City's administrations and companies. These are led by politically appointed committees and boards, the proportionate political distribution of which reflects the distribution of seats on the City Council. The members of these committees and boards are also appointed by the City Council. Information about meetings is published in local newspapers, and minutes and documents relating to the meetings are available from www.insyn.stockholm.se.

Some City of Stockholm operations are conducted as companies. Most are coordinated through the Group Board of Stockholms Stadshus AB. The City is also part of a statutory joint authority with nine municipalities in the Stockholm region through the Greater Stockholm Fire Brigade. A number of operating foundations also cooperate with the City and carry out operations for the benefit of the City and its residents. The City's specialist committees have a City-wide responsibility for their respective operations. Each committee has an administration with

officials who carry out the day-to-day work. The members of the committees are politicians who have ultimate responsibility for the operation.

The specialist committees are:

*Labour Market Committee
Waste Management Committee
Development Committee
Real Estate Committee
Sports Committee
Culture Committee
Cemeteries Committee
Environment and Health Committee
Service Committee
Social Services Committee
City Planning Committee
Traffic Committee
Education Committee
Election Committee
Elderly Services Committee
Chief Guardian Committee*

Left photo, City Executives:

Anders Carstorp,
Vice CEO
Lars Rådth, CEO
Ingela Lindh, Vice CEO

Right photo:

Second Vice President
Mats Berglund (Green
Party), President
Eva-Louise Erlandsson
Slorach (Social Democ-
rats), First Vice President
Margareta Björk
(Moderate Party).

PHOTO: AT LEFT OLA ERIKSSON, AT RIGHT LIESELOTTE VAN DER MEUS





The District Councils' areas of responsibility include the following:

- Municipal pre-school
- Activities for children, culture and leisure
- Elderly care services
- Support and services for people with disabilities
- Individual and family care including social psychiatry
- Urban environment operations
- Financial assistance and labour market measures

District Councils

Stockholm's 14 District Councils are responsible for a large part of the municipal services within their geographical areas. While the City Council allocates funds and issues overall goals and guidelines, each individual District Council determines how funds should be allocated to meet the needs of its own catchment area. The funds allocated to the District Councils amount to approximately half of the City's budget. Activities are financed mainly through local taxation and government grants, and, to a lesser extent, through fees.

Resource allocation models

In the budget, funds are allocated to the District Councils using a system adopted by the City Council. The resource allocation system is based on the operational responsibility of the District Councils and on demographics. The District Councils are allocated resources on the basis of the estimated need for municipal services, rather than the actual costs involved. This gives District Councils the freedom to organise their own activities, provided that they comply with the guidelines adopted by the City Council.

The City's quality improvement efforts – quality for Stockholmers

In all stages of life, the residents of the City of Stockholm have the right to expect excellent service for their tax money. The quality-related work carried out by the City is aimed to develop and improve the service in all operations and offer freedom of choice and diversity. All development work focuses on ensuring that users/customers are satisfied.

Quality development programme

The City's quality development programme sets out the main points of the development work. The quality development work shall be characterised by:

- The point of view of Stockholmers are appreciated and taken into account, and form an important basis for quality development.
- Management at all levels must exercise clear and accountable leadership, and prioritise a systematic approach to quality which puts results for Stockholmers at its core.
- All members of staff are responsible for quality and quality development within their area of responsibility.
- All committees and boards systematically distribute and use good examples to improve their operations.

The Quality Award

The aim of the Quality Award is to stimulate and encourage all operations financed by the City to improve their quality. The award is also an

opportunity for the City to highlight and share best practice. The Quality Award is not only a competition. It is also intended to inspire and serve as a support in the units' development efforts. The questions in the Quality Award have a clear focus on the benefit for Stockholmers, analysis of results for continuous improvement, and the distribution and use of good examples.

Those who assess the operations' contributions are the City's examiners. It is their commitment and knowledge that make the Quality Award possible. As part of their work, examiners acquire highly-developed skills in operational analysis and assessment. The work also gives them a broad knowledge and understanding of the City's various operations. Every year, the City Executive Office trains new examiners in the evaluation methods used. In 2014, 100 examiners received training. As well as carrying out their assignment as examiners with respect to the Quality Award, they will also act as effective ambassadors for development work within their own operations. ▶



PHOTO: STEFAN EK



Förskolan Sylvester



Mitt i City förskolor

PHOTO: FREDRIK PERSSON

YEAR'S WINNERS AND MOTIVATION

THE PRE-SCHOOL CATEGORY

Winners of the Quality Award

Sylvester Pre-school - Älvsjö District Council

This pre-school has a distinct child focus. The parents are seen as an important resource for the pre-school's educational work with the children and are invited to actively participate in the activities. In the unit's work on core values, issues of personal interaction have been an important element. The management is clear, provides inspiration and delegates responsibility to the employees based on skills and interest. The pre-school sees analysis and work on results as very important for developing the quality of operations. This is also clear in the results from the year's user survey.

Mitt i City förskolor – Norrmalm District Council

The best interest of the children is a guiding star for this pre-school. The management provides continuous feedback to employees, which provides the conditions for development, commitment and a good working environment. The employees are encouraged by good examples being emphasized and spreading learning within the unit. The unit has successfully improved quality under new management, which is also apparent in the operations' user surveys.

THE EDUCATION CATEGORY

Commendation

Sjöstadsskolan – Södermalm District Council

This school has succeeded in creating a learning organisation that promotes teacher learning in a way that immediately benefits the school's students. Research, project work and collaboration

contribute to the development of the operations. Good examples are leveraged. New ideas are tested, evaluated and established. The management is democratic and visionary. It is characterised by delegation and participation, which creates commitment among the employees. This school is awarded a commendation because they really justify the concept of "A learning organisation".

THE SOCIAL SERVICES AND SUPPORT AND SERVICES FOR PEOPLE WITH DISABILITIES CATEGORY

Commendation

The unit for adult and social psychiatry, Drugfree network - Farsta District Council

These operations show very clearly how they focus on the user by motivating, supporting and providing hope. The operations are characterised by strong networking with a cohesive chain of care. This creates security and stability for the user, which leads to good results. The operations are awarded a commendation for their approach, which contributes to a very clear user focus.

THE ELDERLY CARE CATEGORY

Commendation

Bergsund care and nursing home – Temabo AB

These operations have a salutogenic approach, meaning that the elderly should find their lives to be comprehensible, manageable and meaningful. The operations invest in daily rehabilitation and offer a broad range of activities for their users. There are also approaches for capturing the existential needs of the elderly. The operations are awarded a commendation because they have very clearly placed the focus on the elderly.



PHOTO: FREDRIK PERSSON

The unit for adult and social psychiatry, Drugfree network



Sjöstadsskolan



Bergsund care and nursing home

PHOTO: FREDRIK PERSSON

THE RENEWABILITY AWARD FOR AWARD-WINNING RENEWAL

The Renewal Award is an important complement to the Quality Award. It recognises creativity, renewal and innovation. The aim is to recognise something that improves quality, increases efficiency, contributes to sustainable development or makes the task easier. What can be rewarded is a new method, an innovative approach or new kinds of communications, for instance.

THE 2014 RENEWAL AWARD WAS PRESENTED TO *Recycling centres and hazardous waste, Traffic Administration*

This unit is rewarded for its innovative work to make it easier for Stockholmers to protect the environment. In collaboration with external actors, they developed an entirely new and unique product, an automated environmental recycling station for hazardous waste.

The purchasing unit for elderly services, Hägersten-Liljeholmen District Council

This unit is rewarded because they in an innovative and simple manner succeeded in creating faster, more effective service for the users and at the same time a better work environment for the employees. By changing its organisation and its working methods, efficiency and quality in the operations increased, vulnerability decreased and job satisfaction increased.

A lot of good examples

The City's fair with good examples is a forum for experiential exchange and collegial learning. The size of the organisation and the breadth of the City's operations offer unique opportunities to learn from each other's experiences. The fair was held in May and all committees and several companies took part and presented around 200 good examples of successful operational development in exhibitions and seminars. The City's Renewal Award was handed out at the fair and the City's prizes to reward teachers and teaching teams in compulsory and upper secondary school were handed out for the first time.

The fair is a way to facilitate information sharing between committees and company boards about the results of work on new

development models, successful methods and approaches in the City's operations. The fair is also a forum to find new areas of collaboration and cooperation partners, and for municipal, independent and other private operations to learn from each other's activities.

The evaluation of these exchanges shows that the possibility of learning more about the work in administrations and companies gives many employees a clearer picture of the whole and a sense of pride over being a part of the City's operations and seeing how their own work contributes to the development of the City.

The St. Julian Prize

The St. Julian Prize is the City's prize to reward work that is done to include people with disabilities in society.

The prize is awarded in four different categories. The winners of the St. Julian Prize 2014 were the Sofia Church in the Physical Accessibility category, the Swedish History Museum in the Accessible Information and Communication category, Gröna Lund in the Employer Characteristic category and the Orion Theatre in the Participation category.

In-depth quality in the follow-up

A new method for follow-up in elderly care has been developed. The method has been tested on 34 care and nursing homes and in the home-help services with very good results. A large part of the follow-up done today is based on the follow up of documents, systems, agreements and procedures. There is no structured follow-up of person-centred (individual) care. This method, quality observation, is based on the meeting between the elderly and the care staff and is strongly focused on approach and personal treatment.



The City's international work

UN-HABITAT² estimates that six out of ten people will live in urban areas by 2030 and the power and influence of cities will follow this trend. Urban planning and smart solutions are expected to become the core of the socially, ecologically, economically and democratically sustainable city. Contributing to this development is becoming increasingly important to be on the forefront. To succeed in this, Stockholm needs to be active internationally; to learn from others, be proactive and visible, be compared with others and collaborate on the international arena.

Collaboration in international organisations and networks

By getting involved in international organisations and networks, the City can be involved in driving important processes forward and also gains access to joint work groups at an operational level. At the end of 2014, the City Executive Board was a member of six international, city-focused organisations and networks: Baltic Metropolises Network (BaltMet), C40 – Climate Leadership Group, Cities for Cyclists, EUROCI-TIES, European Cities Action network towards a Drug-free society (ECAD) (formerly European Cities Against Drugs) and the Union of Capitals of the European Union (UCEU). The City is a member of the Boards for both EUROCI-TIES and ECAD.

The City's committees and companies are members of 78 international organisations and networks. This is an increase over 2013 when 68 memberships were reported. A continuous overview of the City's memberships in international organisations and networks is under way in the City's administrations and companies with the aim of achieving the most possible operational benefit.

In 2014, the City continued to be internationally attractive in such areas as the environment, "smart cities" and innovation and the City's politicians and officials have been very much in demand internationally.

In competition with 155 European cities, Stockholm won one out of five awards for the innovative "Bio-coal Stockholm" project in the *Mayors Challenge* competition. Winning entails EUR 1 million for the project, which aims to improve tree growth, reduce toxins in surface run-off and encapsulate carbon dioxide.

EU Policy 2014

The City Council has decided that Stockholm will be an active player in EU policies and try to influence the formulation of EU laws that impact the City. The City Executive Board is responsible for City-wide EU issues and in 2014 expressed its opinions on several occasions with regard

to proposed EU legislation, such as influencing the formulation of the so-called urban agenda. The EU urban agenda aims to ensure that the EU listens to cities before decisions are made on new laws. In 2014, 11 committees and nine companies worked with the operation-specific EU position papers that they took on on behalf of the City Council.

Many decisions taken at EU level affect the City and its operations. For example, the EU has an impact on around 60 percent of matters dealt with by the City Council.

EU funding

A socially, ecologically, economically and democratically sustainable society demands new approaches and methods to develop. Through the various funds and programmes the EU offers, a development effort beyond the ordinary budget can be carried out. Participating in EU projects is also a way of developing the skills of the City's personnel, by revising and developing approaches and work methods. Opportunities for EU-funded development work span virtually all the City's operational areas.

The City of Stockholm was appointed in 2014 to lead the prestigious European project *GrowSmarter*, which is about how cities can create more jobs and grow using smart environmental technology solutions at the same time that they become more energy efficient, easily accessible and attractive. The European Commission is contributing EUR 25 million, of which one third is going to the Stockholm region. The project will run until 2019.

Around half of all specialist committees, District Councils and companies took part in an EU-funded project in 2014.

FACTS: The City books SEK 41.8 million in EU funding for the City's development projects in 2014, which is a decrease compared with 2013. The decrease is because 2014 marked the end of the EU's previous programme period and the new one had not fully gotten started.

² UN Human Settlement Programme



In 2014, the City continued to be very attractive in areas such as the environment, "smart cities" and innovation.



PHOTO: ANNE LINTALA

A business-friendly city

The City of Stockholm should be the engine for the Stockholm region and Northern Europe's leading growth region. The City should distinguish itself with its innovative capacity, knowledge-intensive and diversified industries and an entrepreneurship that is the highest by far in Sweden. A strong and dynamic enterprise not only forms the basis for the City's financial development, but rather is also the base for the work done to support people in the process of finding work.

The efforts conducted by the operations have contributed to a very good indicator result and helped position Stockholm as an attractive city for meetings and business establishments. Four out of five indicators' annual targets were achieved during the year. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

Growth and attractiveness

Growth in the Stockholm region is very strong. The fact that Stockholm won the award for the Growth Municipality of the Year for 2013 and a neighbouring municipality won the award in

2014 is a clear indication of this. Another step to develop growth and competitiveness was taken during the year. In Stockholm, 14.1 new companies are founded per 1,000 residents compared with 6.6 in the rest of Sweden. The City also has a higher percentage of residents with a university education, more homes built relative to the population, a higher salary development and a higher employment rate compared with the rest of Sweden.

One reason for the good results is that collaboration between both committees and company boards has been established so that common issues can be pursued effectively. An example from the year is the collaboration

14.1

In Stockholm, 14.1 new companies are founded per 1,000 residents compared to 6.6 in the rest of Sweden.

between the City Executive Office, the Traffic Committee, the Culture Committee, the Sports Committee, Stockholm Business Region AB and Stockholmsmässan with the aim of developing the event city.

Participation in the EU project ONE BSR aims to strengthen the Baltic region's competitiveness. Here, the City contributed to attracting investors, tourists and talent to the Baltic region. A study of how the Stockholm region can work to retain and attract expertise in LifeSciences was also conducted.

Cooperation provides growth and stronger competitiveness

During the year, the City applied for the EU research programme Horizons 2020 on Smart Cities for research and innovation. The European Commission responded positively and the City of Stockholm will lead the prestigious European project GrowSmarter, which is about how cities can create more jobs and grow using smart environmental technology solutions at the same time that they become more energy efficient, easily accessible and attractive to the residents.

Business satisfaction with the City as an authority

Municipal services are an important factor in how the business climate is experienced. The Stockholm Business Alliance's annual service survey shows that Stockholm businesses are happier with the City as an authority than businesses are in the average municipality. The City's expertise, personal approach and accessibility get the greatest praise from business operators.

International attractiveness

The City of Stockholm seeks to be a popular meeting place that attracts investment. The City of Stockholm is ranked 20th on the ICCA list of the world's most frequented destinations among the 400 destinations included in the statistics. Another result of intensive efforts is that the number of commercial overnight stays continues to grow. In 2014, the number of guest nights increased by 7 percent.



PHOTO: LENNART JOHANSSON



The Stockholm Business Alliance's annual service survey shows that Stockholm businesses are happier with the City as an authority than businesses are in the average municipality.

Indicator	Goal	Outcome	Goal attainment	Comments
Business sector satisfaction in contacts with the City as an authority	70.0%	70.0%	Met in full	
Percentage of operations acquired in competition	37.0%	42.4%	Met in full	
Companies' satisfaction with efficiency	68.0%	70.0%	Met in full	
Companies' satisfaction with information provided by the City	71.0%	69.0%	Met in part	Satisfaction increased compared with the previous year.
Number of new business start-ups	21,000	22,417	Met in full	



A city at work

Stockholm's overall social and welfare policy must be clearly focused on work. All those who can work and support themselves should be supported by a range of measures to become free from dependency on financial assistance. The residents of Stockholm should be or become self-supporting.

The City Executive Office's goal assessment is based mainly on the work of reducing the need for financial assistance being successful and that the targets for the indicators in this area are thereby achieved by a good margin. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

Need for assistance continued to decrease

In 2014, the need for financial assistance decreased in the City. The percentage of the population in need of financial assistance fell to 1.9 percent, the proportion of adults dependent on long-term financial assistance compared with all adult residents fell to 1.2 percent and the proportion of children who live in families claiming financial assistance dropped to 3.4 percent. This positive trend also led to a decline in the cost of financial assistance. In 2014, the cost to District Councils of financial assistance was SEK 1,149.9 million, compared with SEK 1,182.0 million in 2013.

Active measures to increase employment

The labour market in Stockholm is characterised by a shortage of labour in certain industries at the same time that unemployment remains high in certain groups. Through labour market measures adapted to the individual's needs and circumstances, the residents will be supported in the process of finding work. In 2014, 79 percent of the jobseekers in the Jobbtorg Stockholm resource programme were self-supporting six months after leaving the programme, which is somewhat lower than the City Council's annual target of 81 percent. The follow-up shows that it is mostly jobseekers who have been transferred to a measure with an activity allowance in the Public Employment Service who return to Jobbtorg or continue to need financial assistance six months after completion.

The City's stake on summer jobs means that many young people will gain valuable employment experience. In 2014, around 6,200 young people were employed in summer jobs in the City's operations, which can be compared with around 5,700 young people in 2013. (Also refer to the section "The City of Stockholm is

an attractive employer offering exciting and challenging work".) However, the target for the number of trainee positions provided for jobseekers matched by Jobbtorg Stockholm was not achieved. Beginning in 2015, the indicator for the City's work on trainee positions changed with the aim of providing guidance in a way that means that a range of positions is developed that actually meets the needs of the Jobbtorg jobseekers.

The collaboration within the City and between the City and other key players, such as employees and the Public Employment Service, is a pre-requisite in the work of reducing exclusion and ensuring that employers can quickly find the expertise they need. In 2014, active work was conducted to develop coordination in the City. As a part of this work, dialogue was conducted between those involved on how Jobbtorg Stockholm's activities could be further adapted to the needs of the District Councils and the target groups eligible for financial assistance.

Integration work was strengthened

In 2014, around 1,700 refugees with residence permits came to the City. For these recent arrivals, the City conducts important integration work at the regional centre for social orientation administered by the City of Stockholm. In 2014, around 1,900 people participated in social orientation sessions at the centre, of which one third were participants from the City of Stockholm. Swedish for immigrants (SFI) is another important integration effort. In 2014, more than 19,000 people participated in SFI. (Also refer to the section "Children and pupils learn and develop knowledge and values".)

In 2014, the "Stockholm mentor" programme was started on behalf of the City Council, where recent arrivals are provided contact with established Stockholmers. A follow-up done of the activity shows that it was very much appreciated. Social activities were also arranged for the participants with the aim of creating a common social context.

In the 2014 budget, it was decided that a substantial part of the standard government compensation payable for the City's recep-

6,200

In 2014, around 6,200 young people were employed in summer jobs in the City's operations, which can be compared with around 5,700 young people in 2013.



PHOTO: MAGNUS SELANDER

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In 2014, Ann-Christine Holten was awarded the Nelson Mandela Prize in recognition of her work to break segregation among foreign born women.

tion of refugees should be appropriated to the District Councils to create conditions for a good reception and integration. The compensation is payable to the District Council in which the individual is registered, which means that the financial contribution to the District Council is governed by the scope of the reception. During the year, these funds were used to strengthen activities where there is a need for support for the recent arrivals, such as information about society, financial assistance and housing. The District Councils' reporting shows that the distribution of these funds meant that vulnerability decreased in the operations affected by and important to the reception of refugees.

Every year, the City of Stockholm presents the Nelson Mandela Award for efforts made by clubs and associations, the business sector or the arts which result in making Stockholm a more open and integrated city. In 2014, the award went to Ann-Christine Holten, Operating Manager for the Salvation Army's FA centre in Akalla. For around 13 years, the Salvation Army women's centre in Akalla has worked to break segregation among foreign born women and support them in learning Swedish and finding work.

Indicator	Goal	Out- come	Goal attainment	Comments
Percentage of people dependent on financial assistance in relation to the population as a whole	2.0%	1.9%	Met in full	
Percentage of adults with long-term dependency on financial assistance in relation to the adult population as a whole	1.2%	1.2%	Met in full	
Percentage of children growing up in families dependent on financial assistance	4.0%	3.4%	Met in full	
Percentage of jobseekers who are self-supporting six months after leaving the Jobbtorg Stockholm programme	81.0%	79.0%	Met in part	The results improved by 2 percentage points since 2013. Continued work is being done to develop methods to support jobseekers to become self-supporting on the long term.
The number of trainee positions provided for jobseekers matched by Jobbtorg Stockholm	1,600	1,398	Met in part	This indicator changes beginning in 2015 to instead measure the number of internships conducted.



PHOTO: PÅR OLSSON

A sustainable city

The City of Stockholm is at the forefront of environmental protection with the goal of being a world-class, growing, sustainable city. In 2010, Stockholm became Europe's first environmental capital. Since then, the City has continued to work actively on the sustainable development of the City environment, green spaces and the transport system.

The climate issue is an important part of this, and has been a central focus for the City of Stockholm's work during the year. In 2014, seven of 11 indicators were achieved in full. One indicator was removed from the assessment and three indicators are assessed to have been achieved in part. Due to the above together with the efforts conducted in the rest of the areas to safeguard the environment and the residents' health, the City Executive Office assesses that the operational goal has been achieved in part in 2014.

City of Stockholm Environmental Programme

The environmental programme for the City of Stockholm pertains to the period 2012-2015. The programme shows the City's ambitions in the area of the environment. Besides serving as an environmental governance tool for the City's own operations, the environmental programme is a guide and a steering document for cooperation with the business sector, the residents, organisa-

tions and authorities in working for an environmentally sustainable Stockholm. During the autumn, the City prepared the upcoming revision of the environmental programme, in part through a half-time evaluation of the climate targets.

Energy consumption and environmental classification

In 2014, the City's target of 100 percent green vehicles was not achieved. The City's targets for energy consumption and electricity consumption were not achieved either. However, for many years, the City has had a positive trend with reduced energy consumption. The target of having 20 percent environmentally classed buildings proved to be difficult to apply and was therefore removed from this year's assessment.

In 2014, the City of Stockholm further raised the ambitions of environmental measures in both new production and in the existing range of housing. The housing companies have therefore conducted major energy efficiency enhancements▶

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For many years, the City has had a positive trend with reduced energy consumption.

that are now providing results and will continue in the future. SISAB reduced energy consumption by more than 5 percent and most of the companies exceed the City's targets. AB Svenska Bostäder also reports a record breaking low average energy consumption in its properties. The urban renewal project Sustainable Järva was concluded and the experiences of climate smart equipment will benefit the company. The development project within AB Stockholmshem, Sustainable Hökarängen, successfully conducted an in-depth environmental endeavour together with residents and local businesses. The objective has been to find sustainable solutions to reduce the consumption of energy and other resources. The extensive renovations and a higher proportion of energy-efficient homes at all of the City's housing companies are not beginning to have an impact. These experiences can go on to be shared with the entire real estate industry for a continued positive development.

Air quality

A very mild winter with little snow and unusually dry road surfaces began 2014. This provided good conditions for measures in the form of dust suppression and cleaning at an early phase in the year, about one month earlier than normal. In 2014, the Traffic Committee performed dust suppression on 34 streets with high levels of PM10 in Stockholm. The road surfaces being dry also meant that no large deposit of road dust was created on the road surface, but rather wear particles caused by studded tyres were continuously aired out and spread. When there is no extensive formation of road dust deposits during the winter, extremely high levels are also not achieved during the spring. The environmental quality norm for PM10 was met by a good margin in central Stockholm in 2014. The environmental quality norm for nitrogen dioxide was exceeded, however.

Climate

The City of Stockholm has begun planning to achieve a fossil-fuel independent organisation by 2030 and has decided on a route plan for a fossil-fuel free Stockholm by 2050. The City has also begun the work of preparing input for a new emissions target and plan of measures after 2015, including the preparation of input for targets and plans on sustainable energy consumption and reduced green-house gas emissions. The City of Stockholm was named the 2014 National Earth Hour Capital of Sweden by the Worldwide Fund for Nature (WWF).

One of the City's strategies to reduce the climate impact is for 100 percent of the City's vehicles to be green vehicles, which has virtually been achieved. 16.1 percent of the City's vehi-

cles are electric vehicles. The annual target of 9.0 percent electric vehicles was thereby achieved.

Profile areas for sustainable urban development

The City of Stockholm has the environmental profile areas with the objective of Stockholm becoming an international role model for sustainable urban planning. Västra Liljeholmen is an area appointed to be environmentally profiled. For the cutting-edge environmental project, Ordenskapitlet, in Nockebyhov, focus has been on climate and energy. Royal Seaport Innovation was established as an arena for innovation, learning and collaboration in connection with the decision to environmentally profile the urban development in Royal Seaport. To meet the highly set environmental targets in Royal Seaport, diverse expertise was engaged from the City, the business sector and universities and new approaches, processes and methods have been applied.

Through Royal Seaport Innovation, the City of Stockholm stimulated the development of innovative solutions in sustainable buildings. During the year, a number of topics were brought up in forums for sustainable solutions such as "How we build plus energy buildings" and "The best from the Norra 1 quarter in Royal Seaport". Sustainable urban development involves many social challenges. During the year, the City of Stockholm has welcomed local, national and international visitors who want to learn more about how Stockholm works with sustainable urban development.

Ecological food

The demand for ecological food has grown sharply in recent years, which has led to a broader range of these kinds of goods. For 2014, the target was that 20 percent of the food in the City's own operations would be ecological. The outcome of 26.4 percent means that the target was achieved by a wide margin, and compared with 2013, this is an increase of nearly 10 percentage points.

26.4%

The target that 20 percent of the food in the City's own operations should be ecological was achieved by a wide margin of 26.4 percent.



PHOTO: LIESELOTTE VAN DER MEIJIS

Indicator	Goal	Out- come	Goal attainment	Comments
Percentage of ecological food in the City's own operations	20.0%	26.4%	Met in full	
Percentage of electric vehicles	9.0%	16.1%	Met in full	
Percentage of land allocations with the maximum energy consumption requirement of 55 kwh/m ²	100.0%	100.0%	Met in full	
Percentage of green vehicles in the City's fleet	100.0%	98.2%	Met in part	Committees with low target fulfilment in 2014 have improved the forecast for 2015.
Electricity consumption per square metre	33.0 kwh/sq.m.	35.5 kwh/ sq.m.	Met in part	This outcome is an improvement over the 2013 outcome of 43 kWh/square metre.
Energy consumption per square metre	165.0 kwh/sq.m.	168.9 kwh/sq.m.	Met in part	This outcome entails no improvement compared with the 2013 outcome of 169 kWh/square metre.
Amount/proportion food waste that the City's residents and businesses sort out for biological treatment	13.0%	More than 13.0%	Met in full	Outcome not available. During the period January-July 2014, the outcome was 11%. Based on the current rate of increase, the target of 13 is estimated to be achieved for the full year.
Amount of food waste that the City's operations sort out for biological treatment	45.0%	61.1%	Met in full	
Total phosphate levels in lakes	83.0%	88.9%	Met in full	This indicator shows the proportion of lakes that meet the limit for phosphate.
Green-house gas emissions per Stockholmer (tonne/res.)	3.1 tonnes/ resident	2.8 tonnes/ resident	Met in full	
Percentage of environmentally classified buildings	20.0%			This indicator was not been assessed as the definition was difficult to interpret. This indicator has been reformulated for 2015.



PHOTO: JOHAN PONTÉN



PHOTO: SVARTPUNKT AB

A growing city

As Stockholm grows, more homes must be built. The goal is for 140,000 new homes to be completed between 2010 and 2030. Planning will take place so that an even housing production is secured over the economic cycles. The housing production will be weighed against estimated investment potential, anticipated relocations to Stockholm, growth and physical conditions. Student housing and small homes for young people will be prioritised.

The annual targets for three of seven of the City Council's indicators were achieved in full, two were achieved in part and two were not achieved. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

Planning in collaboration

In light of the higher ambitions for housing construction, the target for the number of homes for which land has been allocated was sharply increased for 2014 compared with 2013 from 5,000 to 7,000. The outcome ended up just below the target at 6,860. Compared with the outcome for 2013, this means an increase of 35 percent. The target for the number of homes in approved/accepted local plans was achieved by a wide margin, 6,991 compared with the target of 5,000. Compared with the outcome for 2013, this is an increase of 33 percent.

To ensure goal attainment on the short term, the City Council adopted the goal in the autumn

that 40,000 homes will be completed by 2020.

During the year, the Development Committee, the Traffic Committee, the City Planning Committee and the Environment and Health Committee continued the work of drafting long-term plans for housing construction in collaboration with the City Executive Board.

A growing population and more housing also means the need for more societal functions. This involved more demand for collaboration and coordination between the City's administrations and companies. For example, the City Executive Board, the Development Committee, the Education Committee, the City Planning Committee and SISAB have jointly developed planning to cover future needs for school premises. Planning input has been prepared and processes to meet the need in early phases have been developed.

Dialogue in focus

In 2014, the focus of the communications work regarding the growing city has been developing

6,991

The target for the number of homes in approved/accepted local plans was achieved by a wide margin, 6,991 compared to the target of 5,000.

and establishing new methods and channels for dialogue with the residents. During the year, the “Dialogue Pavilion” was inaugurated as a mobile meeting place that can be used, for example, in consultation processes on site in affected areas, and the “Stockholmsrummet” in Kulturhuset where the City can have a discussion about urban development with the residents through exhibitions and events.

Rate of housing construction lower than 2013

The number of homes that came under construction amounted to 4,729 in 2014 (new builds and conversions). Compared with 2013, which was a record year in terms of the number of homes coming under construction, this is a decrease of 29 percent, and the target of 5,000 was not fully achieved. The target of 5,000 finished homes was not achieved, this figure reached 3,925. Compared with 2013, this is a decrease of 8 percent. Construction on most of these homes began in a recession in 2012. Since 2010, a total of 25,178 homes came under construction and 21,459 have been completed. Accordingly, of the long-term goal of 140,000 completed homes between 2010 and 2030, 118,541 remain, which would require an average annual rate of over 7,600 homes per year.

The three City Districts with the most completed homes during the year are Mariehäll with more than 500, Royal Seaport with more than 400 and Fruängen with more than 300 homes. In terms of homes begun, Royal Seaport tops the list with more than 700, followed by Liljeholmen with 500 and Södra Hammarbyhamnen with 280 homes.

AB Svenska Bostäder, AB Stockholmshem and AB Familjebostäder report a total of 861 municipal rental apartments coming under construction during the year, compared with these companies’ total target of 1,625 homes begun. Growing numbers of private companies are becoming interested in building rental apartments in Stockholm. This has meant that the City Council’s target of 1,500 rental units begun was achieved nonetheless. In total, 1,690 rental units were begun in the City during the year.

More student accommodation

In 2014, 313 student apartments were completed. This includes AB Svenska Bostäder’s Söderåsen quarter in Royal Seaport with a total of 141 student apartments, and the first stage of the Tankebyggarorden quarter in Bredäng with a total of 80 student units. The goal that 300 student apartments should be completed in 2014 was thereby met in full. Accordingly, 3,477 student apartments remain out of the 4,000 student housing units that the City committed to build in 2013-2017 in the Studentbostadsmässan project.

A total of 696 student apartments came under construction during the year, and at year-end just over 900 student apartments were under construction. Approved or accepted local plans include 5,000 student apartments and another 2,000 are in on-going local planning work. In addition, there some hundred student apartments for which land has been allocated, but planning has not yet begun.

Metro a new planning condition

In the Metro expansion agreement, the City agreed that 45,900 homes would be built in the influence area of the new Metro lines in Söderort, Hagastaden and Södermalm by 2030. This new housing will relate to local plans that are accepted/approved beginning in 2014, except for the local plan for Hagastaden, which was accepted in 2010.

For 2014, the goal was that the number of homes in approved/accepted local plans in the new Metro’s influence area would reach 1,700. The outcome was 877. The target was accordingly not achieved. No housing construction has begun or been completed in the local plans covered by the agreement. The Development Committee allocated land to a total of 2,844 homes in the influence area during the year. The Committee’s own goal of 2,300 was thereby exceeded by 24 percent, which can be seen as proof that the planned Metro contributed to greater market interest in these parts of the City of Stockholm.

45,900

homes will be built in the new Metro line’s area of influence in Söderort, Hagastaden and Södermalm by 2030.

Indicator	Goal	Outcome	Goal attainment	Comments
Number of homes for which land has been allocated	7,000	6,860	Met in part	This outcome is an increase of 35% compared with 2013.
Number of homes in approved/accepted local plans	5,000	6,991	Met in full	
Number of homes in approved/accepted local plans in the new Metro’s influence area	1,700	877	Not met	Indicators and targets were introduced during the year, and have not had time to have a full impact.
Number of homes entering construction	5,000	4,729	Met in part	95% goal attainment.
Number of rental apartments started	1,500	1,690	Met in full	
Number of homes completed	5,000	3,925	Not met	79% goal attainment.
Net addition of student homes	300	312	Met in full	



PHOTO: NIKLAS DARNELL

A close-knit city

A well-functioning traffic system is crucial to provide for business transports and the needs of residents. Good accessibility is also vital in order to achieve the goal of a reduced environmental impact. A growing city demands expanded infrastructure, at the same time the existing infrastructure should be maintained.

The City Executive Office's assessment is based on a weighing together of the outcome of the City Council's indicators and the committees' administration reports. A total of six committees out of six assess that the target for their area of operations has been met in full. Six of the City Council's ten indicators were achieved in full, three were achieved in part and one was not achieved. Considering the above, the City Executive Office assesses in summary that the operational goal was achieved in full in 2014.

Accessibility improving

The message in the Urban Mobility Strategy is that high capacity means of transport must be

prioritised so that more people and more goods will be able to be transported efficiently. The action programme for mainline buses is continuing to be implemented. Among other things, a pilot project for bus line 4 was conducted with positive results. Shorter travel time, more even loading levels and greater reliability have been achieved with a reduction of bus stops, higher priority in the street space, improved monitoring of illegally parked vehicles and boarding in all doors. In total, the accessibility targets for the mainline buses have not been achieved, however.

During the year, a strategy for delivery transports was adopted, which should lead to more predictable delivery times, facilitated access for delivery vehicles, a higher proportion of green

”

Accessibility by bike has been more highly prioritised near road works, and several traffic safety and accessibility improvements have been implemented.

vehicles and better collaboration with other players in the logistics chain.

The traffic disruptions that affected road traffic to a greater extent were documented during the year to call attention to both good and less good examples of traffic routing decisions, which formed the basis of many information measures prior to planned disruptions. During the year, a new “central digital timetable” for major traffic-disrupting projects was prepared with partial financing from the Swedish Transport Administration and Stockholm County Council.

Cycling investments

During the year, a strategy for more cycling in the City was adopted. It aims to strengthen the work on cycling promotion measures and thereby supplements the Cycle Plan from 2013, which focuses on the expansion of infrastructure for cycling. The work on implementing the Cycle Plan is under way. Thus far, around 30 percent of the SEK 1 billion allocated to secure the implementation of the most highly prioritised measures has been used.

The cooperation with neighbouring municipalities to tie together bicycle paths over municipal boundaries is continuing. An example of major investments is that Perstorpsvägen and Flatenvägen have been given bicycle paths that have been linked together with a regional link.

Measures to improve standards in the form of new paving have been undertaken between Bergslagsplan and Räckstarondellen. Accessibility by bike has been more highly prioritised in road works, and several traffic safety and accessibility improvements have been implemented.

In 2014, a total of 2,625 bicycle parking spaces were completed in the City, including 820 theft-safe spaces in the inner city. A number of new cycling promotion measures have been tested: bicycle parking in furnishing zones, visualisation of green waves and the broadening of the cycle paths on Götgatan.

Expansion of future traffic systems

In the 2013 Stockholm Negotiations, four new Metro lines were decided on: Odenplan–Arenastaden, Akalla–Barkarby, Kungsträdgården–Nacka and the extension of the blue line from Kungsträdgården will be connected with the Hagsätra line at Gullmarsplan. During the year, the City contributed to the planning of the Metro expansion together with the County Council’s Metro Expansion Administration.

In November 2014, most of the Norra Länken bypass was opened for traffic. Norra Länken extends between Karlberg and Värtan and has a connection to Roslagsvägen at the University. Norra Länken is an important piece of the puzzle to resolve the region’s traffic problems and a prerequisite for the development of the new city districts Hagastaden and Royal Seaport.

The work on the remodelling of Slussen continued. In February 2014, the City of Stockholm obtained the necessary permits from the Land and Environmental Court for all work and new installations in water, ground water diversion and the new regulation of Lake Mälaren. In March 2014, the Land and Environmental Court of Appeal announced that it would not grant a review petition for the local plan for the bus terminal for the Nacka and Värmdö buses. This means that a new planning process must be carried out.



In November 2014, most of the Norra Länken bypass was opened for traffic.

Indicator	Goal	Outcome	Goal attainment	Comments
Number of bicycle passages across the inner city	65,500	57,320	Met in part	This outcome is 88% of the annual target and is thereby assessed to be met in part. This indicator refers to the average of the past five years. The 2014 measurement took place in bad weather, which affected the outcome negatively.
Percentage of bicycle users	10.0%	10.0%	Met in full	This proportion is assessed to be unchanged compared with 2013.
Percentage of pedestrians	20.0%	20.0%	Met in full	- " -
Percentage of car travellers	24.0%	24.0%	Met in full	- " -
Percentage of public transport passengers	47.0%	47.0%	Met in full	- " -
Average speed of mainline buses in the inner city	18 km/h	16.8 km/h	Met in part	This outcome is a small increase over 2013 (16.5 km/h).
Average speed of mainline buses in the suburbs	31 km/h	28.4 km/h	Met in part	This outcome is a decrease compared with 2013 (30 km/h).
Increase in travel time, inner city streets, percent	0.0%	-5.0%	Met in full	Additional improvement after two years of lower travel times.
Increase in travel time, suburban streets, percent	0.0%	17.0%	Not met	After two relatively good years, the delays were again higher in the suburbs. This is normally due to more congestion, but the traffic measurements from October for the suburbs have not yet been compiled.
Travel time reliability	63.0%	63.0%	Met in full	



PHOTO: PÅR OLSSON

A city with an active leisure scene

Various cultural and sporting events are to be given greater prominence in many operations. Children, teenagers and the elderly – everyone is entitled to enjoy music, art and sports on an everyday basis. Investment focuses on children, young people and those with disabilities, and choice should be broad.

A survey of residents showed that Stockholm's young people are very satisfied with the cultural and sports activities available. The survey also showed, however, that further work would be useful on Stockholmers' overall experiences of culture and sports. Three out of five indicators' annual targets were achieved in 2014. Considering the above, the City Executive Office assesses that the operational goal was achieved in part in 2014.

Stockholm City Hall – symbol and attraction

Ragnar Östberg's City Hall from 1923 is a symbol for the City, home of the City Executive Board and a significant attraction for those interested from near and far. In 2014, 385,000 visitors were drawn to the City Hall, which hosted some 70 representation receptions. As a sign of the

times, Stockholm City Hall can now also be liked on Facebook.

The Stockholm of Experiences

Stockholm is rich in experiences. The City's work with experiences is based on the idea that the residents, children and young people, regardless of ability, can participate in a culture life that is of high quality and offers personal meaning to the individual.

The recurring event Kulturnatt Stockholm attracted more than 115,000 visitors and had 105 participating institutions, museums and cultural actors. More than 60 percent of the visitors were first-time visitors.

The citizenship ceremony in City Hall gathered more than 1,200 of a total of 4,300 new citizens.

150,000

The Cultural Festival and We are Sthlm set new attendance records with more than 150,000 new visits.

In June, Brunkebergstorg was remodelled into a meeting place in the city centre. The Brunkbergstorg Project was made possible by the efforts of Liljevalch's Art Gallery, the Real Estate Committee, the Traffic Committee and others to gather culture, entertainment and a varying range of dining to the location throughout the summer.

In Södermalm, the "Open Streets" project was carried out, where Götgatan was closed to traffic over seven Saturdays and the street was filled with various activities that drew hundreds of thousands of visitors during the summer.

The Cultural Festival and We ar Sthlm were very successful. Through exciting cooperation with the City of Barcelona, among others, the festivals broke attendance records with more than 150,000 new visitors. A new children's and family area at Norrbro attracted new visitors.

Popular, vibrant institutions

Liljevalch's can look back on another successful year of art with more than 123,523 visitors, just over 14,000 more than estimated. "Vårsalongen" at the end of January again set a new audience record with 76,297 visitors. In collaboration with Micasa Fastigheter i Stockholm AB, a guided and appreciated exhibition was recorded for homes for the elderly under the heading "Vårsalongen på turné". The project turned out well and will be repeated at Vårsalongen 2015 as a way to make Liljevalch's unique range of art more accessible.

Stockholmers read, learn and reflect

From the studies, it is clear that the percentage of Stockholmers who regularly read books is significantly higher than among residents of Stockholm County and Sweden as a whole. Surveys show that the percentage of library users increased during the year. Both the number of

visitors and the number of loans increased compared with the same period in 2013.

The cultural courses offered at Kulturskolan Stockholm are very popular. A broad range of music, song, theatre, circus, dance, musicals, art and media attracted more than 27,000 children and young people to Kulturskolan's courses. The customer survey from 2014 provided evidence that the students were very satisfied with the instruction and their teachers above all. Of the students, 96 percent agreed with the statement "Kulturskolan is fun" and 92 percent agreed with the statement "I learn a lot".

The Stockholm City Museum, the Medieval Museum and Stockholmia continue to successfully convey Stockholm's history and challenge Stockholmers to interpret and re-interpret the City's space. The popularity of these operations is noticed in the dramatic increase in the number of return visits to the museums: 52 percent at the Stockholm City Museum and 41 percent at the Medieval Museum. The museums' high level of quality is also noticed by tourists. In June, the Medieval Museum was awarded the Certificate of Excellence 2014 for continued fantastic ratings from satisfied museum visitors on TripAdvisor. Lonely Planet named the Millennium Tour the world's best literary walking tour.

Facilities that encourage exercise and movement

The City ensures that the facilities maintain a high level of quality. As the population of Stockholm grows, the offering increases. The construction of five new sports halls has begun and will continue in 2015. A number of new artificial grass football pitches were completed during the year and an old favourite, Vanadisbadet, was renovated and re-opened in June. ▶



Surveys show that the percentage of library users increased during the year.



PHOTO: LENNART JOHANSSON

“It should be just as easy to dance as to play football”

One challenge is attracting as many girls as boys to participate in sports. The City strives to be able to meet what boys and girls say they want and also tries to contribute to encouraging girls to join traditionally boy-dominated activities as well as vice versa, encouraging boys to participate in activities traditionally dominated by girls. This is done in part through the City’s own activities such as well-being courses, but also through cooperation with associations and volunteer efforts, like Järvalyftet sports.

The children’s perspective was generally given a clearer profile in the City’s sports work in 2014. Among other things, child check lists were developed and dialogue cafés were held where children, with and without disabilities, participated to ensure that the activities taken on the right perspective.

Nature as an arena

More people can be attracted to partake of the possibilities provided by outdoor life. The City’s investment in outdoor gyms is much appreciated and during the year, the City built new outdoor gyms. In 2014 alone, seven new outdoor gyms were added including at Spånga sports field and Gärdets sports field. The exercise tracks in Ågesta and the Nacka Nature Reserve are popular. For the winter season, extensive work was done to improve the surface to create the best conditions for skiing, which is an interest that has grown strongly in Stockholm. During the year, for example, the Stockholm Olympic Stadium and Gubbängen sports field opened for skiing on the tracks.

7

During the year, the City built seven new outdoor gyms, including those at the Spånga and Gärdet sports fields.



PHOTO: SARA MCKEY



PHOTO: © STOCKHOLM PUBLIC LIBRARY



PHOTO: PÅR OLSSON

Indicator	Goal	Outcome	Goal attainment	Comments
Stockholmers' satisfaction with Stockholm's sports activities	80.0%	66.0%	Met in part	Of the respondents, 77 percent said yes to the question "In general, I am satisfied with the opportunities to exercise/practice sports in Stockholm."
Stockholmers' satisfaction with Stockholm's cultural life	87.0%	80.0%	Met in part	The outcome increased compared with 2013.
Satisfaction among young people with the opportunities to participate personally in cultural activities	51.0%	52.0%	Met in full	
Satisfaction among young people with access to spontaneous involvement in sports	51.0%	78.0%	Met in full	
Satisfaction among young people with access to organised sports	51.0%	76.0%	Met in full	

A safe and attractive city

Stockholm should be an attractive city for people to live in and to visit. Secure, clean and well-lighted urban environments must be ensured. The recurring security surveys done in the City will be included in the input to the City's security work. The quality of the City's park land and green spaces will be increased.

The City Executive Office's assessment is based on a weighing together of the outcome of the City Council's indicators and the committees' administration reports. A total of 27 out of 30 committees assess that the target for the operational area was achieved in full, while three committees assess that the target was achieved in part. Ten of the City Council's 14 indicators were achieved in full, two were achieved in part and two were not achieved. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

Security increased

During the year, the third City-wide security survey was conducted. The results indicate a continued positive trend. In general, ever fewer Stockholmers feel a sense of insecurity. The perception of begging changed, however. From not notably disturbing in 2008, the phenomenon is now seen as very disturbing by one-fifth of the Stockholmers. The report also shows that there is a stronger connection between the feeling of unease and social risk factors³ than between the feeling of unease and the number of crimes reported to the police. The co-variation shown is that the areas of districts where the social risk index is high are also those where unease is high and in the areas where the social risk index is low, unease is low.

Several indicators are developing in the right direction. The Stockholm survey indicates that the number of young people detained by police for crimes decreased between 2012 and 2014. The number of young people sentenced to youth community service in 2014 decreased to 113 compared with 163 in 2013. Negative remarks from inspections of permits for alcohol sales decreased to 5.5 percent from 5.7 percent in

2013. Police statistics show that violence and abuse in public places are decreasing.

The City's efforts to increase safety and security for the citizens are extensive. For example, it can be mentioned that 13 District Councils have social intervention groups for young people. They comprise a structured form of collaboration at a local level with social services, police, schools and other important actors that cooperate with a focus on the individual to help the young person stop his or her criminal activities. Cooperation with an aim to increase security and well-being is conducted with property owners, associations and parents in many different forms in the city districts. The Håsselby-Vällingby District Council has good experience of employing citizen hosts as a part of a coordinated suburban development, which also includes parent coaches, housing dialogues, local meeting places and so on.

A clean and tidy city is an attractive city

The District Councils have invested in developing, improving and preserving playgrounds, parks and green spaces. These measures contributed to the improved outcome for the indicator that measures how the residents experience the care of parks and green spaces. Existing parks are cared for and developed at the same time that new parks are made in urban development areas. Besides creating beautiful and interesting parks, good accessibility has the highest priority. In some districts, there is, however, a experienced problem that homeless people live in the parks. ►

³ The social risk factors used are: Voting, relative poverty, unemployment, illness statistics, qualification for upper-secondary school, completed upper-secondary education and children in financially disadvantaged households. These can be compiled into an index.

66%
of Stockholmers
are satisfied with
the care of parks
and green spaces.



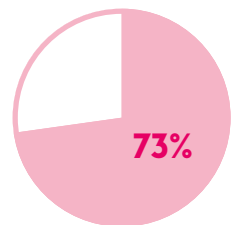
PHOTO: PAWEŁ FLATO

Measures to improve lighting are under way throughout the City. A light strategy has been established and during the year, lighting was installed for the Hötorg skyscrapers, Vanadis-lunden and the Stockholm Concert Hall.

Through cooperation between the Labour Market Committee and the Traffic Committee, about one hundred of long-term unemployed were provided work for six to 12 months as Stockholm hosts. Their possibilities of entering the regular labour market improve at the same time that their work improves the City's outdoor environment. In collaboration with the Keep Sweden Tidy Foundation, Litter Picking Days were held throughout the City during a week in May with a record number of registered participants.

The City's guarantee of graffiti removal within 24 hours comprised 96,000 sq.m. during the year, which was around 10,000 sq.m. more than in 2013. The increase is related to a marked increase in the number of reports of graffiti.

The indicator that measures satisfaction with snow clearance and sanding improved considerably compared with last year, although this is due in part to there being significantly less snow. A bicycle path of around 60 kilometres was prioritised that was provided a higher standard of snow clearance and winter maintenance. The method of roll sweeping and spreading salt solution on prioritised bicycle paths has meant that sand sweeping does not need to be done on these paths.



73% feel safe in the City district where they live.

Indicator	Goal	Out- come	Goal attainment	Comments
Proportion of steps taken in the scope of the Risk and Vulnerability Analysis (RVA)	100.0%	96.0%	Met in part	Two District Councils (Bromma and Östermalm) report targets not met. Five District Councils and one company report targets met in part (Sports Committee, Farsta DC, Normalm DC, Spånga-Tensta DC, Älvsjö DC and Stockholm Vatten AB).
Percentage that feels secure in the district where they live	73.0%	73.0%	Met in full	Compared with 2013, the largest improvement took place in Enskede-Årsta-Vantör DC (+10 %-points). The best outcome was in Norrmalm DC at 87%.
Percentage that experiences Stockholm as an accessible city for everyone	86.0%	84.0%	Met in part	Compared with 2013, the largest improvement was in Spånga-Tensta DC (+11 %-points) and the largest degradation was in Södermalm DC (-5 %-points). The only district with an outcome below 80% was Hässelby-Vällingby (77%).
Stockholmers' satisfaction with cleanliness and tidiness	55.0%	58.0%	Met in full	The outcome is comprised of the average of the questions whether it is generally clean and tidy, whether littered areas are cleaned quickly and the waste bins are emptied often enough and whether cleaning of streets and squares is satisfactory. The question of fast cleaning of littered places and emptying of bins had an outcome of 43%. Both of the other questions have the outcomes 65% and 66%.
Stockholmers' satisfaction with the care of parks and green spaces	62.0%	66.0%	Met in full	A large increase over 2013 when the outcome was 58%. The largest improvement took place in Älvsjö DC and Farsta DC (+25 %-points). Södermalm DC and Skärholmen DC had lower outcomes in 2014 than 2013.
Stockholmers' satisfaction with the cleaning of graffiti/vandalism	62.0%	63.0%	Met in full	The outcome is comprised of the average of two questions. To the question of whether one is bothered by graffiti, 69% say they are not, and to the question of whether one thinks graffiti is removed quickly, the outcome is 56%.
Stockholmers' satisfaction with snow clearance/sanding	50.0%	52.0%	Met in full	Compared with 2013, all city districts had a better outcome. These results are related to there being less snow in 2014.
The degree of fulfilment of 24-hour graffiti removal guarantee	98.0%	98.0%	Met in full	
The degree of fulfilment of 24-hour waste bin emptying guarantee	100.0%	100.0%	Met in full	
The degree of fulfilment of 24-hour cleaning guarantee	100.0%	100.0%	Met in full	
Percentage of residents who know where to find information to get in touch with the City's operations	52.0%	38.0%	Not met	The annual target is based on the brand follow-ups of earlier years, but the question has been reformulated and the method for collecting has changed, which means that the outcome in the user survey (38%) cannot be compared to the annual target.
Proportion of people who find it easy to communicate with the City of Stockholm	61.0%	61.0%	Met in full	
Speed compliance	62.0%	63.0%	Met in full	
Safe passage for pedestrians, cyclists and mopeds (GCM)	35.0%	19.0%	Not met	The annual target was based on a rough estimate that proved to be unrealistic.



A city with freedom of choice and diversity

The Stockholmers have the possibility to choose between options of pre-schools, schools and educational profile, sheltered living or other welfare services. The right of everyone to choose should be respected and the City must ensure that such flexibility is offered.

For four out of six of the City Council's indicators, which are all followed up through user and residents surveys, the conclusion is that the City Council's target for the year was achieved in full. Simple and accessible information on the implications of freedom of choice and the alternatives available is vital if Stockholmers and users are to feel that they have freedom of choice. The District Councils are working continuously to adapt the information to meet the specific requirements

of various users, such as those with disabilities. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

Stockholmers' options

Stockholmers can choose between multiple municipal and private providers for pre-schools, schools, care for the elderly, support and service to those with disabilities and in social psychiatry. Information for residents on freedom of choice

is provided both through verbal and written information, partly from the City's Direct Elderly Care Contact Centre, the City's assistance processing staff and the City Services Offices, as well as through outreach work aimed at senior citizens. Central support is provided on the City's website in the form of a Compare Service function.

Active guidance

To ensure that the users have the possibility to make active, well-founded choices, the City's assistance appraisers play an important role. This work is focused on providing the right guidance based on the users' various needs and abilities. Methods have been developed to clarify what options are available to choose from. This is done, for instance, by the assistance appraisers ensuring that information on the Compare Service function is provided through the use of check lists in the interaction with individuals, and when necessary using tablets in e.g. visits to the elderly who are choosing providers in home-help services or sheltered living. To guarantee that the assistance appraisers have a high level of knowledge about the freedom of choice system and the Compare Service function, continuous training efforts have been conducted and knowledge transfer has been enabled with information meetings and networks in the respective areas of operations.

Within elderly care, the user is informed both verbally and in writing of the alternatives available in conjunction with the application. The assistance appraiser guides the elderly person based on his or her particular wishes regarding, for instance, the profile of the provider, such as

sheltered-living or home-help staff with special language skills or with special training for particular diagnoses such as stroke and dementia. For users who are over the age of 80, recurring information meetings are arranged and the councils conduct outreach services for those who cannot participate in these meetings for various reasons.

The City's pre-school units have improved their external information provision through measures including brochures, exhibitions about their operations and information briefings at the pre-schools. A joint information brochure with general information on pre-school has been prepared. In addition, some councils have begun developing a pre-school website with the aim of simplifying and modernising the communication channels between the pre-school and parents.

Development work that provides results

The work done is followed up with targeted user surveys to ensure that the efforts made provide results. The outcomes in the user survey show that a large part of the target group is aware of their possibilities of choosing providers. For four out of the six indicators that measure the users' experienced freedom of choice, the results improved further since last year. The City's work has generated higher results in: Percentage of users who feel that they have choice in pre-schools (80 percent), Percentage of users who feel that they have choice in care for the elderly and sheltered living (89 percent), Percentage of residents who know where information is to be able to make choices (52 percent), Percentage of users who feel that they have choice in the care of people with disabilities (69 percent).

89%

Percentage of users who feel that they have choice in sheltered housing amounts to 89%.

Indicator	Goal	Outcome	Goal attainment	Comments
Percentage of users who feel that they have choice in pre-schools.	77.0%	80.0%	Met in full	
Percentage of users who feel that they have choice in the care of people with disabilities.	69.0%	69.0%	Met in full	
Percentage of users who feel that they have choice in schools.	85.0%	81.0%	Met in part	The outcome for 2013 was 81%. The indicator relates to the Education Committee.
Percentage of users who feel that they have choice in care for the elderly and home-help services.	90.0%	76.0%	Met in part	The outcome for 2013 was 91%. The indicator relates to the District Councils.
Percentage of users who feel that they have choice in care for the elderly and sheltered living.	84.0%	89.0%	Met in full	
Percentage of residents who know where information is to be able to make choices.	52.0%	52.0%	Met in full	



A city focused on knowledge and development

Stockholm's children and young people should be offered Sweden's best pre-schools and schools. There should be a broad range of activities, profiles and independent alternatives, where knowledge, learning and care should be in focus.

The City Executive Office's assessment is based on the outcomes for the City Council's indicators. Of the City Council's 22 indicators in the educational field, 14 were achieved in full. In compulsory school and upper secondary school, knowledge results have been somewhat constant over time and there are large differences between schools. In pre-schools, the results of the user surveys have improved while they have declined in upper secondary schools. Considering the above, the City Executive Office assesses that the operational goal was achieved in part in 2014.

PRE-SCHOOL

The number of children in municipal and independent pre-schools continues to grow and in 2014, more than 54,000 children were enrolled in the City's pre-schools, an increase of around 1,000 children over last year. Even if the rate of increase has slowed somewhat, the strong expansion is continuing in order to be able to accept new pre-school children, and the childcare guarantee was fulfilled throughout the City. The trend is moving in different directions in different parts of the City. At the same time that some District Councils have fewer children than earlier years,

54,000
children were enrolled in the City's pre-schools in 2014, an increase of around 1,000 children over last year.

the number of children is increasing sharply in Hägersten-Liljeholmen, Bromma and Farsta District Councils.

High experienced satisfaction, but a low percentage of pre-school teachers

Parents in Stockholm are consistently positive to the activities conducted in municipal and independent pre-schools. The percentage of parents who say that they are satisfied with the pre-school was 86 percent in the 2014 user survey, which is an improvement over last year's already high results. The results are high in both municipal and independent pre-schools. Among the municipal pre-schools, the Östermalm District Council distinguishes itself with more than 90 percent satisfied parents. An area that has indicated marked improvements in recent years is safety and security. In two years, the percentage of parents who feel that the pre-school as a whole is safe and secure increased by nearly 10 percentage points.

Increasing the percentage of pre-school teachers was also a major challenge in 2014. The definition of this indicator changed during the year when Statistics Sweden made changes to the collection of statistics on pre-school employees. This makes comparisons over time more difficult and the information presented here also only pertains to municipal operations. Nonetheless, the fact that only 38.5 percent of the staff in municipal operations have pre-school teaching positions is too little and the City is continuing to work in various ways to increase this percentage over the long term. Efforts on the training of child minders to become pre-school teachers

have properly gained speed. In 2014, 180 people participated in the further education, an increase with more than 50 percent over last year.

Active work for more digital use

An important area of development in the City's pre-schools is the use of information and communication technology (ICT) in the educational activities. In 2014, the three-year effort "PIM in Pre-schools" was completed. More than 600 educators and 250 managers in pre-schools participated in the project that increased both the staff's competence and the use of ICT as an integrated part of the instruction. The project was a collective start for deliberate and active work with ICT in pre-schools and it is important that the issues are kept alive in various ways in the structures the project helped create.

The number of children enrolled in pre-school, public pre-school and educational care.

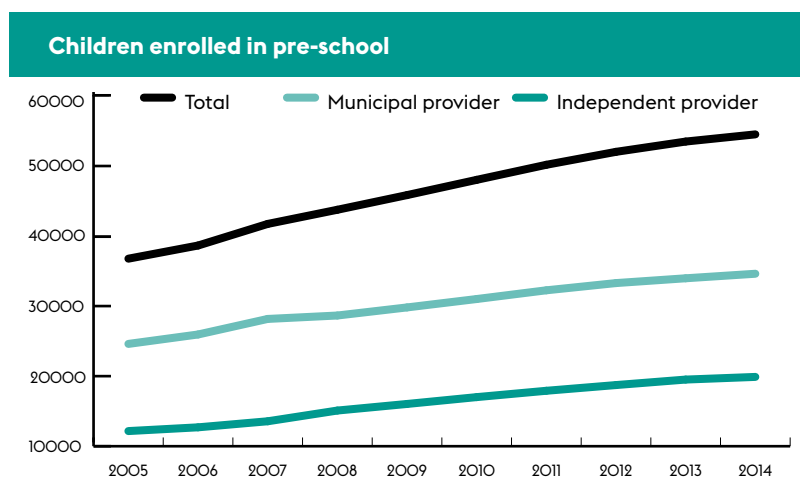


PHOTO: LIESELOTTE VANDER MEIJUS

Pre-schools and schools

COMPULSORY SCHOOL

The number of compulsory school children continues to grow. During 2014, more than 85,000 pupils on average attended compulsory school in Stockholm, which is an increase of 3,000 since 2013. The largest increase was in the lower grades. More than three-fourths of the Stockholm pupils chose one of the City's municipal schools. The number of pupils in special-needs school is at the same level as last year, around 820 pupils.

Altogether, the different results measurements in grade 9 provide a somewhat conflicting picture of the past year. One positive aspect is that the percentage of students that earned passing marks in all subjects in grade 9 is the highest in the past ten-year period and the grade point average increased to the highest since 2010. At the same time, the key measurement of the percentage of students qualified for national upper-secondary programmes (at least vocational programmes) decreased. The entry requirements have become more stringent in recent years, but it is nonetheless troubling that a full 14 percent

of the students lack qualification after grade 9 and that this percentage has been somewhat constant over a ten-year period.

School compensatory task

The results trend again shows that the variation in the schools' results is greatest in schools with the least beneficial socio-economic conditions. After last year's improvement for these schools, the 2014 trend is again going in the wrong direction. Schools have a clear compensatory task and it is crucial that the City improves goal attainment in all schools.

During the year, the Education Committee continued the long-term work of increasing equivalency between the schools. The stake on particular focus schools continued and central resources were prioritised for these 15 schools. It is too early to see any clear result improvements at the selected schools.

Another effort that is important is the reception and education for recent arrivals and late



The grade point average increased to the highest level since 2010.

arrivals among pupils. During the autumn, the Education Committee prepared joint routines for this with the aim of creating equivalency and good quality in the reception based on a fundamental knowledge mapping of each pupil.

The reception unit START Järva met 230 pupils and their guardians this year. An evaluation of the Start Järva project indicated positive results and its activities are now being expanded to other parts the City.

Valuable handover between pre-school and school

In order for schools to capture the pupils' needs early on, a well functioning transition between pre-school and school is key. In 2013, the City Council adopted guidelines for this and affected

committees have prepared local action plans for how this should be done. During the year, the City Audit Office examined the transition to assess whether the children get a well-planned transition in line with the Council's guidelines. The Audit Office confirms that the transition still varies in different parts of the City, which is negative from an equivalency perspective. The Audit Office believes that there is more to be desired in terms of the use of the educational documentation that will be handed over. It is important that this documentation is relevant and that a dialogue is conducted between pre-schools and schools around suitable content to increase its experienced benefit and avoid unnecessary administration.



PHOTO: LIESELOTTE VAN DER MEIJIS

Results in municipal compulsory schools	City of Stockholm	City of Stockholm	Metropolitan areas	Sweden
Academic year	2013/2014	2012/2013	2013/2014	2013/2014
Average points obtained (points)	225.2	222.4	216.0	211.0
Percentage of students qualifying for upper secondary school (min. vocational programmes)	85.7%	87.4%	82.6%	85.7%
Percentage students achieving the goals in all subjects	77.0%	74.5%	72.2%	75.9%

UPPER SECONDARY SCHOOL

During 2014, around 25,200 students attended upper secondary schools in Stockholm, a decrease of about 600 since last year. Around 40 percent of the students attended an independent upper secondary school and 14 percent attended school in a different municipality. About 450 pupils attended special-needs upper secondary school during the year.

The students who graduated upper secondary school in 2014 attended upper secondary school according to the gym reform. This means that the results are not completely comparable with previous years. In general, girls achieve higher marks than boys. Pupils in university preparatory programmes achieve higher marks than those in the vocational programmes. In Stockholm, the municipal schools have higher results than the independent schools. The municipal schools have higher or the same results on all questions in the user survey except one compared with the independent schools. However, the results degraded compared with 2013 for virtually all questions. In general, the boys are more satisfied with school even if the girls recommend their school and their programme to other students to a higher extent. The largest difference between the genders concerns the question "My teachers help me understand what I should do to improve my study results" where 58 percent of the boys are satisfied while only 47 percent of the girls are satisfied.

More than half, 54 percent, of the Stockholm

young people begin university studies within three years of completing upper secondary studies. This is a higher percentage compared with Malmö and Gothenburg. The corresponding figure for Sweden as a whole was 41 percent.

The Education Committee continued to develop the upper secondary activities based on the three development areas: improving the students' study results, developing the systematic quality work and a sustainable education offering. Among other things, the conditions for the headmasters' educational leadership were improved in that administrative group managers were appointed at the schools, improving the administrative support. The Education Committee prepared a proposal on how knowledge development can be monitored in upper secondary special-needs schools and the introduction programmes.

IT-educational development

All students in the City's upper secondary schools are provided with their own laptop. In order for the computers to be able to be fully used as a digital tool, all teachers made a self estimate. Based on the estimate, the teachers received suggestions on how to increase their own digital maturity and increase use of digital technology. The estimates are compiled on a school level so that the respective headmasters can prepare an action plan for the school with the aim of increasing the school's digital maturity.

91%
of upper
secondary
students feel
safe in school.



PHOTO: FREDRIK PERSSON

Statistics from the Swedish National Agency for Education on upper secondary school results									
Students graduating*	City of Stockholm (municipal)			City of Stockholm (independent)			Sweden (all operators)		
	National programmes, total	Vocation programmes	University preparatory programmes	National programmes, total	Vocation programmes	University preparatory programmes	National programmes, total	Vocation programmes	University preparatory programmes
of which with degrees	89.1	80.0	90.5	84.0	81.4	84.7	88.5	84.4	91.0
of which with general entry requirements for university	82.7	34.9	90.5	74.0	35.4	84.7	70.3	34.8	91.0
Average grade points for all graduating students	14.8	13.1	15.1	14.1	13.1	14.4	14.0	13.0	14.6

* The new concept of graduating includes degree certificates and study certificates with a course volume of 2,500 points.

More students in municipal adult education

In 2014, more than 23,000 unique individuals took one or more courses in municipal adult education (komvux) which is a significant increase compared with 2013. A significant increase also occurred among the prioritised target group of individuals who lack basic education and/or lack a three-year upper secondary education. The target for the percentage of course participants in basic adult education with passing marks after course completion was achieved in full. The target for the percentage of course participants in upper secondary adult education with passing marks after course completion was achieved in part, although the result is somewhat better than 2013. To create the conditions to increase goal attainment, an active dialogue is conducted with schools based on what they can do to improve their results.

The study group in SFI is young and well educated

The number of students in SFI remains high; in 2014, more than 19,000 people participated in training. The study group in Stockholm is young and well educated. More than half of the students are under the age of 35 and nearly half have post-secondary education. The percentage of women is 55 percent and of men is 45 percent. Of those who completed a course during the year, more than 94 percent passed, which is above the City Council's target. However, the target of 65 percent passing after 600 hours was not achieved in full. The reason for this is mainly that a larger number of students with a long time in SFI passed during the year as a result of a special effort for this group, which had a negative impact on the indicator.



94% of course participants in SFI receive passing marks after course completion.



PHOTO: MAGNUS SELANDER

Indicator	Goal	Outcome	Goal attainment	Comments
Percentage pre-school teachers of the number of employees	41.0%	38.5%	Met in part*	*NOTE: Statistics Sweden has a new definition and measurement method that makes comparison between the years difficult. Now people with a pre-school teaching position compared with before when focus was on educational background. The outcome pertains to municipal providers. A changed measurement method also means that the outcome is not available for independent pre-schools until Statistics Sweden publishes this in March/April.
Percentage of satisfied parents	85.0%	86.0%	Met in full	
Number of children per group	16	15.1	Met in full*	*Pertains to municipal providers. A changed measurement method means that the outcome is not available for independent pre-schools until Statistics Sweden publishes this in March/April.
Number of pre-school children per employee	4.9	4.9	Met in full*	*Pertains to municipal providers. A changed measurement method means that the outcome is not available for independent pre-schools until Statistics Sweden publishes this in March/April.
Staff assessment of "the pre-school's ability to promote children's learning and development"	3.7	3.6	Met in part	Does not quite achieve the City Council's annual target (scale 1-6), but the outcome is an improvement over last year.
Percentage of qualified teachers in compulsory school	85.0%	86.4%	Met in full	
Percentage of pupils in year 6 who achieved the targets in all subjects	80.0%	80.0%	Met in full	
Percentage of pupils in year 8 who feel safe at school	87.0%	82.0%	Met in part	Decrease from 2013 when the outcome was 86 percent. Now on a par with 2010 and 2012.
Percentage of pupils in year 9 who achieved the targets in all subjects	77.0%	78.0%	Met in full	
Percentage of pupils who passed the intermediate tests in the national test in mathematics in year 3	91.0%	92.0%	Met in full	
Percentage of pupils who passed the intermediate tests in the national test in Swedish/Swedish as a Second Language in year 3	91.0%	94.0%	Met in full	
Percentage of pupils who are qualified for national programmes	87.0%	86.0%	Met in part	A decrease of just over 1 percentage point from last year, but on a par with 2012.
Unauthorised absence from compulsory school	Reduce	1.7%	Met in full	The outcome is 0.2 percentage points lower than last year.
Percentage of qualified teachers in upper secondary school	85.0%	85.5%	Met in full	
Percentage of upper secondary pupils passing all subjects in the degree certificate and study certificate at the end of the spring term	69.0%	67.0%	Met in part	This is the first year that the upper secondary students receive a degree certificate/study certificate according to the new upper secondary school.
Percentage of upper secondary pupils who feel safe at school	93.0%	91.0%	Met in part	The outcome is the same as last year.
Percentage of residents, aged 20, who completed upper secondary education	70.0%	70.0%	Met in full	
Unauthorised absence from upper secondary school	Reduce	5.0%	Met in full	The outcome is 1 percentage point lower than last year.
Percentage of course participants in basic adult education with passing marks after completion of the course	83.0%	85.0%	Met in full	
Percentage of course participants in upper secondary adult education with passing marks after completion of the course	85.0%	83.0%	Met in part	This result is somewhat better than 2013. Action plans have been requested for a handful of schools regarding their work for higher goal attainment.
Percentage of passing SFI students after 600 hours	65.0%	64.0%	Met in part	The reason is mainly that a larger number of long-term SFI students completed the course during the year.
Percentage of course participants in SFI with passing marks after completion of the course	90.0%	94.0%	Met in full	



PHOTO: LIESELOTTE VAN DER MEUS

A city providing good care

Care should be characterised by security, dignity and respect for the individual's wishes. Services should focus on good quality, with the individual's right to information, influence and participation.

The assessment of the operational goal is based on the outcome of the City Council's indicators in elderly care, support and service for those with disabilities and individual and family care. The results in the user surveys in elderly care and support and

service for those with disabilities achieve the City Council's set targets in part. In individual and family care, four out of eight indicators meet the City Council's set targets. Considering the above, the City Executive Office assesses that the operational goal was achieved in part in 2014.

Elderly care services shall be of a high quality. The elderly should be able to feel safe and the care should meet their needs and take into consideration their wishes. It is important that the elderly are met with respect and that they are given the opportunity to influence their own living situation and care.

The goal for this area of operations has been achieved in part during the year. This assessment is based on the collective results of the user surveys fulfilling the City Council's set targets in part.

Quality work

Satisfaction with the City's elderly care remained high in 2014 and Stockholm's results withstand comparison with the rest of Sweden.

In cooperation with the Senior Citizens Committee and the District Councils, the City Executive Office has worked out a model for in-depth quality follow-up. The goal is that the model should drive quality and be able to identify quality-developing factors in elderly care. The factors identified should be able to be used in future procurements and promote quality development and an effective use of resources. An important element in this quality follow-up is the feedback given to the operating manager with the aim of developing the quality of the operations. All District Councils have worked with this to varying degrees in 2014.

As of January 2014, a new compensation system was introduced for both sheltered housing and home-help services. The latter have had a particularly large impact on the councils' work as a time registration system was introduced to be able to register home-help services provided.

Dementia is one of the focus areas in elderly care. In the funding introduced in 2014 for sheltered housing, SEK100 million was provided to increase the quality of operations. In home-help services, the dementia team that was begun in the past two years continued its activities and funding is reserved under the Senior Citizens Committee for start-up costs for another team.

User surveys

City-wide user surveys have been carried out since 2008. A user survey on day care was, however, carried out for the first time in 2010, and showed that 89 percent of users were satisfied with the operation. The level of satisfaction for 2014 was 93 percent, which is unchanged compared with 2013. Five out of 14 District Councils achieved the City Council's targets.

In 2010 and 2011, 78 percent of the residents in sheltered housing were satisfied with their conditions. There was an improvement in 2012, when 84 percent of residents were satisfied, which was unchanged for 2013. For 2014, satisfaction decreased to 82 percent, which means that the City Council's target of 85 percent was not achieved. Security in sheltered housing decreased marginally by 1 percentage point since 2013 to 88 percent, which means that the City Council's target of 90 percent secure residents was not achieved. Both satisfaction with the food and the mealtime situation are far from achieving the City Council's targets and the decrease was sharp compared with 2013. The decrease for the latter two indicators is mainly due to the fact that, beginning in 2014, the City uses the national user surveys conducted annually by the National Board of Health and Welfare. All questions in the City's survey have a corresponding question in the National Board of Health and Welfare's survey. But the formulations may differ somewhat. For the question of how the home-help recipient can influence how the service is carried out, the National Board of Health and Welfare's survey shows significantly better values.

The level of satisfaction with the home-help service was 84 percent, which is unchanged on the figure for 2012 and 2013. The feeling of security in residents' own homes deteriorated by 4 percentage points and the City Council's target of 85 percent was not achieved. On the other hand, the target regarding the ability to influence how the help is provided was achieved by a broad margin.

85%

85% of the care recipients feel that they can influence how the help in the home-help services is provided.

Indicator	Goal	Outcome	Goal attainment	Comments
Percentage of satisfied care recipients – Sheltered housing	85.0%	82.0%	Not met	The outcome is 3 percent below the City Council's target. One District Council out of 14 achieved the City Council's target.
Percentage of satisfied care recipients – Social assistance day care service	95.0%	93.0%	Met in part	The outcome is 2 percent below the City Council's target. Five District Councils out of 14 achieved the City Council's target.
Care recipients' perception of security – Home-help services	86.0%	80.0%	Not met	The outcome is 6 percent below the City Council's target. One District Council out of 14 achieved the City Council's target.
Care recipients' perception of security – Sheltered housing	90.0%	88.0%	Met in part	The outcome is 2 percent below the City Council's target. Four District Councils out of 14 achieved the City Council's target.
The food tastes good – Sheltered housing	77.0%	71.0%	Not met	The outcome is 6 percent below the City Council's target. None of the 14 District Councils achieved the City Council's target.
The perception of the food and mealtime situation – Sheltered housing	76.0%	66.0%	Not met	The outcome is 10 percent below the City Council's target. None of the 14 District Councils achieved the City Council's target.
Care recipients' perception of how they can influence how help is provided – Home-help service	76.0%	85.0%	Met in full	
Percentage of satisfied care recipients – Home-help service	85.0%	84.0%	Met in part	The outcome is 1 percent below the City Council's target. Six out of 14 District Councils met the City Council's target.

SUPPORT AND SERVICES FOR PEOPLE WITH DISABILITIES

Everyone must be ensured integrity, self-determination and participation regardless of whether or not they have a disability. People with disabilities must, to the furthest possible extent, have the same opportunities as everyone else to live an independent life and have a job to go to. The focus for support and service for people with disabilities is to identify and remove what obstructs participation in society and an independent life. Care and intervention must be characterised by dignity and respect, and consideration must be taken of the different needs that the younger and older people have. People with disabilities can themselves choose housing and short-term housing and the provider of day activities, home-help services, escorting, relief and personal assistance.

The goal for this area of operations has been achieved in part during the year. This assessment is based on the collective results of the user surveys fulfilling the City Council's set targets in part.

There are six indicators in the operational area and all are measured in the annual user survey. The City Council's annual targets for these indicators are assessed to be met in full for two indicators and in part for four indicators. Even if not all indicators are achieved in full, the results improved markedly. This is particularly clear with group housing and day activities as well as the possibility of influencing the effort's formulation.

User surveys are important tools in the improvement work. During the year, the District Councils have continued work to increase the users' perception of satisfaction and security. Several District Councils have taken part in the "What do we do with the results?" project. This approach is intended to develop the reporting procedure and the use of the results of user surveys, identify potential improvement measures and spread good examples. The objective is for the City's operations to use the results of the user surveys in a structured way in the improvement work.

For many years, the operations' finances have been in focus and the District Councils have worked continuously to handle the financial deficit. Systematic reviews of matters are done with the aim of ensuring if the efforts have the expected results. The District Councils also work to renegotiate the agreements that regulate the placement in group and service housing at care providers that are not affiliated with the City's LOV agreement. The costs of these placements are higher than the compensation the District Councils receive and in some cases account for a significant part of the deficit. Efforts according to the Social Services Act increased sharply in recent years and are also a contributing cause of the deficits that exist in the area. For 2014, this provided results in the annual accounts. The total outcome for disabilities decreased from SEK -38.6 million in the second four-month report to only SEK -7.9 million in the annual accounts.

88%

feel that they are well treated by the City's staff, which is an increase since last year.



PHOTO: PÅR OLSSON

Indicator	Goal	Outcome	Goal attainment	Comments
Percentage of people who feel that they are well-treated by the City's personnel (support and service for people with disabilities).	84.0%	88.0%	Met in full	
Percentage of people with disabilities who feel that they can influence how the help is provided (support and service for people with disabilities).	74.0%	76.0%	Met in full	
The users' perception of security – statutory accommodation, adults and children (support and service for people with disabilities)	91.0%	90.0%	Met in part	The outcome is 1 percent below the City Council's target. Eight out of 14 District Councils met the City Council's target.
Satisfied users – day activities (support and service for people with disabilities)	91.0%	89.0%	Met in part	The outcome is 2 percent below the City Council's target. Three out of 14 District Councils met the City Council's target.
Satisfied users – short-term housing (support and service for people with disabilities)	91.0%	88.0%	Met in part	The outcome is 3 percent below the City Council's target. Six out of 14 District Councils met the City Council's target.
Satisfied users – statutory accommodation, adults and children (support and service for people with disabilities)	90.0%	89.0%	Met in part	The outcome is 1 percent below the City Council's target. Seven out of 14 District Councils met the City Council's target.

The goal for this area of operations has been achieved in part during the year. The assessment is based on four out of eight indicators achieving the City Council's set targets in part.

Using methods supported by research

In both individual and family care, considerable weight continues to be given to evidence-based and knowledge-based methods and treatment models which are supported by research. The investigation and documentation programme, BBIC (Barnets behov i centrum - focusing on the needs of the child) is used by all District Councils. The investigation and assessment methods, ASI (Addiction Severity Index) for substance abuse and dependence care, and DUR in the field of social psychiatry, are also regularly used in the operations.

Focus on prevention and early intervention

An important part of prevention work is the cooperation between social services and schools, but youth counselling centres, family counselling centres, the police and volunteer organisations are also important players. During the year, pilot projects to develop the collaboration between schools and the social services continued in 16 schools and eight District Councils. The target group for the pilot projects is pupils in years 7-9 with low goal fulfilment, high absences and no qualification for upper secondary school. Some 70 children were included in the project during the year.

The work of improving quality in efforts for children and young people with mental illnesses according to the PRIO plan (plan for targeted intervention in the area of mental illness) continued during the year. In the City of Stockholm, there are eight local BUS groups (children and young people in need of special assistance) and all worked out local agreements with the social services, the Education Committee, pre-schools, schools, child and youth psychiatric services, habilitation and child and youth medical clinics. The BUS agreement aims to clarify responsibilities and describe common starting points and collaboration structures so that children in need of special support should get the assistance they need and are entitled to.

Other examples of prevention and early intervention that were developed during the year are the expansion of the field assistant's outreach work and the work with social intervention groups that aims to help individuals at risk of ending up in a criminal lifestyle and help young people leave criminal networks. Parental support programmes such as ABC (Alla Barn i Centrum - all children in focus) and Komet are offered to

parents with the aim of promoting children's positive development by strengthening the relationship between parents and children. All parents in Stockholm with children in the 3-12 age group have been invited to take part in these parental support programmes, free of charge. During 2014, 1,281 parents participated in ABC parent meetings and 182 in Komet parent groups.

Measures adopted provide results

The City Council's ambition is to increase the proportion of children and young people, as well as adults, requiring intervention from social services who do not need to have their cases reopened within 12 months of the end of the intervention. The goal requires that investigations are of good quality and well supported, and that the efforts the social services offer meet the needs. During 2014, 84 percent of children and young people, as well as 75 percent of adults, did not require further intervention within 12 months of the completion of intervention, which shows that the vast majority of the interventions decided on and achieved the intended outcomes.

Efforts to reduce the use of narcotics

The Stockholm survey is a census of young people's breach of social norms and deviant behaviour, which is carried out by Preventionscentrum Stockholm every second year. The Stockholm Survey was published in July 2014 and the outcome shows a continued decrease of tobacco and alcohol use. However, narcotics abuse remains at the same level and the earlier trend of less use has stalled. The District Councils' drug prevention and outreach work remained a priority in 2014, and a number of various interventions were initiated and developed on the basis of the Stockholm Survey. Among other measures, the Social Services Administration, in collaboration with the District Councils' prevention coordinators, has initiated a programme of preventive action against cannabis. A number of educational and information projects on cannabis have been arranged for both parents and professionals.

Prevention of homelessness

A number of different projects are being conducted to reduce homelessness in the City. The prevention work continued to be prioritised and the work to implement the City's programme against homelessness began during the year. Most District Councils employ housing coordinators with the task of conducting outreach work and preventing evictions and homelessness. Families with uncertain housing situations received particular attention. The homeless were offered help and assistance measures and a way



During the year, pilot projects to develop the collaboration between schools and the social services continued in 16 schools and eight District Councils.

to stable, independent housing.

In total, the District Councils had 509 trial apartments, and 117 of these had transferred to the tenant's own contract. During the year, 405 trial and training apartments were let by Stockholms Stads Bostadsförmedling AB.

Intervention in social psychiatry

In the field of social psychiatry, the District Councils have maintained their focus on further development of investigation and follow-up instruments, providing support and efforts that lead to greater independence and achieving the goals of the efforts. The operations work to increase the users' participation and motivation for various activities. Among other things, the method of motivational interviewing (MI) is used with the aim of increasing the individual's participation and independence.

Efforts against violence in close relationships

The City further developed its approach to combating violence in close relationships during the year. Among other things, the Social Services Committee conducted a mapping of the City's work against violence in close relationships focused mainly on intervention and support for victims, perpetrators and children who experienced violence. Educational efforts in the City's guidelines for the social services' work against

violence in close relationships have been done.

The District Councils also work on developing methods to identify early signals of violence in close relationships. Among other things, employees in the operations are trained in how violence can be discovered and what steps should be taken.



PHOTO: PÅR OLSSON

Indicator	Goal	Outcome	Goal attainment	Comments
Percentage of children and young people requiring intervention under individual and family care who do not need to have their cases reopened within 12 months of the end of the intervention	84.0%	84.0%	Met in full	7 out of 14 District Councils achieved their annual targets in full and the others achieved them in part. The outcome was somewhat higher than the previous year (83%).
Percentage of adults requiring intervention under individual and family care who do not need to have their cases reopened within 12 months of the end of the intervention	77.0%	75.0%	Met in part	6 out of 14 District Councils achieved their annual targets in full and the others achieved them in part. The outcome is the same as in last year's administration report.
Percentage of young people who stated in the Stockholm Survey that they did not use narcotics	90.0%	89.0%	Met in part	The outcome at the last measurement in 2012 was 90%.
Percentage of young people who stated in the Stockholm Survey that they did not use alcohol	48.0%	55.0%	Met in full	The outcome at the last measurement in 2012 was 47%.
Percentage of young people who stated in the Stockholm Survey that they did not use tobacco	90.0%	84.0%	Met in part	The outcome at the last measurement in 2012 was 81%.
Percentage of trial apartments transferred to the tenant's own contract in relation to the total number of trial apartments in the District Council	20.0%	23.0%	Met in full	9 out of 15 District Councils achieved their annual targets in full, two achieved them in part and four did not achieve them. The outcome was somewhat higher than the previous year's 20%. In total, the District Councils had 509 trial apartments, and 117 of these had transferred to the tenant's own contract.
Number of trial and training apartments let through Bostad Stockholm	400	405	Met in full	The outcome in the preceding year was 308 apartments let.
Percentage of people undergoing intervention within social psychiatry who were satisfied with the manner in which their needs for support were assessed	80.0%	77.0%	Met in part	5 out of 14 District Councils achieved their annual targets in full and the others achieved them in part. The outcome in the preceding year was 79%.

The City as an employer

How well the City succeeds in achieving its operational targets and providing Stockholmers with a quality service is very much dependent on the commitment and competence of the staff and managers. This is why it is extremely important that the City is, and continues to be, an attractive employer offering exciting and challenging jobs.

The City Executive Office's goal assessment is based on a weighing together of the outcome of the City Council's indicators and the committees' administration reports. Of the City Council's six indicators, one is met in full, three are met in part and two are not met. Considering this, the City Executive Office assesses that the operational goal was achieved in part in 2014.

Motivated and committed staff

Stockholm's rapid growth involves challenges for all operations. Staff surveys show that the City's staff are still committed and motivated to improve the City's operations, and they feel that their work is meaningful. This year, the factors which measure important preconditions for active participation at work are measured in the active co-creation index (AMI). The outcome was 79, which is a very stable result compared with other municipalities. The District Councils continue to work with employee commitment at the unit level tied to overall objectives for the operations, which agrees with the Operation and Health approach. An approach that contributes to greater participation and influence in the work and more committed employees by extension.

It is vital for the City to continue to be an attractive employer and to ensure that the City staff and managers enjoy good working conditions to enable them to deliver high-quality services to Stockholmers.

Good workplaces with good working environments

The City of Stockholm's workplaces welcome diversity and utilise the employees' commitment and expertise to the full. A working environment that stimulates learning and development is decisive for both the operation's results and for employees' health, happiness and personal development. The trend in sick leave among the District Councils reflects the trend in sick leave in the country in general, with an increase in 2014. The efforts to reduce sick leave continue to have a high priority, and committees and

companies are employing a range of approaches at organisational, group and individual level.

Management and employee development

The City of Stockholm is one of Sweden's largest employers. The City's roughly 1,800 managers play a central role together with their staff in providing Stockholmers with a quality service. On-the-spot and clear leadership which promotes active staff commitment is crucial to all operations.

The City implements many different initiatives to ensure that managers and leaders have the knowledge and expertise to perform their duties effectively. Committees and boards implement local leadership programmes and provide training in areas such as the work environment. City-wide initiatives include development groups both for managers and employees. Development groups for employees were held on a trial basis in 2014 with good results. During the spring, the City's leadership day was held, gathering around 1,100 managers under the theme of innovation, cooperation, personal treatment and employee commitment. In addition, the "Manager in the City" introduction programme for newly employed managers was held with around 50 participants in total during the year. A management development programme was concluded in the spring and manager seminars were held in the autumn on the theme of personal treatment with a total of some 600 managers. The City's trainee programme for university graduates, with ten participants, was begun in February 2014 and concluded in January 2015. The programme is an important part of the City's work to be an attractive employer and aims to strengthen the supply of expertise in the City on the short and long term.

Supply of skills

In order to maintain a high level of quality throughout the City's operations, skills development has been prioritised. Special initiatives have been implemented for managers, staff in health and care, teachers, pre-school personnel and other groups within the City's operations.



The City's Trainee Program is an important part of the City's supply of skills.



PHOTO: LIESELOTTE VAN DER MEIJIS

The City collaborates with university colleges and universities, particularly in the Stockholm region, utilises research results, welcomes students on practical placement and thesis preparation, and also carries out development work jointly with the higher education sector. Each District Council is responsible for defining its skills requirements for its operations. The City's District Councils are very much aware of future skills requirements, and develop strategies to meet the challenges they face. The supply of skills is ensured partly through training programmes and new recruitment. For new recruits, the skills requirement is analysed in relation to tasks and objectives. A major focus area is the supply of managers.

Future-oriented employer with a strong citizen focus

A sharp focus on development and quality in operations ensures an effective service. Continuity is a vital factor in good quality, and the District Councils continuously work to offer full-time employment to employees who have had to work part time. This is a long-term project, which has yet to take full effect. Full-time work is the norm for new recruits. The percentage of full-time

employees increased in 2014 and now totals 87.2 percent.

In December, a total of 39,081 people were employed by the City of Stockholm. Of these, 36,473 worked in the City's District Councils and 2,608 were employed in the City's companies.

In 2014, a great deal of the reorganisation work has been devoted to providing advice to the administrations, both in individual cases and in the handling of work shortage and possible redundancy.

The District Councils have taken a structured and future-oriented approach to reorganisation in the face of a shortage of work, and this has enabled them to deal successfully with most redundancies within their own organisations.

The number of cases is largely at the same level as in 2013. The cases received for central relocation have primarily been in the professional category of personal assistants.

The number of relocation investigations for personal reasons is steadily decreasing. This is partly due to the fact that the District Councils continue to work actively on rehabilitation and partly because an increasing number of members of staff have chosen "career-switching" as an alternative in the City's rehabilitation process.

39,081
This many employees were in the City's committees and boards at year-end.

The City as an employer

Indicator	Goal	Outcome	Goal attainment	Comments
Active co-creation index	80	79	Met in part	Stable high level
Percentage of employees at involuntary part-time who are offered full-time employment	100.0%	44.0%	Not met	The total number of part-time employees has decreased, which means that the influx has decreased
Managers and leaders set clear requirements on their employees	80.0%	70.0%	Met in part	An increase compared with 2013 (68%).
Members of staff know what is expected of them in their work	92.0%	90.0%	Met in part	Stable high level
Sick leave	4.4%	6.0%	Not met	Mainly an increase of the average sick leave in the areas of operations of individual and family care and leisure and culture
Number of young people who obtained summer work arranged by the City	5,100	6,200	Met in full	

A cost-effective city

The City's finances should rest on a secure and stable foundation. The City's control systems should make budgetary control easier, and staying within budget limits should be a given. Budget discipline is necessary for ensuring that the funds allocated by the City Council are sufficient.

The 2014 annual accounts show a surplus in accordance with the balanced-budget requirement, and on the fact that all of the City's financial targets for sound financial management have been achieved. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

The financial surplus/deficit is the measure by which the City's financial position can most clearly be summarised. The City's surplus of SEK 2,794.5 million shows that the objective of a balanced budget is met in full. The provisions made in previous years' financial statements mean that the City is well-prepared for the major investments in infrastructure that lie ahead. A total of approximately SEK 7.7 billion has now been set aside for contributions to infrastructure costs.

The City District Councils and Specialist Committees report a surplus of total SEK 433.9 million after income transfers. This is above the level of 2013 when the surplus of total SEK 304.7 million. Meanwhile, the City's total income from taxation, government grants and equalisation compensation increased by a total of 2.6 percent compared to 2013. The goal-driven efforts undertaken by the District Councils in 2014 have paved the way for achieving balanced finances in 2015.

In the second four-month report, the District Councils forecast a worse result overall compared with the forecasts in the first four-month report. Kungsholmen District Council forecast a deficit of SEK 5.4 million after income transfers. In the 2014 annual accounts, the District Council present a result in balance after income transfers, compared with a deficit of SEK 18.9 million last year. The District Council achieved the surplus in the accounts by negotiating the external agreements and inventorying the LSS decisions. Skärholmen District Council forecast a deficit of SEK 6.0 million after income transfers in the second four-month report. The forecast deficit for the Skärholmen District Council gradually decreased in part because of the District Council's increased cost awareness

and restraint with all purchases that do not affect the ordinary operations for the users. In the 2014 annual accounts, the District Council presents a positive budget deviation of SEK 2.9 million after income transfers. In the second four-month report, the Farsta District Council forecast a deficit of SEK 5.0 million after income transfers, but balanced finances in the 2014 annual accounts. After measures undertaken during the year, all District Councils are reporting a balanced budget in the accounts for 2014.

The Chief Guardian Committee forecast in the second four-month report a negative budget deviation of 2.2 percent in the Committee's operating budget. The Committee reports a negative budget deviation of 4.5 percent in the annual accounts. The reason for the deviation is primarily due to remuneration to trustees being higher than forecast. The City Executive Office notes that the Chief Guardian Committee's forecast work can be improved.

The Traffic Committee's deviation from the net budget increased by SEK 63.7 million compared with a forecast deviation in the second four-month report. This change is due in part to the winter weather being beneficial at the end of the year, which led to the costs for winter road maintenance decreasing by another SEK 41.2 million compared with the forecast, and in part to the parking income continuing to increase at the end of the year at an extent not foreseen. The item Other income also increased sharply by SEK 16.0 million. The City Executive Office notes that the Chief Guardian Committee's forecast work can be improved.

The City Planning Committee reports a deviation in the investment activities of SEK 4.6 million compared with the decided plan. The deviation is mainly due to equipment in connection with conversions. In the second four-month report, a deviation of SEK 1.0 million was forecast. The Committee has no capital cost coverage in the City Council's budget and is therefore presumed to be able to fit increased capital costs in the allocated budget. The City Executive Office notes that the City Planning Committee's forecast work can be improved with regard to investments.



The City's surplus of SEK 2,794.5 million in accordance with the balanced-budget requirement shows that the objective of a balanced budget has been attained.

The City Executive Office notes that the Cemeteries Committee has a negative deviation for the investing activities compared with the adopted plan, which is not reported in the second four-month report. The deviation was SEK 3.1 million, which corresponds to 9.3 percent and is mainly due to the completion of the new ash burial grove at the Sandsborg cemetery was more costly than planned. The City Executive Office notes that the Cemeteries Committee's forecast work can be improved with regard to investments.

The majority of the companies achieved the budgeted earnings requirements. An exception is Stockholm Globe Arena Fastigheter AB, which due to a reclassification of assets from building to land did not achieve its target.

All operations financed by the City is efficient

Common support functions shall contribute to the City's operations being cost-effective and focusing on the core process. An expanded cooperation between the City's committees will lead to greater efficiency and quality at the same time that it reduces vulnerability.

According to the City Council's annual target, *the administration's share of total costs* must decrease. In 2014, the administration's share amounted to 6.5 percent, which is an increase by 0.6 percentage points from last year. The committees that do not achieve the target state that the administration's costs did not increase in actuality, but rather that they were recognised differently during the year compared with the previous year. The target for the indicator *percentage of residents who feel the City's operations provide good service* was met in full. Considering the above, the City Executive Office assesses that the operational goal was achieved in full in 2014.

All companies work to reduce their administrative costs and the majority of the companies exceed their target on reducing the share of administrative costs.

The Service Committee is continuing its efforts to streamline the City's administrative functions. The Committee's work to develop the services is done on the basis of the committees' and companies' needs and with the aim of increasing efficiency for the City as a whole. Contact Centres make Stockholmers' day-to-day lives easier and during the year, these activities were expanded with new services, including business guides, service for cultural schools and web editor services.

Digital renewal and e-services

In accordance with the City Council's mission, programmes are being implemented for digital renewal. An organisation to develop, assess and decide on project ideas has been established. In 2014, 26 projects were granted funding for operational development using IT in the scope of the IT programme's financing model. SEK 163 million was allocated to the ten administrations responsible for granting applications. The following projects were implemented and launched:

- ▶ Tool for self-estimates - a tool to assess and increase the IT maturity of schools
- ▶ Art treasures direct in the e-service e-archive Stockholm
- ▶ Digital knowledge bank for the social services

In parallel with the new programme for digital renewal, projects are being finished that were begun under the now concluded e-service programme. In 2014, the following e-services were launched:

- ▶ Budget and debt guide
- ▶ Mobile application for "Express your opinion"
- ▶ New functions for the service for waste removal
- ▶ Fee reporting for elected representatives
- ▶ Reporting function for cultural support
- ▶ System support for the Election Committee
- ▶ Building permits for signs



PHOTO: YANAN LI



In 2014, 26 projects were granted funding for operational development using IT.

Indicator	Goal	Outcome	Goal attainment	Comments
The administration's share of total costs	Reduce	6.5%	Met in part	For 2013, the administration's share of the total costs amounted to 5.9%.
Percentage of residents who feel the City's operations provide a good service	48.0%	53.0%	Met in full	

Procurement of administrative IT support

In accordance with the City Council's mission, work is being done to procure and introduce a Group-wide accounting system. In 2014, the project entered the second phase concerning procurement and contract signing. The procurement was finished in the month of May and a contract has been signed with Unit4 Agresso AB. After the summer, the implementation work was begun and in the autumn, work continued on e.g. system design and set-up work in test environments. In the spring of 2015, the City's committees will deploy the procured accounting system, Agresso M4 and in 2017, all committees and companies are estimated to use the common accounting system. Group consolidations will then become fully possible as of 2018.

In parallel with the implementation of the new accounting system for the entire Municipal Group, electronic commerce is being introduced among the City's committees. The project is planned to be implemented in early 2018.

The SIKT project (Stockholm Information and Communication Technology) and common IT service, GSIT 2.0, continued to be conducted in 2014. Within SIKT, the deliveries were approved for operations and administration of central systems, telephony, mobile terminals and support. The transition to new agreement areas has worked very well without any major disruptions. The preparations for GSIT continued during the year with extensive requirement and needs capture, analyses and investigations. In this work, the City's operations and managers were involved in part through workshops, focus groups and reference groups. The aim was to achieve as good a requirement specification as possible before the next generation procurement to ensure functionality, flexibility, technical development, operational reliability and cost effectiveness. Request for proposal documentation is being prepared and a procurement is planned to be implemented in 2015.

Indicator	Goal	Outcome	Goal attainment
Committee's budget compliance after surplus transfers (all committees)	100.0%	99.0%	Met in full
Committee's budget compliance before surplus transfers (all committees)	100.0%	99.0%	Met in full
Committee's forecast accuracy, FMR2 (all committees)	+/- 1%	- 0.2%	Met in full
City's surplus (SEK million)	SEK 0.1 million	3,450.4	Met in full
City's capital costs as a percentage of net operating costs (max)	7.0%	6.1%	Met in full
City's net operating costs as a percentage of tax revenue (max)	100.0%	95.8%	Met in full
City's equity/assets ratio including pension commitments on the short term	30.0%	35.5%	Met in full
City's equity/assets ratio including pension commitments on the long term	34.0%	35.5%	Met in full



A cost-effective city

General economic analysis

With falling oil prices and downgraded growth forecasts, 2015 began in the same way that 2014 ended. Global GDP growth is estimated to have landed at 3.5 percent in 2014. However, growth is unevenly distributed between countries and regions. While the US and the UK show a stable recovery, the development in the euro zone has been significantly weaker with a GDP growth close to zero. Several countries in the euro zone suffer from large public debt and are negatively affected by the conflict between Russia and the Ukraine. Among the large emerging markets, the view is divided. While growth in China and India continues to be high, Russia and Brazil are threatened by recession where falling commodity prices are a strong contributing cause. The International Monetary Fund (IMF) estimates a global GDP growth of around 3.5 percent in 2015 and 3.7 percent in 2016.

The recovery in the Swedish economy is also progressing slowly. GDP growth is estimated to have been 2.1 percent in 2014. This is largely due to the weak development in the euro zone. At the same time, the labour market strengthened. Employment has grown faster than the workforce and unemployment has thereby begun to decline, both in absolute and relative figures.

In the fourth quarter of 2014, unemployment nationwide was 7.3 percent of the workforce. To stimulate demand and increase inflation, the Swedish Central Bank introduced a zero interest rate at the end of October 2014. In February 2015, the Swedish Central Bank lowered the repo rate further to negative 0.1 percent. The repo rate has never before been so low, not even during the financial crisis. Despite lowered expectations of Swedish growth, the forecasts are still significantly brighter than for most comparable countries. The National Institute of Economic Research estimates that Sweden's GDP growth will be around 3.1 percent in 2015, which can be compared to a forecast of just over 1 percent for the euro zone.

The Stockholm economy is strengthening

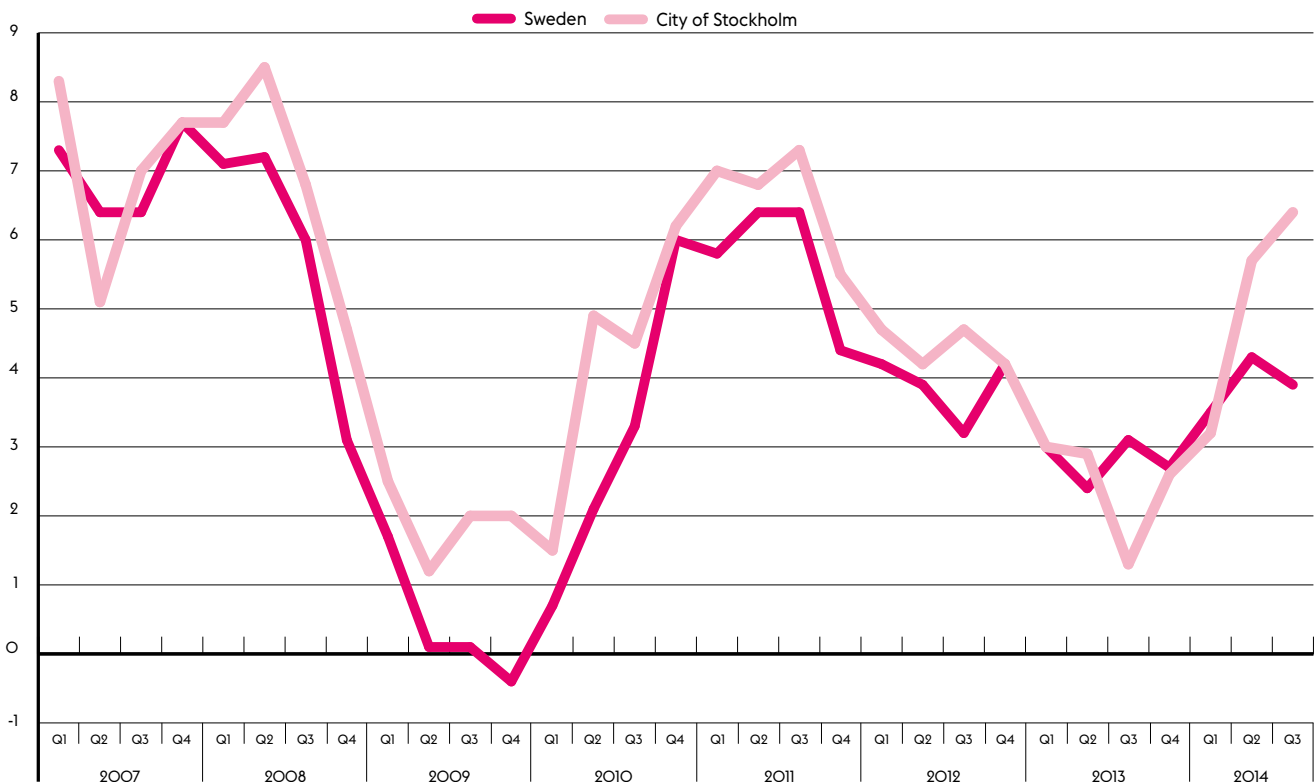
The economy in Stockholm is growing stronger. As an indicator of the regional growth, the payroll expense rose by 6.4 percent in the third quarter of 2014 compared with the third quarter of 2013. The growth rate of the payroll expense in the City of Stockholm rose for four consecutive quarters after a two-year slow-down in the economy. This is a sign of a stronger economy.

In addition, the Chamber of Commerce's



In December 2014, the number of openly unemployed living in the City of Stockholm was 8 percent lower than the corresponding month the year before.

Payroll expenses, percentage change compared to corresponding quarter last year



Source: Statistics Sweden, payroll expense = number of hours worked * hourly wage

economic barometer for the fourth quarter of 2014 indicates good confidence in the business sector. The economic indicator increased from 23 to 25, which can be compared with the average since 2000 of 13. Most industries are continuing to grow. The economic indicator for Sweden as a whole rose from 17 to 19.

Better labour market for Stockholmers

The situation in Stockholm's labour market improved during the year. Employment continued to increase, even if the rate of increase was not as strong as in 2013. The Public Employment Service's labour market statistics show a decrease in the number of registered jobseekers at the same time that the recently registered jobs are increasing sharply. In December 2014, the number of openly unemployed living in the City of Stockholm was 8 percent lower than the corresponding month the year before. At the same time, the number of registered jobs was 27 percent more.

At the end of December, unemployment among young people in the City of Stockholm (aged 18-24) was 8.0 percent of the workforce. The corresponding proportion in Stockholm County was 8.8 percent. This is 6 percentage points lower than the national average. Stockholm accordingly has Sweden's lowest unemployment among young people according to the Public Employment Services.

The employed proportion of the population aged 15-74 is significantly higher in Stockholm than in the rest of the country and other major

cities, as shown in the diagram below. This can partly be explained by purely demographic factors. Compared to other regions, Stockholm is home to a greater proportion of the population aged 25-54. This high employment rate also reflects the fact that the City of Stockholm is at the centre of Sweden's largest and most efficient labour market region.

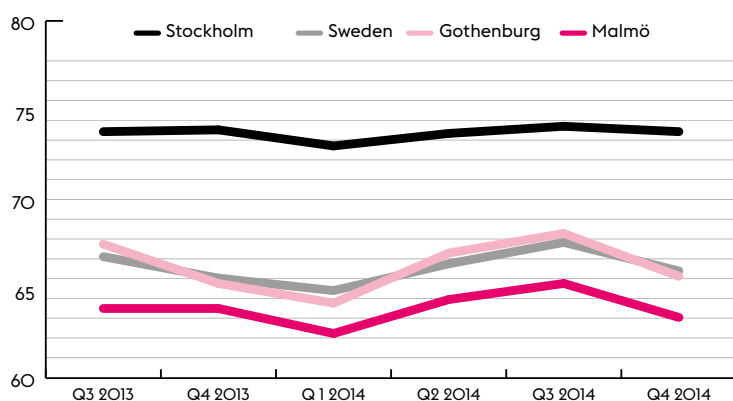
Strong population growth continues

Sweden's population is increasingly concentrated in the major cities. Stockholm is one of the five fastest growing regions in Europe. More and more people are choosing to move here at the same time that we live longer and more children are born.

In 2014, Sweden's population increased by 102,491 people, which for the first time means a population increase of more than 100,000 residents over a single year. Sweden's population now amounts to 9.7 million people. Stockholm County grew the most by just over 35,000. This means that the county accounted for around 34 percent of Sweden's population increase, which is a smaller share than earlier years.

The City's population increased by 14,289 people and at year-end, the number of residents amounted to 911,989. The population increase in the City of Stockholm is attributable both to a continued strong net birth rate, meaning more are born than die (accounting for 52 percent of the increase), and to a positive net relocation from abroad. The net relocation domestically was negative, however, which is primarily attributable to

Employed as a proportion of the population ages 15-74



Key figures	2013	2014	Change
Employment rate, age 15-74 (Q4)	73.9%	73.8%	-0.6 percentage points
Openly unemployed (Dec. 2014)	20,139	19,368	- 8%
Recently registered vacancies (Dec. 2014)	9,916	12,588	+27 %
Start-up companies	12,430	12,835	+3.2 %
Termination notices	6,824	6,281	-1.0 %

an increase to people moving to other municipalities within Stockholm County. More than 52,000 people from the other municipalities in Sweden moved to the City of Stockholm, but even more chose to move from the City.

The majority of those moving in are 20-30 year-olds. Of those who move to the City of Stockholm from abroad, around 55 percent come from Europe, of which just over 15 percent are born Swedes moving back home. Immigration from the rest of the world to the City is currently dominated by India, Syria and China.

High rate of housing construction needed

Housing construction in the county and in the City has long lagged behind the strong population increase. For large groups of Stockholmers, it is difficult to get a foothold in the housing market. The City’s target for housing construction is now 140,000 new homes by 2030, supplemented with a short-term goal of 40,000 homes by 2020.

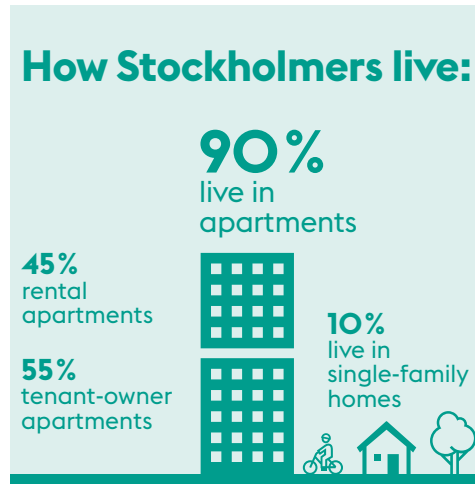
Today, 90 percent of Stockholmers live in an apartment, where tenant owner units account for around 55 percent of the apartments. Only 10 percent of the population lives in single-family homes. When the rate of housing construction increases, it will mean that the urban environments in large parts of the City will change and become more concentrated. A continuous, structured dialogue must be held with Stockholmers about why construction is occurring and how it can best be done to create a high quality of life for residents and a sustainable urban development.

Stockholm an increasingly attractive tourist destination

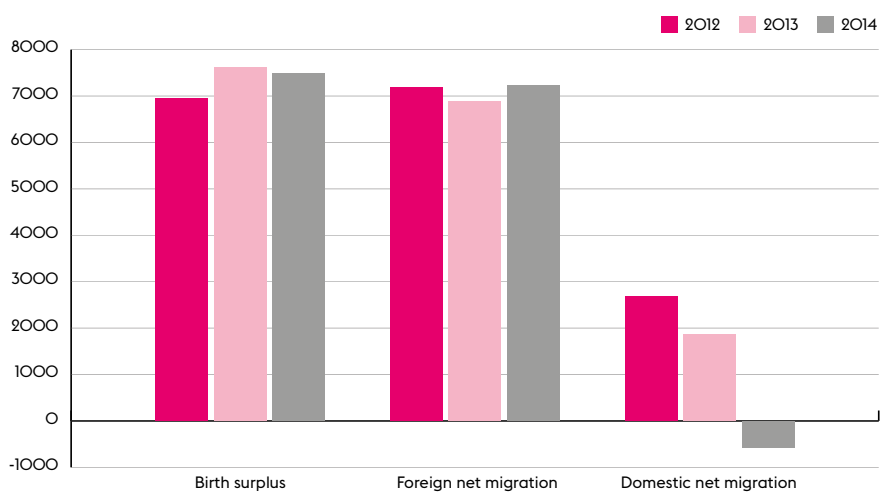
A clear measure of Stockholm’s positioning as an attractive City is the development of the tourism

industry. In the third quarter of 2014, there were 3.5 million commercial overnight stays⁴ in Stockholm County, of which 2.4 million were in the City of Stockholm. This is an increase of 8.8 percent in the county and 7.7 percent in the City compared with the corresponding quarter in 2013. For both the county and the City, the number of foreign visitors and the number of domestic visitors both increased. In terms of numbers, the largest increase of visitors came from Germany, the UK and the US. The largest decrease in the number of visitors were from Japan, Russia and Lithuania⁵.

4 Hotels, youth hostels and holiday villages.
5 Stockholm Economy, Q3 2014.



Population increase in the City of Stockholm 2012-2014, broken down by sub-components





Economic and financial analysis

The annual report covers the City of Stockholm Municipal Group. The Municipal Group includes the City and the municipal companies. Municipal companies essentially refer to the City's majority-owned companies within the Stockholms Stadshus AB Group. Stockholms Stadshus AB is owned by the City of Stockholm and constitutes a parent company for most of the City's limited companies. During the year, the waste collection operations were converted to a limited company form and since mid-year make up Stockholm Vatten Avfall AB, which falls under Stockholm Vatten Holding AB, a company in the Stockholms Stadshus AB Group. Stockholm Vatten VA AB assumed responsibility at mid-year for all of the City's surface water facilities. Shareholding in AB Fortum Värme Holding co-owned with the City of Stockholm was previously in the direct ownership of the City, but has now been moved to Stockholm Stadshus AB. For a more detailed description of the limited companies, please refer to the annual report for Stockholms Stadshus AB, which can be ordered from www.stadshusab.se.

ABOUT THE MUNICIPAL GROUP

The City's annual financial statements include all committees, i.e. operations primarily funded through taxation, and the annual financial statements for financial management, which include the City's central financing. The combined financial statements for the City of Stockholm Municipal Group include operations conducted in the form of limited companies in addition to the City's own operations. The purpose of the consolidated financial statements is to provide a comprehensive picture of the finances and commitments of the entire Municipal Group.

Surplus for the year

The profit for the Municipal Group includes the results for the City, the Stockholms Stadshus AB Group and the City's other companies which are not part of the Stockholms Stadshus AB Group. After eliminating intra-Group balances, including dividends, the profit for the Municipal Group after taxes and net financial items amounted to SEK 4,087.1 million (2,502.0). The Stockholms Stadshus AB Group's profit that is included in the Municipal Group's comparison has not been recalculated in accordance with BFNAR 2012:1 (K3). The profit for 2014 has, however, been prepared in accordance with K3.

Earnings for the Municipal Group, SEK million

2014	2013	2012	2011	2010
4,087.1	2,502.0	4,828.2	1,473.6	5,118.9

Earnings for the year after financial income/expense for the Stockholms Stadshus AB Group amounted to SEK 1,105.3 million (1,340.7). This figure for the Stockholms Stadshus AB Group consists mostly of capital gains. The level of these sales was lower than the previous year. The Stockholms Stadshus AB Group's allocations

and taxes amount to SEK 372.3 million (290.4) and earnings for the year amount to SEK 733.0 million (1,050.3).

Depreciation/amortisation

Depreciation of property, plant and equipment increased by SEK 278.5 million in 2014 and amounted to SEK 3,724.5 million (3,446.0). This increase in depreciation can be explained by the high level of investment in recent years, particularly in relation to housing. Depreciation has not increased more, despite high investment volumes, mainly because investment is taking place in new construction projects where depreciation does not commence until completion.

Financial income and expenses

Net financial income/expense for the Municipal Group was negative, amounting to SEK -559.0 million (-495.2). Net financial income/expense has deteriorated during the year primarily due to increased borrowing.

Cash flow statement

Generally speaking, the financial cash flows of the entire Municipal Group are centrally managed through the City's administration. Municipal companies have either receivables from or liabilities to the City. According to the finance policy for the City of Stockholm Municipal Group, the Group's cash flows should be offset against each other, and all external financing through loans and investment should take place centrally.

Balance Sheet

EQUITY/ASSETS RATIO

The equity/assets ratio shows equity in relation to the balance-sheet total. Equity for the Municipal Group increased by SEK 9,505.2 million to total SEK 109,146.7 million (99,641.5). The



Profit for the Municipal Group amounted to SEK 4,087.1 million (13.5).

change in equity can be attributed to earnings for the year of SEK 4,087.1 million, less an external dividend paid of SEK -0.1 million and the effect of changed accounting policies amounting to SEK 4,303.8 million. The balance sheet total amounts to SEK 165,281.7 million (150,072.0). This results in a SEK 15,209.7 million increase in the balance sheet.

The Municipal Group's equity/assets ratio amounted to 66.0 percent excluding pension commitments (66.4). The corresponding equity/assets ratio for the Municipal Group including pension commitments is 55.3 percent (54.2). A long-term stable equity/assets ratio is important for giving the Municipal Group good long-term solvency and thereby good financial manoeuvrability in the future. The table below shows the equity/assets ratio during the period 2010–2014.

Equity/assets ratio, Municipal Group including pension commitments, %				
2014	2013	2012	2011	2010
55.3	54.2	54.9	54.5	59.2

Investments

The Municipal Group's gross investments have remained at a high level and in 2014 amounted to SEK 15,455.7 million (12,379.2). The gross investments for the Stockholms Stadshus AB Group have also remained at a high level and in 2014 amounted to SEK 10,552.2 million (8,112.0).

The companies' investments

The expanded investment volume is due in part to SISAB's acquisition of Campus Konradsberg in autumn 2014 as per a decision in the City Council. The purchase price was just over SEK 2 billion and Campus is a strategic acquisition to ensure the City's long-term school planning. During the year, SISAB conducted major renovations in Högalidskolan, Kungsholmens grundskola. A new school is being built in Mariedal and a concept pre-school was completed in Grimsta in 2014.

The three housing companies AB Svenska Bostäder, AB Familjebostäder and AB Stockholmshem report a total investment volume of SEK 4.4 billion. This corresponds to around 42 percent of the corporate group's total investments during the year. In 2014, the housing companies began work on around 890 apartments, which is lower than the target of 1,500 apartments. The reason for the delays is in part due to appeals in the planning and permit processes. Some maintenance projects also report delays. Project delays have resulted in investment expenses were around SEK 600 million lower than budget in 2014. During the year, the companies have worked with a large number of



PHOTO: PIERRE VINCENINI

implementation projects that will produce new apartments in the next few years.

Stockholm Vatten's investments amount to a total of more than SEK 1,430 million, which is twice the investment volume in comparison with the previous year. Investments in water pipelines in existing networks and development areas as well as water and sewage treatment plants amount to nearly SEK 900 million.

The remaining increase pertains to the transfer of operations from the Traffic Office of waste collection and waste water treatment plants and the acquisition of biogas plants from Fordonsgas Stockholm AB. In 2014, the City Council decided that Stockholm Vatten should implement the Stockholm future sewage treatment project. The project will provide Stockholm with one of the world's most modern treatment plants in Henriksdal. The investment scope amounts to around SEK 6 billion and will be the corporate group's single largest project. In 2014, the project spent just over SEK 150 million.

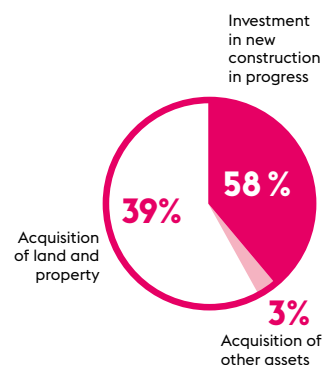
S.t Erik Markutveckling AB's investments during the year mainly related to the acquisition of site leaseholds located in the Slakthusområdet, Västberga and Hammarby Sjöstad areas. Through these acquisitions, the City gains further control over properties in these areas prior to future urban development.

During the year, Micasa Fastigheter i Stockholm AB continued the renovation and improvement of housing in Dalen, Gärdet and Tunet in Vällingby.

During the year, the Ports of Stockholm continued the renovation of the port Värtahamnen and the modernisation of the port Kapellskärs hamn.

Financial operations

The Municipal Group's borrowing needs are met through central borrowing. All external loan financing and investment are managed centrally by the City of Stockholm's internal bank. The internal bank is responsible for supporting the core activities and safeguarding economies of scale within financial management. This is achieved by way of, for example, a Group-wide account system, which allows all cash flows to be netted before the City needs to turn to the financial markets. In this way, the administration of the internal cash flows is reduced while benefiting from lower overall financing costs. ►



The diagram provides an overview of how the Municipal Group's gross investments were allocated in 2014. The investments consist primarily of new housing construction and acquisition of land and properties. The term "new construction in progress" means investments in non-current assets of significant value which are under construction, but not yet completed.

The Municipal Group has a very high credit rating. This rating should reflect the Municipal Group's ability to honour both its long-term and short-term payment obligations and financial commitments. The credit rating is performed by the credit rating agency Standard & Poor's, which gives the the City of Stockholm Municipal Group the highest possible rating for both short-term and long-term borrowing – A-1+ and AAA, respectively. The rating is updated annually and was confirmed on 21 November 2014. For investors, this rating means that lending money to the City of Stockholm comes with a very low risk. This enables the Municipal Group to continue to obtain favourable lending terms.

Municipal Group borrowing

As of 31 December 2014, the City of Stockholm Municipal Group had an external debt portfolio amounting to SEK 23,148.1 million (18,441.3). The external debt portfolio increased by SEK 4,706.8 million during the year. The increase in the debt portfolio is due to a continued high level of investment within the Municipal Group. As in last year, the investments consist primarily of the construction of more housing, public facilities and infrastructure projects. The net debt portfolio for the Municipal Group, i.e. gross debt minus investments, amounted to SEK 22,825.4 million (16,752.5).

The debt strategy was revised during the year. The revision means that debt management reverts to an external debt portfolio where borrowing is limited to a maximum term for the entire debt portfolio. The earlier debt strategy with two debt portfolios was created to handle the transition from a relatively low debt to a higher degree of increasing debt. Since the Municipal Group's debt is now higher and still increasing given

more investment needs, the debt strategy has been revised to meet new prerequisites.

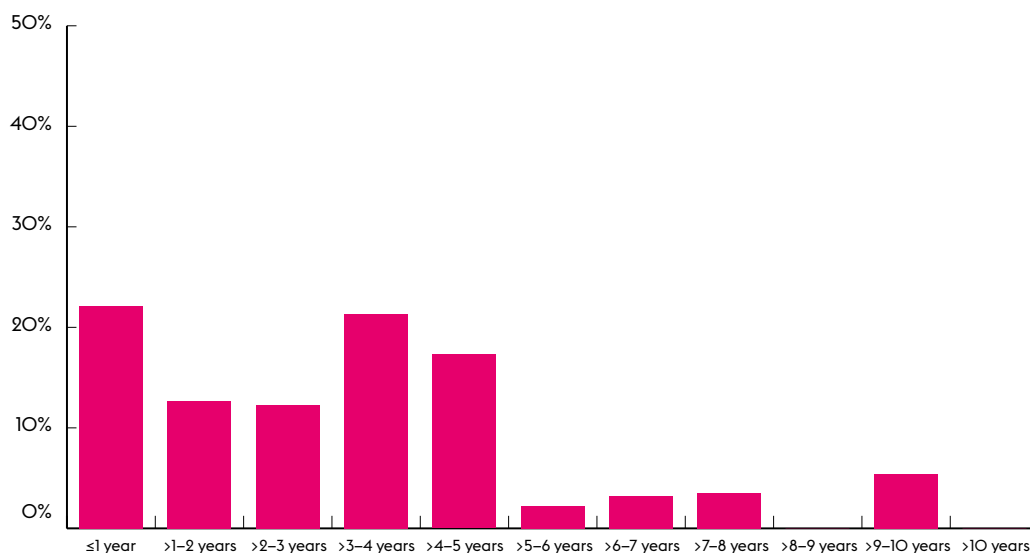
The Municipal Group effectively handles debt management within the limits that exist in accordance with the set finance policy. To achieve this, the City of Stockholm borrows at both fixed and variable interest rates on the domestic and international loan markets. The City of Stockholm also works actively to manage the maturity structure and works with various counterparties, resulting in a reduced refinancing risk.

As of 31 December, currency and interest rate derivatives amounted to a total nominal gross amount of SEK 7,948 million after hedged rates. In accordance with the finance policy, derivatives are entered into so as to manage the resulting interest rate and currency risk. All derivative instruments outstanding on the balance sheet date are hedging instruments designed to hedge the interest rate and currency risk of the Municipal Group's debt portfolio. The portion of the debt portfolio in foreign currency is converted to SEK and a fixed Swedish interest rate through derivatives. This provides predictability with regard to currency risk and interest expenses, which also makes the Municipal Group's operational planning more manageable. The borrowing analysis uses amounts, including hedging with derivatives, in line with hedge accounting, unless otherwise indicated. Outstanding derivatives include futures and swaps.

The Municipal Group's external debt portfolio had an average interest rate of 2.4 percent for 2014 and interest expenses for the year are SEK 518.3 million for the external debt portfolio. The average fixed-rate period for the external debt portfolio was 3.0 years of 31 December.

The basis for sound loan planning is good forecasts of the Group's cash flows. The com-

Maturity structure of borrowing on 31 December 2014



panies and administrations that invest the most in the Municipal Group prepare both short and long-term forecasts of their cash flows. These forecasts are essential for ensuring that the borrowing and investment are done at favourable interest rate levels and maturities.

The Municipal Group primarily borrows funds directly from the financial markets through various market programmes. This is done through certificates (short-term loans) and bonds (long-term loans) issued by the City of Stockholm. The market programmes and utilised share as of 31 December are set out in the table below.

In addition to loans via the market programmes, borrowing takes place from the European Investment Bank (EIB). The borrowing limits used for the City's co-financing of Norra Länken and Citybanan of SEK 1,000 million are currently fully utilised. Based on the Municipal Group's expanded borrowing needs, a new borrowing limit of SEK 1,050 million was set up with EIB with the possibility of a further borrowing limit of SEK 2,450 million as per decision in the City Executive Board's Finance Committee on 19 February 2014.

The Municipal Group has extra financing backup in the form of an overdraft facility of SEK 3,000 million and a credit facility in the form of a SEK 5,000 million syndicated loan. The syndicated loan is provided according to an agreement for SEK 2,500 million from 27 November 2013, rising to SEK 5,000 million as of 28 February 2014.

Finance policy sets the limits

The finance policy sets out the objectives and guidelines for financing operations within the Municipal Group and identifies the financial

risks to which it is exposed and how they should be managed.

Risks associated with the City's financial operations relate primarily to credit and market risk. There are also other risks, such as liquidity risk, financing risk and operating risks. Credit risk is the risk of a counterparty being unable to honour its payment obligations to the Municipal Group. Credit risk is measured based on the credit rating of the counterparty or instrument. Market risk is defined as the risk of interest rate, exchange rate and price fluctuations, resulting in an unfavourable change in the value of assets and liabilities. Interest rate risk is expressed as the target duration with a permitted deviation interval and a defined interest rate maturity structure. Financing risk is the risk of being unable to refinance at maturity, or only being able to borrow at a significantly higher cost. Financing risk is managed, as far as is possible based on market conditions, by spreading capital maturities over time and through a defined capital maturity structure. The City of Stockholm may use derivatives to minimise the risk of unexpectedly higher interest expenses caused by interest rate and exchange rate fluctuations during the term of the loans in the debt portfolio.

The City of Stockholm has chosen to have a unified central finance function – the internal bank – which manages the aggregated risks, securing of financing, liquidity management, banking relationships, etc. Central management also means a reduced financial risk with regard to interest rate risk, financing risk, credit risk, operational risk etc. and allows for better internal control.

The risks are monitored continuously by a risk control department and are reported to the City Executive Board.

Market programme	Programme size, local currency	Utilised, local currency	Utilised, SEK million
Municipality Certificates, MC, SEK million	12,000	0	0
Euro commercial paper, ECP, USD million	1,500	0	0
Medium term note, MTN, SEK million	10,000	3,900	3,900
Euro medium term note, EMTN, EUR million	5,000	1,911	18,100



PHOTO: LENNART JOHANSSON



PHOTO: NIKLAS DARNELL

ABOUT THE CITY

Surplus for the year

The surplus for the year, after tax income and net financial income/expense amounts to SEK 2,683.1 million (3,597.7). Capital gains account for the largest part and amount to SEK 1,911.8 million net. The City's operations have provided a surplus over budget of SEK 549.7 million, excluding surplus reserves. Pension costs were lower than estimated due to a lower cost for the pension liability change. In total, tax income including government grants and equalisation increased by SEK 919.2 million (1,077.6), which is SEK 134.0 million more than estimated. As in 2013, it has not been necessary to pay premiums for the group health insurance agreement and premium waiver insurance.

An additional dividend payment of SEK 450.0 million was made from Stockholms Stadshus AB, in accordance with Section 5:1 of the Public Municipal Housing Companies Act. Of the budgeted dividend from Stockholm Stadshus AB of SEK 1,000 million, SEK 500 million has been repaid in accordance with a decision in the City Council in connection with the four-month report.

After using provisions from previous years and provisions for the year, earnings for the year (change in equity) amount to SEK 3,450.4 million (3,444.4). In addition to the statutory regulation of the results of the funeral operations, no new provisions were made. The surplus adjusted in accordance with the balanced budget requirement of the Local Government Act shows

that the City is fulfilling the requirement as there is a surplus of SEK 2,794.5 million (2,286.4).

Change in equity for the year

The surplus for the year amounted to SEK 3,450 million. The surplus gives the opportunity to allocate part of the equity without risking the City's long-term financial targets. However, the appropriation of the equity can only take place if the City's long-term financial target of sustainably balanced finances can be fulfilled.

Social investment fund

The City intends to increase its efforts in 2015 to break social exclusion. An important tool in this work is the establishment of a social investment fund. The objective of the social investment fund is to use prevention to break the negative chain of events in an early stage to avoid costs of overall efforts in schools, costs of the placement of children and young people, etc. On the long term, the prevention work will reduce the risk of long-term unemployment. The social investment fund is established for 2015 and amounts to SEK 300 million and is financed via reservation of equity to the same amount. The City intends to establish instructions and regulations in spring 2015 for how the fund shall be applied.

Funds for skills development

There is a considerable need for skill development efforts for several major professional categories in the City. Therefore, it is important



The surplus for the year according to the balanced budget requirement amounted to SEK 2,794.5 million.

Surplus as of 31 December, SEK million

	2014	2013	2012	2011	2010
Surplus after tax and net financial income/expense	2,683.1	3,597.7	2,617.3	1,136.8	1,761.9
Result of change in equity	3,450.4	3,444.4	3,037.3	881.3	947.7
Surplus for the year in accordance with balanced-budget requirement	2,794.5	2,286.4	2,317.7	678.7	342.7

to create resources for efforts to increase training and skill development. The City previously had funds in a special skill development fund for this purpose. The amounts that remain in this fund are transferred together with new funding to a new fund. This way, a new skill development fund of SEK 200 million is established for 2015 and is financed via reservation of equity to the same amount. The City intends to establish instructions and regulations in spring 2015 for how the fund shall be applied.

Incentive grant for pre-school/elderly care

In earlier financial statements, provisions have been made for incentive grants for new pre-schools and elderly housing. These provisions were dissolved in the 2014 accounts as they do not agree with current accounting legislation. However, the incentive grant has been and is an important funding for a necessary expansion of pre-schools and elderly housing, etc. A careful inventory has been done of both previously made decisions and the need for 2015. A special incentive grant of SEK 150 million is therefore established with financing via reservation of equity in the same amount.

IT costs

In 2006, 2011 and 2012, the City Council decided to reserve a total of SEK 1,450 million for IT investments in the City. The funds were used for the procurement of GS-IT and for the City's decided programmes for "Digital renewal". Of these funds, SEK 765 million remain as a reserve of equity to the same amount.

Vision Järva, etc.

Funds were previously reserved for Vision Järva, Vision Söderort and Hässelbylyftet. The project will be concluded in 2015, which is why the funding of SEK 74.5 million remain as a reserve of equity to the same amount.

Operating income

Operating income amounts to SEK 9,804.2 million (9,695.3), an increase of SEK 108.9 million or 1.1 percent over the previous year. As of mid-year, waste collection operations were converted to a corporate form, which led to a loss of income of around SEK 200 million with a corresponding decrease on the cost side. Parking revenue both in the form of illegal parking fines and other charges increased by nearly SEK 150 million. A larger number of children in pre-school activities and school childcare also provide higher tariff revenues. Government grants increased for expanded reception of refugees. However, the government grant for the 2014 maximum tariff decreased due to new calculation grounds in connection with a new system for municipal financial equalisation. The

government grant regarding career services in the education field has increased. Grants for efforts in mathematics instruction and professional introduction also increased. A government grant was also payable to hold the two elections in 2014.

Operating costs

Operating costs, excluding depreciation, amounted to SEK 46,405.3 million (44,502.4), an increase of SEK 1,902.9 million or 4.3 percent (2.8). As a comparison, the tax revenues including equalisation increased by SEK 919.2 million or 2.6 percent. A population increase of nearly 15,900 people has necessitated an expansion in services. The low inflation rate in 2014 (-0.3 percent compared to December 2013) is holding back cost increases.

Grants and transfers

The cost of grants and transfers amounts to SEK 2,195.0 million (2,237.1), which is an increase of 1.9 percent over the previous year. As in 2013, financial assistance decreased and the cost amounted to SEK 962.2 million (970.0) in 2014. The number of households receiving financial assistance decreased by 3.8 percent to 15,960 households in 2014. Of the adult assistance recipients in December, 48 percent were unemployed (50). The period on assistance for the households increased somewhat to 7.3 months during the year (7.2). The cost of municipal child care grants amounted to SEK 21.0 million. During the year, 1,538 people received compensation via child care allowance, which is somewhat fewer than in 2013 (1,551). The costs of compensation for personal care assistance increased by SEK 11.9 million to SEK 381.9 million.

External providers

The cost of external providers amounts to SEK 17.0 billion (16.1), an increase of 5.2 percent. If a neutralisation is made of the waste collection operations' transition to corporate form, the cost increase is 6.5 percent. In the operational area of care for the elderly, over 60 percent of operations are carried out by external contractors, while for the operational areas covering care for people with disabilities, upper secondary school education, infrastructure and public enterprise, half or more than half of the operations are placed with external contractors. This means that more than a third of the City's total expenses are comprised of contractor expenses. In 2014, the contractor expenses exceed the City's personnel costs.

Consulting expenses

Expenses for consultants amounted to SEK 894.1 million (856.1), an increase of SEK 38 million or 4.4 percent. It is primarily the costs for IT consultants that increased as a result of several large

3.8%

Tax income for the year is estimated to SEK 37,236.7 million, which is an increase of 3.8 percent compared with the previous year.



PHOTO: LIESELOTTE VAN DER MEUS

on-going projects, among other things, a student support from the City's contracted IT supplier was introduced in connection with all students in upper secondary school receiving computers. The costs of procurement consultants decreased.

Personnel costs

Personnel costs increased by 3.1 percent in 2014. In addition to a regular salary review effective from the month of April, this includes a 2 percent investment in pre-school teachers, teachers and school managers as of the second half of the year. The average salary increase in December compared with the same month the previous year was 4.1 percent. The premium for the group health insurance agreement, which is included in personnel costs, was discontinued in 2014 as in 2013 due to positive returns on managed assets.

In education, pre-school activities and school childcare, the personnel costs also increased as a result of a higher number of children. The personnel costs for elderly care decreased in part due to a decrease among the care-intensive age groups. The costs for relative caregivers also decreased.

In December, the number of full-time equivalent employees amounted to 38,424 (37,831). The average number of full-time equivalents in January through December increased by 181 full-time equivalents or 0.5 percent compared with the previous year.

Sick leave expenses increased by 8.1 percent

during the year. After having decreased in the first quarter of 2014 compared with the same period in 2013, the costs rose steadily compared with corresponding periods the year before. The average short-term sick leave decreased compared with 2013, but in the second half of the year is above the corresponding period of the previous year.

Items affecting comparability

For 2014, income affecting comparability amounted to SEK 2,052.4 million (1,605.7⁶) and costs affecting comparability amounted to SEK 1,206.0 million (279.7⁷). The income refers to capital gains from sales. From this, capital gains from the sale of development properties amounted to SEK 1,331.0 million. Most of the remainder pertains to the sale of leasehold land, mainly in Hagastaden. In 2013, repayment was received of premiums for group insurance paid in 2005 and 2006 in an amount of SEK 511.0 million. Capital losses from the sale of property and land amounted to SEK 35.9 million (48.7). The book value of sold development properties is stated as of 2014 as a cost affecting comparability and applicable rules are thereby followed that a sale of a development property shall be recognised gross. The book value in 2014 amounted to SEK 104.7 million (59.1). Other costs affecting comparability are the e-service programme at SEK 11.4 million, the skills development fund at SEK 0.5 million and the IT investment at SEK 53.5 million. These

costs have been financed through previous years' surpluses in accordance with City Council resolutions in 2002, 2006, 2010, 2011 and 2012.

Depreciation

Depreciation of property, plant and equipment for the year amounts to SEK 980.1 million (918.9), an increase of SEK 61.2 million. Depreciation according to plan amounted to SEK 936.1 million (878.0), impairment of the value of property, plant and equipment was SEK 13.0 million and disposals were SEK 31.1 million. The strong increase in planned depreciation of 6.6 percent is due to a higher investment volume in recent years. More than SEK 4 billion is invested per year.

Tax, government grants and equalisation compensation

Tax income for the year is estimated to SEK 37,236.7 million (35,866.6), which is an increase of 3.8 percent compared with 2013. This means a somewhat lower rate of increase than last year. The final statement for 2013 was lower due to a lower tax assessment outcome than forecast. The forecast for the final statement for 2014 has also been adjusted downwards. The net for general government grants and equalisation is estimated at SEK -339.2 million (111.7). The decrease is attributable to a changed equalisation system entering into effect as of 2014. For the City of Stockholm, the changes meant that the cost equalisation grant decreased by SEK 1,233.2 million, mainly due to the change in the model for pre-school, after-school recreation centres and educational care. At the same time, the income equalisation effects for the municipalities that pay a fee to the income equalisation was relaxed somewhat. For Stockholm, the fee to the income equalisation decreased by SEK 494.5 million. In 2014, an introduction grant was payable in an amount of SEK 555.8 million, which reduces the effects of the new system.

The City's total income from taxation, government grants and equalisation compensation increased by 2.6 percent (3.1) compared to an increase in costs, including depreciation, of 4.3 percent (2.9). Compared with 2013, the reversed circumstance applied in that costs increased more than income.

Financial income and expenses

Net financial income/expense includes the net interest income/expense for the City plus other financial income and expenses. The City's

financial net income/expense amounted to SEK 1,520.4 million (2,019.4), of which a dividend from AB Fortum Värme Holding co-owned with the City of Stockholm amounted to SEK 200.0 million (200.0) and a dividend from Stockholms Stadshus AB amounted to SEK 500.0 million (0). In accordance with Public Municipal Housing Companies Act, Stockholms Stadshus AB paid a dividend of SEK 450.0 million (1,900.0). This is targeted at the element of the municipality's housing provision responsibility that promotes integration and social cohesion or satisfies the housing needs of people for whom the municipality has a special responsibility. In 2014, SEK 48.8 million was used for projects that meet these criteria. The use of the dividend of SEK 1,900 million in 2013 amounted to SEK 112.3 million to the end of 2014 and of the dividend of SEK 670 million in 2012 amounted to SEK 269.0 million.

Net financial income/expense was affected by a cost affecting comparability of SEK 414.7 million attributable to a change in the interest rate used to discount the pension provision – the RIPS rate. Capital gains in 2013 concerning tenant-owner apartments and sale of shareholdings in Mässfastigheter i Stockholm AB affected the financial income/expense in an amount of SEK 24.9 million.

Net interest income for the City was positive, amounting to SEK 446.6 million (403.6). The City manages the Group's interest-based borrowing, including compensation for overheads. The companies' higher loan liability towards the City provides greater interest income at the same time that the low interest level kept interest expenses for the loan liability down. The item financial income and expenses presents the year's cost for hedging of the pension liability that amounts to SEK 60.4 million (SEK 94.7 million in addition to the change attributable to the RIPS interest rate reduction).

Other provisions

Provisions for the year pertain to the statutory regulation of surpluses with regard to the burial fee and amounted to SEK 16.4 million.

Utilisation of other provisions occurred mainly for the co-financing of infrastructure expansion. Among other things, SEK 256.5 million was paid for the new Metro expansion. The provision for infrastructure grants amounted to SEK 7,703.0 million at year-end. Incentive grants were paid in an amount of SEK 22.8 million for pre-school expansion, elderly care, housing for those with physical and mental disabilities and evidence-based projects to prevent homelessness. The provision regarding the waste collection operations' results was included in the purchase consideration upon incorporation at 30 June 2014. All of the City's remaining provisions are assessed to fulfil current rules. ►

6 Income affecting comparability is corrected with book value of development properties due to change of accounting policy in 2014.

7 Cost affecting comparability is corrected with book value of development properties due to change of accounting policy in 2014.

Cash flow statement

Total cash flow for the year is positive and amounts to SEK 438.9 million. The cash and cash equivalents reduce the need for borrowing and the level is affected by the current interest rate. Cash flow varies according to the assessed need for cash and cash equivalents.

Cash flow from the operation comprises earnings for the year, excluding capital gains/losses, and the reversal of items that do not affect liquidity in the form of depreciation and provisions, for example. Cash flow from the operations amounts to SEK 2,333.1 million (4,475.2). The major change compared to last year is due to the proportion of the profits pertaining to capital gains that are reversed being SEK 900 million larger in 2014 than in 2013. The non-cash items were significantly larger in 2013 when a provision was made to infrastructure grants depending on the agreement on the Metro expansion in the Stockholm area. In addition, a provision was made to a higher pension liability due to the decision on a changed RIPS interest rate.

Cash flow from the change in current receivables/liabilities and inventories depends primarily on the change in receivables from/liabilities to the City's companies. The change for the year is negative, SEK -4,405.3 million, due to higher net receivables from the companies amounting to SEK 6,437.8 million, which were offset by greater short-term borrowing than previously. The companies made major investments during the year, while the sales volume decreased, which increased the need for borrowing. Cash flow from the City's investing activities is negative, SEK -1,971.8 million, due to the increased investment volume of more than SEK 4 billion. Payment of contributions to state infrastructure has had a negative effect on the cash flow of SEK -423.8 million.

The City has increased its non-current liabilities to cover the companies' borrowing requirements. The cash flow from operating activities together with sales made cover the City's own investment expenses. Net interest-bearing assets amount to SEK 13,197.1 million. These increased by SEK 158.9 million during the year.

Balance Sheet

The City's balance sheet total increased by SEK 8,014.5 million to SEK 120,823.0 million (112,808.5). Borrowing and investment for the City's companies is administered by the City. Net receivables from the companies increased by SEK 6,437.8 million, while the City's property, plant and equipment, and development properties increased by SEK 3,483.5 million. The City's loan to Fortum Oyj was redeemed in advance, a decrease of the City's long-term receivables by nearly SEK 1.7 billion. To meet the companies'

borrowing needs, short- and long-term borrowing increased by SEK 4,790.8 million. The City's investment expenses were covered by funding from the operation and sales. The result has reduced the need for borrowing in general.

Assets

Non-current assets increased by SEK 3,325.2 million to total SEK 65,669.0 million (62,343.8). Property, plant and equipment increased while financial assets decreased. Investments amount to SEK 4,314.5 million, depreciation/amortisation and impairments to SEK 980.1 million and the carrying amount for sales amounted to SEK 431.0 million. The investment volume is fully in line with the previous year. Investments are mainly made in housing construction; Hagastaden and Royal Seaport are the largest objects. In infrastructure, the construction of new Slussen is the dominant project. A SEK 1,523.0 million reclassification of development properties from current to non-current assets took place during the year due to the changed assessment of what will be sold. Investment income is recognised gross, in the form of fees and contributions, on capitalisation, so that income is entered as a liability and taken up as income as the facility in question is used. Investment income for 2014 amounted to SEK 12.9 million (13.5).

Current Assets

Current assets increased by SEK 4,689.4 million to total SEK 55,154.1 million (50,464.7). The main change is the increased borrowing requirement of the companies due to the continued high investment volume, primarily relating to housing. The City's receivables from companies increased by SEK 6,427.1 million during the year. Development properties decreased to SEK 1,093.0 million (2,616.0). The City's cash and cash equivalents amounted to SEK 308.8 million (-130.1), an increase of SEK 438.9 million. The cash and cash equivalents reduce the need for borrowing and the level is affected by the current interest rate.

Equity and liabilities

Equity increased by SEK 4,030.4 million to SEK 60,663.2 million (56,632.8). Here, earnings for the year comprise SEK 450.4 million and SEK 580.0 million is a correction regarding co-financing of E18 Hjulsta-Kista, where the City will assume ownership of two overdeckings. In accordance with the City Council's decisions in 2002, 2006, 2010, 2011 and 2012 regarding the appropriation of equity, a total of SEK 65.4 million was appropriated during the year. This was recognised under costs affecting comparability.

Non-current liabilities increased by SEK 3,222.3 million to SEK 18,809.6 million (15,587.3). Bond loans were taken out to meet

the companies' increased borrowing requirements. Loans which fall due for payment within one year are classified as short-term loans. (See the section on the finance policy for a more detailed analysis.) Long-term loans include the City of Stockholm's commitment to the energy project Stockholm Ström, in an amount of SEK 656.0 million. A payment to the project of SEK 258.2 million in 2015 was classified as a current liability.

Current liabilities increased by SEK 1,368.2 million to SEK 28,261.4 million (26,893.2). The difference is attributable to an increase in the current component of the long-term borrowing. The liability for the final statement for the City's tax income in 2013 is estimated to be larger than estimated in the 2013 annual accounts.

Equity/assets ratio

The equity/assets ratio shows equity in relation to the balance-sheet total. The indicator is reported including the City's contingent liabilities regarding pension commitments. On 31 December 2014, the equity/assets ratio amounted to 35.5 percent (34.0). The increase was due to the year's earnings combined with the adjustment made by income recognition in 2002 and 2003. A decrease of the contingent liability also has an effect. Equity amounts to SEK 60,663.2 million, equivalent to approximately SEK 66,487 per resident (SEK 46,999 including contingent liability).

Pensions

Pension provisions are recognised in the balance sheet at a total of SEK 5,050.5 million, including special tax on employment income. Pension provisions increased by SEK 160.8 million during the year, a moderate increase compared with earlier years. The lowering of the interest rate for deflation calculations of the pension provision in 2013 entailed a higher opening balance in 2014, which kept down the provision increase. The pension provision is calculated based on the guidelines of the Swedish Association of Local Authorities and Regions, RIPS07. The basis for the calculations is the KAP-KL pension agreement. The agreement was replaced by the new AKAP-KL agreement in 2014 for employees born in 1986 onwards. The effect of the agreement on the provision change and the pension fees are marginal thus far. Local pension provisions over and above the municipal pension agreement are included in pension liabilities.

The pension provision earned up to and including 1997 constitutes a contingent liability in the City's financial statements and amounts to SEK 17,781.1 million, including a special tax on employment income. This portion of the pension provision is recognised as a contingent liability in accordance with the rules of the so-called mixed

model. This means that part of the City's liabilities is not recognised in the balance sheet, which therefore portrays a more positive picture of the financial position. Pension provisions earned up to and including 1997 increased by SEK 549.3 million compared to 2013. The decreased discount rate also has an impact here, but this part of the liability has reached its highest level and will decrease in the future. The accrued pension fees and accrued tax on employment income are recognised as current liabilities and amount to a total of SEK 759.6 million.

Leases

The value of the City's future commitments for operating leases amounts to SEK 7,183.8 million in the financial statements for 2014, of which 71% (SEK 5,081.1 million) relates to agreements with the City's companies. Virtually all leases relate to leases for premises. Agreements with external landlords are spread over a considerable number of landlords, resulting in a low level of risk. Only non-cancellable leases with a term of more than three years are recognised. The agreements with Skolfastigheter i Stockholm AB are cancellable and are not recognised. Agreements with Micasa Fastigheter i Stockholm AB are cancellable, but at a substantial cost to the City, and so it was deemed that they should be recognised. Leases for the City's IT supplier are not included as they do not meet the conditions, but constitute a major cost to the City at SEK 564.0 million in 2014.

Sales

The City's income from the sale of property, plant and equipment during the year amounts to SEK 2,342.8 million, which results in a net capital gain for the City of SEK 1,911.8 million. The sales relate to property, sale of leasehold land and sales related to development. Property sales as a result of development activities constitute the majority of SEK 1,331.0 million. Sale of previously leasehold land entailed sales income for the City of SEK 571.9 million.

Investments in the City

The City's investments in 2014 amounted to SEK 4,314.5 million (4,271.6), which is at par with last year. Investment income for the year amounted to SEK 12.9 million (13.5).

The City's investment in infrastructure for housing is continuing. Investment expenses for the urban development areas Hagastaden, Royal Seaport, Hammarby Sjöstad and Nordvästra Kungsholmen totalled SEK 1,582.0 million, which is SEK 222.0 million higher than last year. The rate of investment increased in Royal Seaport.

The City's largest infrastructure project is the demolition and reconstruction of Slussen. ►



In the scope of the City's cycling investments, known as the "Cycling Billion", infrastructure work is being done on the network of bicycle paths.

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In 2014, the City co-financed the government infrastructure projects Citybanan commuter rail line, Lindhagensgatan interchange and the Metro expansion.



PHOTO: MIKAEL ULLEN/SWEDISH TRANSPORT ADMINISTRATION

Preparatory works primarily in the form of pipe relocation have been contracted and work has been under way since spring 2013. A review of the project began in November 2014. An expert group examined the project on behalf of the City Executive Board. The report from the expert group was turned over to the City Executive Board on 2 February 2015, and will now be further analysed before the City decides on how the work on Slussen will continue.

The first stage of the renovation of Sergels Torg’s sealing layer was completed at the end of 2013. After a planned stage evaluation, the sealing layer work resumed in October 2014. Several reinvestment programmes, with the aim of safeguarding the operation of the City’s infrastructure, are in progress. In the scope of the City’s cycling investments, known as the “Cycling Billion”, infrastructure work is being done on the network of bicycle paths. The project comprises the prioritised measures on the commuter routes.

In June, the City Council decided that the planned renovation and development of Östermalmshallen will be implemented. The City

Council also decided to conduct a renovation and technical improvement of the Stockholm City Museum. Vanadisbadet was renovated during the year, and the water park was able to open in June 2014 after having been closed since 2008.

The investment expenses’ deviation from the budget is, in many cases, due to time delays in the investment projects, whose construction spans a number of calendar years. It will only be possible to measure the outcome of the projects once they have been completed and a final report has been made. Deviations are partly due to planning processes, including appeals, often taking longer than expected.

In order to make pressing investments in road and rail traffic in Stockholm, the City is a co-financier of a number of major government infrastructure projects. In 2014, the City paid more than SEK 420.0 million in co-financing of the government infrastructure projects Citybanan commuter rail line, Lindhagensgatan interchange and the Metro expansion. The Stockholm Negotiations on the Metro expansion were concluded in December 2013. The City’s commitment to co-finance the expansion of the underground

A number of major projects with implementation decisions that continued during the year are presented in the table below (net expenses, SEK million).

Projects with implementation decisions				
Project name	Refers to	Budget 2014	Outcome 2014	Deviation
Hagastaden	Housing	-648.0	-608.3	39.7
Hammarby sjöstad	Housing	-97.1	-102.0	-4.9
Royal Seaport	Housing	-1,114.9	-947.4	167.5
Nordvästra Kungsholmen	Housing	-22.0	75.7	97.7
Järvälyftet	Housing	-116.1	-51.1	65.0
Älvsjö Centrum	Housing	-19.5	-17.2	2.3
Slussen	Infrastructure	-532.1	-407.5	124.6
Sergels torg, renovation of sealing layer	Infrastructure	-54.0	-83.6	-29.6
Infrastructure work on the cycle path network	Infrastructure	-111.1	-136.2	-25.1
Reinvestment programme: street lighting	Infrastructure	-152.7	-149.8	2.9
Östermalmshallen	Real Estate	-20.0	-34.5	-14.5
Stockholm City Museum	Real Estate	-5.0	-7.5	-2.5
Vanadisbadet	Sports	-42.0	-49.6	-7.6

amounts, as agreed, to SEK 2,950.0 million at 2013 price level. Of the disbursements above, approximately SEK 260.0 million pertain to the Metro expansion.

The new law on public municipal housing companies has given the City the opportunity to finance projects within the framework of the City's responsibility to provide housing by way of a special dividend. These projects will include measures that promote integration and social cohesion. The special dividend amounted to SEK 450.0 million in 2014. The dividend has been earmarked for projects within the City Council's long-term visions for Järvalyftet and Vision Söderort, as well as for financing projects in other priority suburban areas. Many of the projects for which funds have been earmarked are currently in the planning phase. The need for financing will increase in the coming years as the projects are implemented. In 2014, SEK 200.0 million was utilised to finance the implementation of projects including Rinkeby Allé, Rinkebyterassen and Rinkebystråket within Järvalyftet, the renewal of Älvsjö Centrum and the Johannelund housing project near Löfstavägen in the west. The dividend also financed the City's investment in basic sports halls in priority areas where the sports halls at Sättra sports field and Blommensberg ball field are scheduled for completion in 2015.

Contingent liabilities and guarantees

The City's commitments regarding contingent liabilities and guarantees amount to SEK 792.9 million, a reduction of SEK 19.4 million. The guarantees refer partly to non-profit organisations, as well as foundations and companies. The City has also guaranteed pension commitments for the City's majority-owned companies and certain foundations. The majority of these pension commitments have been extended to S:t Erik Livförsäkring AB. The overall risk of the City's guarantees is deemed to be low.

Transparency Directive

The Swedish Act on Transparency for Certain Financial Obligations, etc. places certain requirements on accounting in publicly owned companies by way of requiring open, separate accounting. The aim of the act is to implement the European Commission's Directive 08/723/EEC in Swedish law (Transparency Directive) to counteract unfair competition.

The act applies to publicly-owned companies where the government, municipalities or county councils have a direct or indirect controlling interest through ownership, financial involvement or the rules that apply for the company. Economic or commercial operations carried out in the form of administration are also covered by the concept.



PHOTO: STEFAN BOHLIN

Under the provisions of the Act, publicly-run companies with an annual net turnover in excess of EUR 40 million during each of the past two fiscal years shall apply these rules on transparent accounting.

The companies covered by the Directive and the obligation to supply information are Stockholms Hamn AB, STOKAB and Stockholms Stads Parkerings AB. Financial operations within the City are carried out by the accounting and financial strategy unit, the City Executive Office's Finance Department. All lending and borrowing to and by the City's companies take place through this unit. All companies are offered loans and investments on terms equivalent to the Municipal Group's external financing cost with a margin for any compensation for overheads. No capital injections, non-refundable loans or loss-covering grants are provided.

INCOME STATEMENT		City		Municipal Group	
SEK million	Note	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Operating income	1	9,804.2	9,695.3	20,888.0	19,645.1
Income affecting comparability*	2	2,052.4	1,605.7	2,886.1	2,193.8
Operating costs	3	-46,405.3	-44,502.4	-52,736.7	-50,367.9
Costs affecting comparability*	4	-206.0	-279.7	-231.1	-244.0
Depreciation/amortisation	5	-980.1	-918.9	-3,584.4	-3,455.7
Net operating costs		-35,734.8	-34,400.0	-32,778.2	-32,228.7
Tax income	6	37,236.7	35,866.6	37,236.7	35,866.6
General government grants and equalisation	7	-339.2	111.7	-339.2	111.7
Surplus from participations in associates		-	-	139.5	106.3
Financial income	8	2,429.8	3,283.4	44.8	78.2
Financial income affecting comparability	9	0.0	24.9	-	-
Financial expenses	10	-909.4	-874.2	-603.8	-573.4
Financial expenses affecting comparability	11	0.0	-414.7	0.0	-414.7
Surplus after tax and net financial income/expense		2,683.1	3,597.7	3,699.8	2,945.9
Provisions from previous years utilised/reversed	12	783.6	342.6	783.6	342.6
Provisions	12	-16.4	-495.9	-16.4	-495.9
Tax	13	-	-	-372.2	-287.6
Non-controlling interest in surplus for the year		-	-	-7.7	-3.0
Surplus for the year		3,450.3	3,444.4	4,087.1	2,502.0
Less: Income affecting comparability		-2,052.4	-1,571.5	-	-
Plus: Sales income in accordance with exclusion option		1,331.0	241.6	-	-
Surplus for the year after balanced-budget requirement adjustments		2,728.9	2,114.6	-	-
Less costs as per extraordinary circumstances Chapter 8 Section 5b of the Local Government Act	14	65.4	171.9	-	-
Surplus for the year in accordance with balanced-budget requirement	15	2,794.3	2,286.4	-	-

* 2013 value adjusted after change of accounting policy in 2014 development property

CASH FLOW STATEMENT		City		Municipal Group	
SEK million	Note	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
OPERATING ACTIVITIES					
Surplus for the year		3,450.4	3,444.4	4,087.1	2,502.0
Reversal of capital gains/losses	16	-1,911.8	-1,011.7	-2,825.0	-2,121.6
Adjustment for non-cash items	17	860.0	2,103.5	3,483.4	3,770.1
Decrease in provisions due to payments	18	-65.5	-61.0	-	-
Funds from operations before change in working capital		2,333.1	4,475.2	4,745.5	4,150.5
Increase/decrease in current receivables		-5,905.1	-6,567.1	759.6	-1,098.3
Increase/decrease in stocks and inventories		-3.3	4.2	5.8	3.1
Increase/decrease in current liabilities	19	1,503.1	3,490.7	5,210.5	2,518.5
Cash flow from operating activities		-2,072.1	1,403.0	10,721.4	5,573.8
PAYMENT OF CONTRIBUTIONS TO STATE INFRASTRUCTURE					
Payment of contributions to state infrastructure		-423.8	-281.5	-423.8	-281.5
INVESTING ACTIVITIES					
Investment in intangible assets		-	-	-2.8	-4.8
Sales of intangible assets		-	-	0.0	9.1
Investment in property, plant and equipment	20	-4,327.4	-4,276.5	15,458.9	-12,151.9
Investment grants		12.9	13.5	-	-
Sale of tangible fixed assets	21	2,342.8	1,217.2	693.5	3,249.9
Investment in financial assets		-	-13.6	-270.8	-222.4
Sale of financial assets	21	0.0	37.6	0.0	243.3
Other change in non-current assets		-	-	-	-
Cash from Investment Activities		-1,971.8	-3,021.9	15,039.0	-8,876.9
FINANCING ACTIVITIES					
New loans		9,656.6	5,530.0	-	-
Repayment of non-current liabilities		-4,755.0	-1,150.2	-	-
Increase/decrease of non-current liabilities	22	-1,676.4	-2,739.0	3,225.7	3,645.2
Increase/decrease of non-current receivables		1,681.3	1.1	1,853.6	-186.2
Cash flow from financing activities		4,906.6	1,641.9	5,079.3	3,459.0
Annual cash flow		438.9	-258.5	337.9	-125.6
Cash and cash equivalents at beginning of the year		-130.1	128.4	193.9	319.5
Cash and cash equivalents at period-end	23	308.8	-130.1	531.8	193.9
Interest-bearing net assets/liability		13,197.1	13,038.2	-16,121.8	-15,732.1
Interest-bearing net assets/liabilities at beginning of the year		13,038.2	10,796.9	-15,732.1	-12,742.6
Interest-bearing net assets/liabilities at period-end		13,197.1	13,038.2	-16,121.8	-15,732.1

BALANCE SHEET		City		Municipal Group	
SEK million	Note	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
ASSETS					
Intangible assets					
Intangible assets	24	-	-	76.0	73.0
Total intangible assets		-	-	76.0	73.0
Property, plant and equipment					
Land, buildings and plant	25	54,607.0	50,773.8	125,971.8	113,681.9
Machinery and equipment	26	550.1	484.2	7,156.0	6,552.5
Construction, extension and conversion work in progress	27	6,611.2	5,503.9	16,662.0	16,647.4
Total property, plant and equipment		61,768.3	56,761.9	149,789.8	136,881.8
Financial assets					
Shares and participations	28	3,880.7	3,880.7	2,590.6	2,320.0
Proportion of equity in associate companies		-	-	5,016.3	835.6
Non-current receivables	29	20.0	1,701.3	342.2	2,187.7
Total financial assets		3,900.7	5,582.0	7,949.1	5,343.3
Total fixed assets		65,669.0	62,343.8	157,814.9	142,298.0
Current assets					
Development properties	30	1,093.0	2,616.0	1,093.0	2,616.0
Inventories and work in progress	31	7.3	4.0	36.8	42.5
Current receivables	32	53,711.7	47,803.6	5,733.0	4,680.4
Short-term lending	33	0.8	0.8	0.8	0.8
Investments in securities, etc.	34	32.5	35.5	71.4	240.4
Cash and bank	35	308.8	4.8	531.8	193.9
Total current assets		55,154.1	50,464.7	7,466.8	7,774.0
Total assets		120,823.1	112,808.5	165,281.7	150,072.0
EQUITY AND LIABILITIES					
Equity					
Surplus for the year as per the income statement	36.37	3,450.4	3,444.4	4,087.1	2,502.0
Adjustment equity		580.0		580.0	
Other equity		56,632.8	53,188.4	100,175.9	94,706.5
Dividend		-	-	-0.1	-0.1
Changed accounting policies				4,303.8	2,433.1
Total equity		60,663.2	56,632.8	109,146.7	99,641.6
Provisions					
Pensions and similar commitments	38	5,050.5	4,889.7	7,064.0	6,655.3
Deferred tax liabilities				1,854.5	1,767.8
Other provisions	39	8,038.3	8,805.5	8,092.8	8,910.2
Total provisions		13,088.8	13,695.2	17,011.3	17,333.4
Non-controlling interest in equity				40.0	27.7
Other non-current liabilities					
Bond loans	40	16,853.1	12,636.5	16,853.1	12,636.5
Promissory note loan	41	1,200.0	2,200.0	1,200.0	2,200.0
State loans		-	-	-	-
Other Long-Term Liabilities	42	756.5	750.8	774.9	765.8
Total non-current liabilities		18,809.6	15,587.3	18,828.0	15,602.3
Current liabilities					
Current Liabilities	43	22,133.7	22,353.8	14,128.0	13,062.5
Short-term loans	44	5,349.0	3,774.8	5,349.0	3,639.9
City's holiday pay liability, etc.	45	778.7	764.7	778.7	764.7
Total current liabilities		28,261.4	26,893.2	20,255.7	17,467.0
Total equity and liabilities		120,823.0	112,808.5	165,281.7	150,072.0
Pledged assets		-	-	-	600.4
Contingent liabilities and guarantees	46	597.3	792.9	748.4	836.5
Contingent liabilities incl. employer's contribution	47	17,781.1	18,330.4	17,857.2	18,341.0
Derivative instruments; market value	48	-224.1	-288.0	-224.1	-288.0
Leases, operating leases	49	7,183.8	6,672.5	7,183.8	6,672.5
Additional dividend 2012, Section 5:1 Public Municipal Housing Companies Act remains	50	401.0	485.2		
Additional dividend 2013, Section 5:1 Public Municipal Housing Companies Act remains		1,787.7	1,858.1		
Additional dividend 2014, Section 5:1 Public Municipal Housing Companies Act remains		401.2			

Accounting principles

Local Government Accounting Act

These financial statements have been prepared in accordance with the Local Government Accounting Act (SFS 1997:614) and the recommendations of Rådet för kommunal redovisning (RKR – the municipal financial reporting board).

Depreciation/amortisation

As a rule, the City applies straight-line depreciation/amortisation, whereby an equal amount is depreciated/amortised each month for the asset's useful life. Balance-adjusted depreciation is used for supplementary investments where the supplementary investment is depreciated at the same date as the original investment. Assets such as art objects, for example, are written off without depreciation being carried out. Component depreciation is applied if necessitated by large differences in useful life within a facility. The strict breakdown of facilities into essential components will be introduced starting in 2015. Also refer to deviating accounting policies. The City has obtained guidance from the RKR paper on impairment when it comes to assessing the useful life of assets.

In accordance with RKR recommendation 18, from 2010 investment income in the form of grants and fees is taken up as income at the same rate that the investment is used.

Valuation principles

Non-current assets are recognised at cost. The acquisition value includes costs of dismantling and removing the previous asset and restoring the site if this is a prerequisite for the new asset. Non-current assets are assets with a useful life of at least three years and a value of at least one basic amount. In terms of investments in another party's property, if the property belongs to the municipal companies Skolfastigheter i Stockholm AB and Micasa Fastigheter i Stockholm AB, the investment expenditure must total at least SEK 0.5 million to be counted as an investment. A decision regarding this exception was made by the City Council on 3 November 2008 and includes minor projects and construction activities. The exception is considered negligible in terms of the sums involved and does not, therefore, affect the financial statements to a significant extent. As of the 2014 financial year, all committees have investment budgets.

Current assets are recognised at the lower of cost and fair value at the end of the reporting period.

Intangible assets

The City of Stockholm does not currently recognise any intangible assets. According to the City's accounting rules for investment, restrictiveness should be applied when an asset is classified as intangible to avoid overvaluation on the asset side. Up to and including 2014, no assets were deemed to meet the requirement for intangible assets.

Impairment of assets

The impairment of assets has been conducted in accordance with RKR 19. The City applies the limit that an asset's value shall amount to at least SEK 1 million for testing of the impairment requirement to take place. An impairment is made when the carrying amount exceeds the recoverable value by at least SEK 0.5 million and the change is deemed to be permanent, whereby permanent is defined as being at least five years.

Leases

In accordance with RKR's recommendation no. 13.1 2006, "Accounting for rental/lease agreements", the City recognises forthcoming lease contract expenses. Finance leases are recognised in the balance sheet. A materiality assessment has been conducted and agreements are only reported when the total expense exceeds SEK 0.5 million or the annual expense exceeds SEK 0.2 million. Operating leases are recognised as memorandum items with the same limits on amounts as for finance leases. According to the recommendation, leases should be recognised if the lease period is over three years. The City's agreement on IT services is mentioned in the note on operating leases, even though the condition regarding the length of the lease has not been fulfilled, because this financial obligation is extensive.

Sale and purchase of non-current assets

The principal rule regarding the sale and purchase of non-current assets is that the transaction is entered on the day on which possession is taken. This principle changed in 2010.

Borrowing costs

Borrowing costs are recognised in the period to which they are attributable and are not included in the cost of assets.

Classification

Current receivables and liabilities fall due for payment no later than 12 months after the end of the reporting period. *Non-current receivables liabilities* fall due for payment more than 12 months after the end of the reporting period. The exception is investment income which is wholly recognised as a non-current liability as it does not affect liquidity.

Development properties intended for sale are recognised as current assets. Holiday pay liability and unpaid overtime are recognised as liabilities according to their status on 31 December 2014.

Financial activities

Financial activities within the Municipal Group are based on the City's finance policy, which is established each year by the City Council. Foreign loans are measured in accordance with principles for hedge accounting. The City uses currency futures and/or interest and currency swaps to hedge positions in the event of currency and interest-rate fluctuations. Recommendation 21 for the accounting of derivatives and hedge accounting has been applied. Purchases or sales of financial assets or liabilities are recognised on the settlement date. Financial current assets and current liabilities are valued at cost. Any issue costs and similar transaction costs are allocated to a particular period in accordance with the effective interest method.

Items affecting comparability

Capital gains and losses and non-recurring items that are not part of the normal operation are recognised as items affecting comparability. This includes development income and expenses, which as of the 2014 financial year are recognised gross according to applicable regulations, book value as cost and sales income as income. In accordance with a City Council decision, gains on sales in 2002 are used for measures to increase expertise within the framework of the skills development fund, and gains on sales in 2006 and 2010 are used for an e-service programme and an investment in the outer districts. In the 2011 financial statements, gains from sales amounting

to SEK 50 million were used to allocate more funds to Vision Järva and Vision Söderort. Furthermore, SEK 550 million is being used for additional funding for operational development with the help of IT. A further SEK 250 million was allocated to IT investments in the 2012 financial statements. Measures in accordance with these decisions are recognised as items affecting comparability because they are a means of returning value to the City's assets. The aim of the City Council decisions is for measures within the framework of the decisions not to influence the surplus/deficit for the year in accordance with the balanced-budget requirement, i.e. the City Council decisions presuppose that there are extraordinary circumstances regarding the calculation of the balanced-budget requirement.

The City has chosen to recognise the above items as items affecting comparability if they amount to at least SEK 0.1 million. The level has been set low bearing in mind that these items are never part of normal operations and therefore render comparison between years difficult if they are not disclosed.

Provisions

The City makes provisions, in addition to pension provisions, for the effects of major reorganisations, if applicable, and commitments within the field of infrastructure, for example. Recommendation 10.2, "Provisions and contingent liabilities" from September 2011, is applied.

Pension commitments

The City's pension provision is recognised partly as a provision in the balance sheet and partly as a contingent liability. Pensions earned up to and including 1997 are recognised as a contingent liability. The individual pension entitlement earned by the City's staff during the year is recognised in the balance sheet as an accrued expense. The pension provision is corrected for insured commitments, which are negligible. Management pensions are recognised in the balance sheet from 2002 onwards. Pensions, in accordance with local pension rules in addition to the municipal pension agreement, KAP-KL, are included in the pension provision.

The change in pension provision includes a portion for index linking the pension provision. When the change in pension provision is expensed, the index linking is entered along with the related employer's contribution as a financial expense. The calculation of the pension provision is made in accordance with the Guidelines for pension provision calculation (RIPS 07). The basis for the calculations is the KAP-KL pension agreement.

Receivables/liabilities from/to Group companies

The City manages borrowing and lending to and from the municipal companies. The companies have an account in the City's group structure with a few exceptions. Depending on the balance, a receivable or liability is entered for the company in question.

Consolidated accounting, general

Under the Local Government Accounting Act, the City of Stockholm's annual and interim financial statements should also include operations conducted by other legal entities within the Municipal Group and consolidated financial statements must be prepared. The aim of the compiled financial statements, which are the local government equivalent in Sweden of a corporation's consolidated financial statements, is to provide a comprehensive view of the operations and financial position of the City's committees, limited companies and joint authorities.

The consolidated financial statements have been prepared in accordance with RKR 8.2 on consolidated financial statements. The City's committees have been consolidated in proportion with the City's directly and indirectly wholly and partly-owned companies in which the City has at least a significant influence.

Differences in accounting policies between the companies and the City may arise due to differences in legislation and recommendations applied for the City and companies respectively. In the consolidated financial statements, effects of significant importance due to differences between accounting policies for companies and the City have been adjusted based on local government accounting policies. Beginning in 2014, the companies apply the new standard regulations K3. Among other things, the transition affected the principles for the accounting of property, plant and equipment through the introduction of component depreciation. Since the requirement of component depreciation beginning in 2014 is also in the municipal accounts, the changes made in the companies also impacted the consolidated accounts. The change in the companies' accounting was made with a recalculation of comparative figures for previous years. The corresponding change in the consolidated accounts was reported in 2014 as an addition or deduction in the notes concerned and as a change in equity.

Consolidated financial statements are produced in connection with the second four-month report and the annual financial statements.

Consolidated accounting, Consolidation policies

The majority of the City's companies are in the Stockholms Stadshus AB Group, which is wholly-owned by the City. The financial statements of the Stockholms Stadshus AB Group are used as the basis for consolidation for the consolidated financial statements. In the consolidated financial statements, all internal transactions and internal profits and losses of material importance are eliminated. The subsidiary S:t Erik Livförsäkring AB of the Stockholms Stadshus AB Group recognises financial instruments at fair value. No adjustment is made for this in the consolidated financial statements as the values are not of material importance.

The consolidated financial statements have primarily been prepared in accordance with the acquisition method of proportional consolidation, in that only the owned shares of the companies' accounting items are consolidated and the carrying amounts of shares in Group companies are eliminated against the acquired share of the subsidiaries' equity. Accordingly, the consolidated financial statements only include the portion of the subsidiaries' equity that arose after the acquisition. In cases where the consolidated cost of the shares exceeds the value of the company's net assets according to the acquisition analysis, the difference is recognised as a group surplus value. If a group undervalue has arisen, this is recognised as negative consolidated goodwill. In the consolidated financial statements, jointly-owned companies are not consolidated proportionally, but consolidated using the equity method. The departure from using the proportional consolidation method has no effect on the surplus for the year.

Application of certain accounting policies at the City of Stockholm

Development properties

Development properties intended for sale are recognised as current assets for all accounting year ends. During the current financial year, development properties in the non-current assets register are recognised as non-current assets. Upon sales, book value is ►

recognised gross as a cost and the sales consideration as income beginning in 2014. Comparative figures for 2013 are corrected.

Investment income

RKR recommendation 18 regarding income from fees, grants and sales has been applied from 2010. Investment income in the form of grants and fees is recognised as a liability in the external financial statements in accordance with the recommendation. At committee level, income is capitalised on the assets side, i.e. is offset. The income is reversed and recognised on the liability side in the central financial statements. In connection with a new version of the accounting system in 2014, the City is transitioning to recognising income by object in the asset ledger, i.e. correct handling even at the committee level.

Deviating accounting policies in the City of Stockholm

As of the 2015 financial year, property, plant and equipment shall be divided up in significant components based on useful life according to applicable regulations. The interpretation was presented by RKR in December 2013. The changed regulations have an effect on the budget. The City had to make a decision to comply with these regulations and deviate from the statutory decision formats in a municipality or implement the change after a decision of a changed budget in legal order. The City has chosen the latter and will implement the change in the 2015 financial year. A project has been started for the implementation. The effect on the surplus/deficit of implementing component depreciation in 2015 and not 2014 is estimated to have a negative surplus impact in 2014 by around SEK 120 million. The effect consists of the fact that if component depreciation had been introduced in 2014, part of the property maintenance would have been booked as investments instead of having a direct surplus effect. A small effect on the depreciation expenses is also included, but the effect is assessed as marginal.

Definitions of items in the annual financial statements

Non-current assets are assets intended for continuous use in operations. They may be intangible (for example, goodwill), tangible (for example, buildings) or financial (for example, shares).

Depreciation/amortisation according to plan is the allocated total expenditure for a fixed asset. The cost is distributed over the number of years that the asset is used in the operation. Balance-adjusted depreciation/amortisation is used for supplementary investments. Assets without a finite useful life are not depreciated or amortised.

Provisions are obligations attributable to the financial year or previous financial years; their existence at the end of the reporting period is certain or probable, but the amounts payable or the date on which these amounts will be paid is uncertain, and they rest on a present obligation.

The balanced-budget requirement is linked to the income statement. Pursuant to chapter 8, section 4 of the Local Government Act, the budget must be prepared so that income exceeds costs. If a deficit is recognised, i.e. if costs exceed income in any particular financial year, the deficit must be eliminated within three years after it was recognised. The basic principle is that capital gains are excluded from income in the reconciliation with the balanced-budget requirement. However, exceptions may be made if they are in line with sound financial management, for example if the sale is part of a restructuring process.

Capital gains on development properties recognised as current assets are excluded.

The balance sheet is a summary of assets, equity, provisions and liabilities at the end of the reporting period, i.e. on the last day of the accounting period.

Commercial papers may be issued by, for example, municipalities or companies. Loans may be raised through the issue of promissory notes in the form of certificates with maturities of up to one year.

Equity is the difference between assets and liabilities. It shows the percentage of assets not financed through debt.

Elimination involves the removal of internal items so that income, costs, receivables and liabilities do not show 'inflated' values.

Euro Commercial Paper (ECP) is a commercial paper issued on the Euro market.

Euro Medium Term Note (EMTN) are promissory notes in the form of bonds with maturities over year. EMTNs are issued in the Euro market.

Obligation – a commitment originating from a contract, legislation or other legal basis.

The cash flow statement shows the cash flows from various parts of the operation, such as investing activities. The sum of these various areas comprises the total cash flow for the year.

Net financial items are the difference between financial income and financial expense in the income statement.

A Medium Term Note (MTN) is a loan that can be raised through the issue of promissory notes in the form of bonds with maturities of at least one year.

Current assets are assets that are not held for continuous use, but are consumed in conjunction with the production of products or services or are otherwise used in the operation.

The income statement is a summary of income and costs which result in a surplus or deficit for a specific period.

The equity/assets ratio is a measure of long-term solvency and can be viewed as an indicator of financial strength. It shows equity as a percentage of total assets.

Surplus for the year shows the change in equity.

Notes to the income statement

NOTE 1 OPERATING INCOME	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Tariffs, fees, etc.	4,468.0	4,419.3	8,741.1	7,781.7
Rents, site leaseholds	3,863.2	3,835.3	10,579.5	10,358.1
Government grants	1,432.6	1,376.8	1,526.9	1,441.4
EU grants	40.5	63.9	40.5	63.9
Total operating income	9,804.2	9,695.3	20,888.0	19,645.1

Internal transactions have been eliminated from the operating income.

NOTE 2 INCOME AFFECTING COMPARABILITY	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Refund of insurance agreement premiums 2005 and 2006 (AGS-KL, AVBF-KL)	0.0	511.0	0.0	0.0
Capital gains from sales*	2,052.4	1,094.7	2,886.1	2,193.8
of which sales development properties	1,331.0	300.7	1,331.0	300.7
Total income affecting comparability	2,052.4	1,605.7	2,886.1	2,193.8

* Sales of development properties are recognised gross as of 2014. Comparative figures for 2013 are corrected.

NOTE 3 OPERATING COSTS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Materials and services purchased, etc.	-8,551.6	-7,919.9	-29,612.6	-27,777.3
Housing allowance, financial assistance and other support	-2,195.0	-2,237.1	-2,195.0	-2,237.1
of which financial assistance	-962.2	-970.0	-962.2	-970.0
Contracts and purchase of operations	-16,955.9	-16,110.9	0.0	0.0
Salaries*	-12,808.3	-12,432.2	-20,929.1	-20,353.6
Employer contributions and insurance agreements	-3,846.2	-3,717.0	0.0	0.0
Pension expenses**	-1,894.2	-1,921.7	0.0	0.0
of which payment of pensions	-826.2	-819.4	0.0	0.0
of which pension fees	-604.3	-580.7	0.0	0.0
of which occupational pension insurance	-13.2	-0.5	0.0	0.0
of which special employer's contribution	-350.1	-333.2	0.0	0.0
of which changes in pension provision incl. employer's contribution	-100.4	-187.9	0.0	0.0
Other personnel costs	-154.0	-163.7	0.0	0.0
Total operating costs	-46,405.3	-44,502.4	-52,736.7	-50,367.9

Internal transactions have been eliminated from the operating costs.

* Hourly pay, extra pay for inconvenient working hours, overtime including employer's contribution are allocated to a particular period.

** Interest and basic-amount indexation for the pension provision, including employer's contribution, is entered under financial expenses.

NOTE 4 COSTS AFFECTING COMPARABILITY	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Book value, sale of development properties**	-104.7	-59.1	-104.7	-59.1
Capital losses from sales	-35.9	-48.7	-61.0	-13.1
Skills development fund	-0.5	-0.6	-0.5	-0.6
Vision Järva, Vision Söderort and Hässelbylyftet	0.0	-87.0	0.0	-87.0
E-service programme	-11.4	-46.8	-11.4	-46.8
IT Investment 2011 and 2012 financial statements	-53.5	-37.4	-53.5	-37.4
of which procurement of a new accounting system (SUNE)*	0.0	-8.3	0.0	-8.3
of which Skolplattform*	0.0	-25.4	0.0	-25.4
of which digital renewal	-42.6	0.0	-42.6	0.0
of which eDoc project	-10.9	-3.7	-10.9	-3.7
Total costs affecting comparability	-206.0	-279.7	-231.1	-244.1

* The SUNE project and Skolplattform were appropriation funded in 2014

** Sales of development properties are recognised gross as of 2014. Comparative figures for 2013 are corrected.

NOTE 5 DEPRECIATION/AMORTISATION		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Depreciation/amortisation according to plan*	-936.1	-878.0	-3,724.5	-3,446.0	
Impairments	-13.0	-20.1	140.1	-9.7	
Impairment reversal		0.1			
Disposals	-31.1	-20.8	-	-	
Total depreciation/amortisation	-980.1	-918.9	-3,584.4	-3,455.7	
* Intangible assets					
Tenancy rights and intangible assets (20-33%)	-	-	-16.8	-18.7	
Goodwill (20%)	-	-	0.0	0.0	
*Property, plant and equipment					
Buildings and plant (2-33%)	-810.2	-756.0	-3,269.4	-2,951.2	
Machinery and equipment (2-33%)	-125.9	-122.0	-438.3	-476.1	
*Total depreciation/amortisation	-936.1	-878.0	-3,724.4	-3,446.0	

NOTE 6 TAX INCOME		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Preliminary tax income for the year	37,175.9	35,911.5	37,175.9	35,911.5	
Adjustment of forecast final tax settlement for 2012	5.5	7.3	5.5	7.3	
Adjustment of forecast final tax settlement for 2013	-95.9	20.7	-95.9	20.7	
Forecast final tax settlement for 2014	6.3	-214.7	6.3	-214.7	
Burial fees	145.0	141.9	145.0	141.9	
Total tax receipts	37,236.7	35,866.6	37,236.7	35,866.6	

NOTE 7 GENERAL GOVERNMENT GRANTS AND EQUALISATION		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Introduction grant	555.8	0.0	555.8	0.0	
Settlement grants	208.0	401.0	208.0	401.0	
Cost equalisation grants	78.9	1,312.1	78.9	1,312.1	
Adjustment item property charge		-4.9		-4.9	
Adjustment item forecast 2013	-0.1	1,062.5	-0.1	1,062.5	
Adjustment item as per information from Swedish Tax Agency	5.4		5.4		
Municipal property charge 2014 preliminary forecast	1,078.7	-5.4	1,078.7	-5.4	
Total general government grants and equalisation	1,926.8	2,765.3	1,926.8	2,765.3	
Fees in the equalisation system					
Income equalisation fee	-1,394.9	-1,889.4	-1,394.9	-1,889.4	
LSS equalisation fee	-871.1	-764.2	-871.1	-764.2	
Total fees in equalisation system	-2,266.0	-2,653.6	-2,266.0	-2,653.6	
Total general government grants and equalisation	-339.2	111.7	-339.2	111.7	

NOTE 8 FINANCIAL INCOME		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Long-term interest	1,273.5	1,173.8	0.0	0.0	
Short-term interest	0.0	0.0	38.5	46.6	
Other financial income	6.2	6.6	6.3	31.6	
Share dividend, other	700.1	203.0	0.0	0.0	
Of which Stockholm Stadshus AB	500.0	0.0			
Of which AB Fortum Värme Holding co-owned with the City of Stockholm	200.0	200.0			
Of which Söderhalls renhållningsverk AB	0.1				
Of which Mässfastigheter AB	0.0	3.0			
Dividend in accordance with Swedish Municipal Housing Companies Act, SFS 2010:879	450.0	1,900.0	0.0	0.0	
Total financial income	2,429.8	3,283.4	44.8	78.2	

Other financial income includes e.g. guarantee income from the municipal housing companies.

NOTE 9 FINANCIAL INCOME AFFECTING COMPARABILITY		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Total capital gains from sale of financial assets	0.0	21.3	-	-	
Of which sale of tenant-owner apartments	0.0	4.1	-	-	
Of which sale of Mässfastigheter i Stockholm AB	0.0	17.1	-	-	
Impairment reversal, financial assets		3.6			
Total financial expenses affecting comparability	0.0	24.9	-	-	

NOTE 10 FINANCIAL EXPENSES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Long-term interest	-826.9	-770.2	-520.6	-468.6
Interest component pension provision change	-60.4	-94.7	-60.4	-94.7
Other financial expenses	-22.1	-9.4	-22.8	-10.1
Total financial expenses	-909.4	-874.2	-603.8	-573.4
Average interest rate				
Average interest rate of external debt portfolio with derivatives (%)	2.4	2.5	2.4	2.5
Average interest rate of external debt portfolio without derivatives (%)	2.0	2.2	2.0	2.2
Average fixed-rate period				
Average fixed-rate period of external debt portfolio with derivatives, years	3.0	2.2	3.0	2.2
Average fixed-rate period of external debt portfolio without derivatives, years	1.7	1.7	1.7	1.7

NOTE 11 FINANCIAL EXPENSES AFFECTING COMPARABILITY	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Interest on pension provision due to changed discount rate	0.0	-414.7	0.0	-414.7
Total financial expenses affecting comparability	0.0	-414.7	0.0	-414.7

NOTE 12 PROVISIONS AND PROVISIONS UTILISED	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Provisions for the year				
Burial fees	-16.4	-15.9	-16.4	-15.9
Infrastructure investments	0.0	-480.0	0.0	-480.0
Total provisions for the year	-16.4	-495.9	-16.4	-495.9
Provisions utilised from preceding years				
Accommodation for the mentally impaired	1.8	3.8	1.8	3.8
Accommodation for the elderly	4.9	13.6	4.9	13.6
Homeless projects, evidence-based methods	3.3	8.2	3.3	8.2
Waste Collection Committee*	42.6	24.0	42.6	24.0
Infrastructure costs	423.8	281.5	423.8	281.5
Pre-school expansion	12.8	8.8	12.8	8.8
Total provisions utilised from previous years	489.2	342.6	489.2	342.6
Provisions released from preceding years				
Accommodation for the mentally impaired	134.7	0.0	134.7	0
Accommodation for the elderly	50.8	0.0	50.8	0
Homeless projects, evidence-based methods	10.2	0.0	10.2	0
Pre-school expansion	98.6	0.0	98.6	0
Grant SCILIFE, etc.	0.0	2.6	0.0	2.6
Total provisions released from previous years	294.4	0.0	294.4	0
Net provisions/provisions utilised	767.2	-153.3	767.2	-153.3

* The Waste Collection Committee's operations were converted to a corporate form on 30 June 2014 and the provision was settled in the sales consideration

NOTE 13 TAX	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Current tax	-	-	-473.7	-351.4
Deferred tax	-	-	101.5	63.8
Total tax	-	-	-372.2	-287.6

NOTE 14 COSTS IN ACCORDANCE WITH EXTRAORDINARY CIRCUMSTANCES CH. 8, SECT. 5B OF LOCAL GOVT. ACT	City	
	31 Dec 2014	31 Dec 2013
SEK million		
Skills development fund*	0.5	0.6
Vision Järva and Vision Söderort*	0.0	87.0
E-service programme*	11.4	46.8
IT investment*	53.5	37.4
Total costs according to exceptional reasons as per Chapter 8 Section 5b of the Local Government Act	65.4	171.9

* See Note 4.

NOTE 15 BALANCED-BUDGET REQUIREMENT PERFORMANCE FOR THE YEAR	City	
	31 Dec 2014	31 Dec 2013
SEK million		
Surplus for the year in accordance with balanced-budget requirement	2,794.5	2,286.4
Mortgaged according to Swedish Municipal Housing Companies Act for as yet unimplemented measures	-450.0	-1,900.0
Total balanced-budget requirement performance for the year after mortgages	2,344.5	386.4

Notes to the cash flow statement

NOTE 16 REVERSAL OF CAPITAL GAINS/LOSSES		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
A reversal of capital gains/losses is carried out so that the actual sales value is included under investing activities.	-1,911.8	-1,011.7	-2,825.0	-2,121.6	

NOTE 17 SPECIFICATION OF NON-CASH ITEMS		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Specification of non-cash items	860.0	2,103.5	3,483.4	3,770.1	
Adjustment to depreciation/amortisation and impairments	980.1	918.9	3,584.4	3,455.6	
Adjustments for provisions made	177.2	1,185.9	353.6	933.6	
Adjustments for reversed income	-2.9	-1.3	0.0	0.0	
Adjustments for released provision	-294.4	0.0	0.0	0.0	
Tax expense	-	-	-315.1	-512.9	
Profit/loss from participations in related companies	-	-	-139.5	-106.3	

NOTE 18 DECREASE IN PROVISIONS DUE TO PAYMENTS		
SEK million	31 Dec 2014	31 Dec 2013
Decrease in provisions due to payments	-65.5	-61.0
Provisions utilised	-489.2	-342.6
Less infrastructural contributions, recognised separately	423.8	281.5

NOTE 19 INCREASE/DECREASE IN CURRENT LIABILITIES, ETC.		
SEK million	31 Dec 2014	31 Dec 2013
Increase/decrease in current liabilities, etc.	1,503.1	3,490.7
Changes in current liabilities	-220.1	2,235.7
Change in short-term loans excl. change in utilised overdraft facility	1,709.2	1,146.2
Change in holiday-pay liability, etc.	14.1	108.8

NOTE 20 INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT		
SEK million	31 Dec 2014	31 Dec 2013
Investment in property, plant and equipment	4,327.4	4,276.5
Of which land, buildings and plant	-3,587.0	-4,114.6
Of which machinery and equipment	-205.5	-161.9
Of which leases	0.0	0.0
Finance leases are included in the total for machinery and equipment. See Note 50 for specification.		
Of which construction, extension and conversion work in progress	-535.0	0.0

NOTE 21 SALE OF PROPERTY, PLANT AND EQUIPMENT		
SEK million	31 Dec 2014	31 Dec 2013
Sale of Tangible Fixed Assets	2,342.8	1,217.2
Book value land, buildings and plant	423.4	217.3
Book value machinery and equipment	7.5	13.1
Capital gains/losses	1,911.8	986.8
Sale of financial assets	0.0	37.6
Book value financial assets	0.0	12.7
Capital gains/losses	0.0	24.9

NOTE 22 INCREASE/DECREASE IN NON-CURRENT LIABILITIES		
SEK million	31 Dec 2014	31 Dec 2013
This item includes the reversal of reclassification of long-term borrowing to short-term	3,640.0	1,150.3
Adjustment made with non-cash item	-2.9	-1.3

NOTE 23 CASH AND CASH EQUIVALENTS AT PERIOD-END		
SEK million	31 Dec 2014	31 Dec 2013
Cash and cash equivalents at period-end	308.8	-130.1
Imprest cash, etc.	5.8	4.8
Cash and cash equivalents (bank, etc.)	303.0	0.0
Unused Bank Overdraft Facilities	0.0	-134.9

Notes to the balance sheet

The City's balance sheet recognises receivables and liabilities in relation to the City's own companies in gross amounts.

NOTE 24 INTANGIBLE ASSETS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening intangible assets, 1 January	-	-	197.8	210.2
Opening amortisation, 1 January	-	-	-124.8	-115.7
Amortisation for the period	-	-	-16.8	-18.7
Impairments for the period	-	-	0	0
New investments for the period	-	-	2.65	4.8
Sales	-	-	0	-9.1
Reclassification	-	-	17.05	1.4
Total intangible assets	-	-	76	73
Amortisation periods			3-10 years	3-10 years

NOTE 25 LAND, BUILDINGS AND PLANT	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening land, buildings and plant, 1 January	57,152.5	54,100.4	151,445.6	142,106.2
Opening depreciation, 1 January	-6,378.6	-5,720.0	-37,763.7	-34,810.9
Effect of change of accounting policy			363.3	
Depreciation for the period	-810.2	-756.0	-3,269.4	-2,952.8
Impairments for the period	-38.0	-40.9	152.9	-9.7
Of which impairment reversals	0.0	0.1	-	-
Of which disposals	-27.2	-20.8	-	-
Revaluation for the year			-	-
New investments for the period	4,114.3	2,850.3	5,997.0	4,472.8
Reclassification for the period, construction, conversion and extension	-527.3	1,264.3	8,352.6	5,702.2
Investment grants for the period	-12.9	-13.5	0.0	0.0
Sales	-415.8	-217.3	693.5	-825.9
Reclassification		92.4		
Reclassification, development properties	1,523.0	-786.0	-	-
Total land, buildings and plant	54,607.0	50,773.8	125,971.8	113,681.9
Depreciation periods	10-50 years	10-50 years	10-50 years	10-50 years

Investment; One price base amount, useful life 3 years or more. RKR recommendation 19 regarding impairments has been applied.

2013 Reclassification of public properties of SEK 367.1 million to other properties has taken place according to the current fixed-assets register. 2013 An impairment of SEK 13.7 million relating to projects in vain is included in the impairment amount

NOTE 26 MACHINERY AND EQUIPMENT	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening machinery and equipment, 1 January	1,264.7	1,339.5	11,986.0	11,597.2
Opening depreciation	-780.5	-882.2	-5,433.6	-4,957.5
Effect of change of accounting policy (K3)			48.4	
Depreciation for the period	-125.9	-122.0	-486.3	-476.1
Impairments for the period	-2.2	0.0	-2.2	0.0
Disposals for the period	-3.9		-3.9	
New investments for the period*	205.5	161.9	261.8	219.0
Sales	-7.5	-13.1	-34.5	-262.1
Reclassification	0.0	-	820.4	431.9
Total machinery and equipment*	550.1	484.2	7,156.0	6,552.5
Depreciation periods (straight-line depreciation)	5-20 years	5-20 years	5-20 years	5-20 years

Investment; One price base amount, useful life 3 years or more. * For the City, finance leases are included in the amount for machinery and equipment; see note 50 for specification. The Stockholms Stadshus AB Group has no finance leases.

NOTE 27 CONSTRUCTION, EXTENSION AND CONVERSION WORK IN PROGRESS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening construction, extension and conversion work in progress, 1 January	5,503.9	5,596.3	16,647.4	15,262.5
Effect of change of accounting policy (K3)			290.9	
New investments for the period	535.0	0.0	8,934.8	7,460.2
Sales	-7.7	0.0	-7.5	-40.7
Work in progress E18 Hjulsta-Kista adjustment co-financing 2003	580.0			
Impairments for the period			-10.7	
Reclassification to land, buildings and plant	0.0	-92.4	-9,192.9	-6,034.6
Total construction, extension and conversion work in progress	6,611.2	5,503.9	16,662.0	16,647.4

Investment; One price base amount, useful life 3 years or more.

NOTE 28 SHARES AND PARTICIPATIONS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening shares and participations, 1 January	3,880.7	3,879.8	2,320.0	2,356.3
Purchase of tenant-owner apartments	0.0	13.6	0.0	13.6
Purchase of shares and participations	0.8	0.0	270.6	208.8
Sale of tenant-owner apartments	0.0	-1.9	0.0	-1.9
Sale of shares and participations	-0.8	-10.9	0.0	-256.9
Total shares and participations	3,880.7	3,880.7	2,590.6	2,320.0

CITY'S SHARES IN MUNICIPAL COMPANIES, ETC. ON 31 DECEMBER 2014

Companies	Share capital (SEK thousand)	Participating interest (%)	Carrying amount 31 Dec 2014 (SEK thousand)
Stockholms Stadshus AB*	2,850,800.0	100.0	3,484,382.0
Kaplansbacken AB	500.0	100.0	514.0
Svenska Teknologföreningens Fastighets AB	562.0	100.0	562.0
Stockholms Terminal AB	1,000.0	50.0	2,300.0
AB Fortum Värme Holding co-owned with the City of Stockholm	0.0	0.0	0.0
Total shares in subsidiaries/Group companies			3,487,758.0
SÖRAB	8,000.0	5.0	400.0
AB Servi-Data (deposit certificate)			0.1
Other participations			0.0
Total shares in other companies			400.1
Participations in Greater Stockholm Fire Brigade			27,831.4
Total participations in statutory joint authorities			27,831.4
Participations in tenant-owner apartments			364,663.3
Total participations in tenant-owner apartments			364,663.3
Total shares and participations, City			3,880,652.8

* Stockholms Stadshus AB has acquired the City's shares in AB Fortum Värme Holding co-owned with the City of Stockholm through a non-cash issue on 1 July 2014 at a value of SEK 0.8 million. The City's total shareholdings are thereby unchanged.

NOTE 29 NON-CURRENT RECEIVABLES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening non-current receivables, 1 January	1,701.3	1,702.4	2,187.7	1,998.1
New lending	0.0	0.0	0.0	0.0
Reversal of previous year's reclassification	0.8	0.8	0.8	0.8
Repayments	-1,681.3	-1.1	-1,681.3	-1.1
Revaluation/Impairment	0.0	0.0	0.0	0.0
Current portion of non-current receivables*	-0.8	-0.8	-0.5	-0.8
Change in deferred tax assets	-	0.0	11.1	3.4
Change in other non-current receivables	-	-	-175.6	187.3
Total non-current receivables	20.0	1,701.3	342.2	2,187.7
Borrowers				
Fortum Oyj	0.0	1,667.0	0.0	1,667.0
Others	20.0	34.6	20.0	34.6
Deferred tax assets	-	0.0	259.8	250.8
Miscellaneous	-	0.0	62.3	235.3
Total non-current receivables	20.0	1,701.6	342.2	2,187.7

* Receivables with a due date within one year of the end of the reporting period. These receivables have been transferred to short-term lending.

NOTE 30 DEVELOPMENT PROPERTIES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Development properties	1,093.0	2,616.0	1,093.0	2,616.0
Total leasehold land	1,093.0	2,616.0	1,093.0	2,616.0

* All development properties intended for sale are recognised as current assets.

NOTE 31 INVENTORIES AND WORK IN PROGRESS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Inventory	3.8	3.9	27.4	38.3
Work in progress	3.5	0.1	9.4	4.2
Total inventories and work in progress	7.3	4.0	36.8	42.5

Inventories are measured at the lower of cost and fair value.

NOTE 32 CURRENT RECEIVABLES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Tax/VAT receivables	606.5	648.6	373.3	461.9
Government grant receivables	166.9	139.6	166.9	139.6
Current receivables from the City's Group companies*	50,181.5	43,754.4	0.0	0.0
Other current receivables	51.4	33.3	1,558.5	1.0
Prepaid expenses and accrued income	2,024.4	2,493.3	2,402.9	2,867.0
Accounts receivable	680.9	734.4	1,231.4	1,210.9
Total current receivables - other	53,711.7	47,803.6	5,733.0	4,680.4

* The City administers borrowing for the City's companies. The companies borrow from the City when required.

NOTE 33 SHORT-TERM LENDING	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Current portion of non-current receivables*	0.8	0.8	0.8	0.8
Total short-term lending	0.8	0.8	0.8	0.8

* Non-current receivables with a due date within one year of the end of the reporting period. These receivables have been transferred to short-term lending.

NOTE 34 INVESTMENTS IN SECURITIES, ETC.	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Skills credit account	32.5	35.5	71.4	240.4
Total investments in securities, etc.	32.5	35.5	71.4	240.4

NOTE 35 CASH AND CASH EQUIVALENTS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Imprest cash, etc.	5.8	4.8	5.8	4.8
Cash and cash equivalents (bank, etc.)	303.0	0.0	526.0	189.1
Total cash and cash equivalents	308.8	4.8	531.8	193.9

NOTE 36 EQUITY	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening equity, 1 January*	56,632.8	53,188.4	100,175.9	94,706.5
of which allocation of changes for 2002, 2006, 2010-2012; see Note 37	-65.4	-171.9	-	-
Change in equity as per income statement	3,450.4	3,444.4	4,087.1	2,502.0
Change in equity not via profit/loss***	580.0	0.0	580.0	0.0
Dividend	0.0	0.0	-0.1	-0.1
Changed accounting policies**	0.0	0.0	4,303.8	2,433.1
Total equity	60,663.2	56,632.8	109,146.7	99,641.5

* For the Municipal Group, the opening balance was changed since the City's Group companies recalculated 2013 as per BFNAR 2012:1 (K3).

** For the Municipal Group, a higher participating interest in Fortum Värme, which is consolidated as per applicable consortium agreement.

*** City: As per audit conducted, co-financing recognised as income in 2003 shall be adjusted and revised as the City's own investments pertain to co-financing E18 Hjulsta-Kista

NOTE 37 TOTAL EQUITY

SEK million	Opening balance 2007	Less to-date	Less 31 Dec 2014	Closing balance 31 Dec 2014
Skills development fund	121.1	-57.6	-0.5	62.9
Of which City Council, etc.	1.3	-0.9	0.0	0.4
Of which Social Services Committee	11.5	-10.2	-0.5	0.7
Of which Senior Citizens Committee	28.1	-28.1	0.0	0.0
Of which Education Committee	80.2	-18.3	0.0	61.9
	Opening balance 2007	Less to-date	Less 31 Dec 2014	Closing balance 31 Dec 2014
E-service programme	650.0	-571.7	-11.4	66.9
	Opening balance 2007/2011	Less to-date	Less 31 Dec 2014	Closing balance 31 Dec 2014
Vision Järva, Vision Söderort and Hässelbylyftet*	450.0	-375.5	0.0	74.5
	Opening balance 2014	Less to-date	Less 31 Dec 2014	Closing balance 31/12/2014
IT investments**	800.0	-48.4	-53.5	698.1
Of which efficient purchasing		-5.7	0.0	-5.7
Of which Skolplattform***		-25.4	0.0	-25.4
Of which Digital renewal		0.0	-42.6	-42.6
Of which e-doc		-3.7	-10.9	-14.7
Of which procurement of a new accounting system (SUNE)***		-13.6	0.0	-13.6
Total allocation of changes for 2002, 2006, 2010-2012			-65.4	

* Initial decision SEK 200 million; in 2010, City Council decided on an allocation of SEK 200 million of the 2010 surplus for investments in Vision Söderort and Vision Järva. This investment was increased by SEK 50 million in 2011. ** In 2011, the City Council approved the appropriation of SEK 550 million for IT investments; in 2012, the City Council approved appropriation of SEK 250 million for IT investments, including for Skolplattform Stockholm. *** Financed by budget appropriations 2014.

NOTE 38 PENSIONS AND SIMILAR COMMITMENTS

SEK million	City	
	31 Dec 2014	31 Dec 2013
Opening pension provision, 1 January	4,889.7	4,199.6
New entitlement and change in liability to employees	183.8	265.0
Defined-contribution pensions for managers	27.8	5.5
Change in liability to retired employees	-80.6	282.3
Time-limited and retirement pensions for elected representatives, severance pay*	-0.5	3.6
Liability related to Skafab 2010/Transferred SSBF 2009	-1.2	-1.2
Allocated to employer's contribution	31.4	134.7
Of which interest-rate and basic-amount indexation	0.0	509.3
Total pension provision	5,050.5	4,889.7
of which defined-contribution pensions for managers	174.0	139.4
of which guarantee pensions incl. employer's contribution	3.3	5.0
of which special occupational pensions as agreed, incl. employer's contribution	202.4	244.2
of which pension payments for elected representatives incl. employer's contribution	204.7	175.0
Update rate (%)	81.4	80.6
Update rate, employment in City of Stockholm (%)	99.0	99.0
Number of time-limited salaried employees; the City's time-limited salaried employees all fundamentally have permanent employment, which is why the City's pension commitments have not changed due to the time limitation.	0.0	0.0
The liability has been reduced by insurance via occupational pension insurance incl. administration managers and others with special agreements.	0.8	0.5

* Elected representatives have been included in the balance sheet as of 2010.

NOTE 39 OTHER PROVISIONS	City	
	31 Dec 2014	31 Dec 2013
SEK million		
Incentive grants, accommodation for the mentally impaired*		
Opening balance	136.5	140.3
Utilised	-1.8	-3.8
Released provision	-134.7	0.0
Closing balance	0.0	136.5
Incentive grant, accommodation for the elderly*		
Opening balance	55.7	69.3
Utilised	-4.9	-13.6
Released provision	-50.8	0.0
Closing balance	0.0	55.7
Incentive grant, projects for the homeless, evidence-based methods*		
Opening balance	13.6	21.8
Utilised	-3.3	-8.2
Released provision	-10.2	0.0
Closing balance	0.0	13.6
Transport and Waste Collection Committee; waste collection operations		
Opening balance	42.6	66.6
Utilised	-42.6	-24.0
Closing balance	0.0	42.6
Burial fees		
Opening balance	41.5	25.6
Utilised	0.0	0.0
Annual provision	16.4	15.9
Closing balance	57.8	41.5
Infrastructure grants**		
Opening balance, 1 January	8,126.8	7,928.3
Utilised	-423.8	-281.5
Annual provision	0.0	480.0
Closing balance	7,703.0	8,126.8
Pre-school expansion*		
Opening balance, 1 January	111.4	120.2
Utilised	-12.8	-8.8
Released provision	-98.6	
Closing balance	98.6	111.4
Science for Life Laboratory***		
Opening balance, 1 January	277.4	280.0
Utilised	0.0	-2.6
Annual provision	0.0	0.0
Closing balance	277.4	277.4
Total opening balance	8,805.5	8,652.2
Total utilised	-489.2	-342.6
Total released provision	-294.4	
Total provisions for the year	16.4	495.9
Total closing balance	8,038.3	8,805.5

* The provisions were released in 2014 and replaced by an equity reservation for the change.

*** Provision for E18, Norra länken, Citybanan, Light Rail, Metro expansion, other rail connections and the Royal National City Park etc. There is uncertainty regarding the amounts as a large proportion of the investments is to be carried out after 2015. The City takes up decisions about contributions to national infrastructure as income immediately. The amounts are index-enumerated. Provisions for infrastructure measures amount to approximately SEK 715 million in 2015, SEK 450 million in 2016, SEK 235 million in 2018 and SEK 6 billion after 2018.

*** Provision for Science for Life Laboratory etc.: the City of Stockholm's commitment regarding a resource centre for research, molecular bioscience and medicine. To be paid in 2015 onwards.

NOTE 40 BOND LOANS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening bond loan liability	12,636.5	11,946.4	12,636.5	11,946.4
New borrowing	9,426.6	4,150.0	9,426.6	4,150.0
Period allocation of premiums and discounts	24.0	0.0	24.0	0.0
Reversal of previous year's reclassification	3,459.9	1,000.0	3,459.9	1,000.0
Repayments	-4,574.9	-1,000.0	-4,574.9	-1,000.0
Current portion of long-term loans*	-4,119.0	-3,459.9	-4,119.0	-3,459.9
Total bond loans	16,853.1	12,636.5	16,853.1	12,636.5
Foreign bond loans	13,953.1	8,736.5	13,953.1	8,736.5
Swedish bond loans	2,900.0	3,900.0	2,900.0	3,900.0
Total bond loans	16,853.1	12,636.5	16,853.1	12,636.5

* Liabilities with a due date within one year of the end of the reporting period. These liabilities have been transferred to short-term loans.

NOTE 41 PROMISSORY NOTE LOANS	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening promissory note loan liability	2,200.0	1,000.0	2,200.0	1,000.0
New borrowing	230.0	1,380.0	230.0	1,380.0
Reversal of previous year's reclassification	180.0	150.0	180.0	150.0
Repayments	-180.0	-150.0	-180.0	-150.0
Current portion of long-term loans*	-1,230.0	-180.0	-1,230.0	-180.0
Total promissory note loans	1,200.0	2,200.0	1,200.0	2,200.0
Foreign promissory note loans	1,200.0	2,200.0	1,200.0	2,200.0
Total promissory note loans	1,200.0	2,200.0	1,200.0	2,200.0

* Liabilities with a due date within one year of the end of the reporting period and which cannot be judged with certainty to be converted into non-current liabilities. These liabilities have been transferred to short-term loans.

NOTE 42 OTHER NON-CURRENT LIABILITIES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Opening borrowing, leases	0.5	0.6	0.5	0.6
Reversal of previous year's reclassification	0.2	0.3	0.2	0.3
Repayments	-0.1	-0.2	-0.1	-0.2
Reclassification	-0.2	-0.2	-0.2	-0.2
Total non-current liabilities, leases	0.4	0.5	0.4	0.5
Funds negotiated	0.6	0.6	0.6	0.6
Liability funds	35.5	39.4	35.5	39.4
Period-allocated investment income**	64.0	54.1	64.0	54.1
(Of which investment grants)	34.3	31.6	34.3	31.6
(Of which connection charges)	29.7	22.6	29.7	22.6
(Remaining number of years, weighted average)	27.2	27.8	27.2	27.8
Other non-current liabilities	656.0	656.2	674.4	671.2
Total other non-current liabilities	756.5	750.8	774.9	765.8

* Agreement with the public service company, Swedish National Grid, regarding Stockholms Ström.

** Investment grants are allocated to the corresponding asset.

NOTE 43 CURRENT LIABILITIES	City		Municipal Group	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
SEK million				
Accrued expenses and deferred income	3,549.7	3,211.0	5,793.1	5,622.4
Tax liabilities/VAT	383.3	277.3	215.9	144.8
Accounts payable	2,876.8	3,439.9	4,666.8	5,186.8
Funds negotiated	4.3	3.2	4.3	3.2
Funds deposited	6.2	6.3	6.2	6.3
Liability funds	3.7	4.0	3.7	4.0
Employee taxes	261.3	266.7	309.5	310.0
Current liabilities to Group companies	14,163.9	14,174.5	0.0	0.0
Miscellaneous	884.4	970.9	3,128.5	1,784.9
Total current liabilities	22,133.7	22,353.8	14,128.0	13,062.5

* The City administers borrowing for the City's companies. The companies borrow from the City when required.

NOTE 44 SHORT-TERM LOANS		City		Municipal Group	
SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	
Utilised credit in Group account	0.0	134.9	0.0	0.0	
Current portion of long-term loans*	5,349.0	3,639.9	5,349.0	3,639.9	
of which borrowing from majority-owned companies	230.0	180.0			
Total short-term loans	5,349.0	3,774.8	5,349.0	3,639.9	

* Long-term loans with a due date within one year of the end of the reporting period. These liabilities have been transferred to short-term loans.

NOTE 45 THE CITY'S LIABILITY FOR HOLIDAY PAY AND UNPAID OVERTIME		
SEK million	31 Dec 2014	31 Dec 2013
Opening liability	764.7	655.9
Of which holiday pay	710.9	600.9
Of which unpaid overtime	53.7	54.9
Change in holiday-pay liability	12.9	110.0
Change in unpaid overtime	1.2	-1.2
Total liabilities for holiday pay and unpaid overtime	778.7	764.7

NOTE 46 CONTINGENT LIABILITIES AND GUARANTEES		
SEK million	31 Dec 2014	31 Dec 2013
City's majority-owned companies' pension commitments	43.1	31.8
Stockholms Stadshus AB	11.4	6.8
Stockholm Parkering	5.5	7.3
Stockholms Hamnar	5.6	4.4
S:t Erik Markutveckling	1.6	1.4
Stockholm Business Region	5.1	4.9
Bostadsförmedlingen i Stockholm AV	2.3	2.1
AB Svenska Bostäder	2.8	4.9
Micasa Fastigheter i Stockholm AB	2.1	
SISAB	2.5	
Stockholm Vatten Holding AB	3.2	
S:t Erik Livförsäkring AB	1.0	0.0
Total contingent liabilities and guarantees for majority-owned companies	43.1	31.8
Other legal entities/private individuals		
Loan guarantees	493.9	698.4
of which Stiftelsen Stockholms Studentbostäder	65.1	65.6
of which Stockholms Kooperativa Bostadsförening	195.8	363.0
of which Fortum	0.0	33.3
of which Stockholms Stadsmission	78.6	80.6
of which SYVAB	131.6	131.6
of which other legal entities	22.8	24.3
Pension commitments	58.9	61.0
Municipal loss liability for small houses	1.4	1.7
Total	554.2	761.1
Total contingent liabilities and guarantees	597.3	792.9

NOTE 47 THE CITY'S PENSION PROVISIONS		
SEK million	31 Dec 2014	31 Dec 2013
Opening pension provision, 1 January	14,751.7	13,940.8
New entitlement and change in liability to employees*	-144.0	113.4
Change in liability to retired employees	-298.0	697.5
Total pension provision	14,309.6	14,751.7
Plus employer's contribution	3,471.5	3,578.8
Total pension provision including employer's contribution	17,781.1	18,330.4
Update rate (%)	81.4	80.6
Update rate, employment in City of Stockholm (%)	99.0	99.0

NOTE 48 DERIVATIVE INSTRUMENTS

31 Dec 2014 Type of derivative (SEK million)	Nominal amount	Hedged volume	Market value
Currency/exchange-rate swaps*	-1,033.1	-1,033.1	-140.1
Interest swaps	-6,915.0	-6,915.0	-83.9
Total	-7,948.1	-7,948.1	-224.1
31 Dec 2013			
Currency/exchange-rate swaps*	-1,446.4	-1,446.4	-167.9
Interest swaps	-6,080.0	-6,080.0	-120.0
Total	-7,526.4	-7,526.4	-288.0

* Currency/currency-interest swaps have been translated to the exchange rate after currency hedging. Derivatives are used to minimise the risk of unforeseen higher interest expenses caused by interest-rate and/or currency fluctuations, which generate a lower risk through reduced interest-rate volatility for the City. The external debt portfolio essentially has a fixed interest rate after hedging using derivatives. The debt portfolio in foreign currencies is 100 percent hedged to SEK. The interest expense for the year for the external debt portfolio (excluding the Group and SSBF) is SEK 518.3 million including derivatives, and SEK 422.0 million excluding derivatives. The average interest rate for the external debt portfolio including derivatives is 2.40% (2.54%), and excluding derivatives 1.98% (2.16%). The average duration of the external debt portfolio including derivatives is 3.0 years (2.2 years), and 2.1 years (1.7 years) excluding derivatives. In accordance with the Finance Policy, the average duration will be 3.5 years with a deviation interval of +/- 1.5 years.

NOTE 49 LEASING

SEK million	31 Dec 2014	31 Dec 2013
Finance leases over 3 years*		
Machinery and equipment		
Carrying amount	0.5	0.7
Present-valued minimum leasing fees	0.5	0.7
of which due within 1 year	0.2	0.2
of which due within 1-5 years	0.4	0.5
of which due after more than 5 years	0.0	0.0
Operating leases over 3 years*		
Minimum Leasing Fees	7,183.8	6,672.5
of which due within 1 year	864.2	776.3
of which due within 1-5 years	2,672.6	2,427.6
of which due after more than 5 years	3,647.0	3,468.5
of which intra-Group leases	5,081.1	4,186.0
due within 1 year	391.8	284.9
due within 1-5 years	1,448.9	1,048.0
due after more than 5 years	3,240.4	2,853.0

Lease agreements with a total value of less than SEK 500,000 or an annual cost equivalent to a maximum of SEK 150,000 are not recognised. Rental agreements that fulfil these criteria are included. As of 2008, financial leases are included on the asset side of the balance sheet under "machinery and equipment" and under both short-term and long-term liabilities. No agreements on financial leases include contingent rent. The City's IT operation is leased from Volvo Information Technology AB. The term of the contract does not exceed three years and it is therefore not included in the financial obligation above. The cost for 2014 amounts to SEK 564.0 million (441.5). The increase is due to a higher volume in existing services, including computers for all upper-secondary students, and extended functionality.

NOTE 50 ADDITIONAL DIVIDEND AS PER SECTION 5:1 OF THE PUBLIC MUNICIPAL HOUSING COMPANIES ACT

SEK million	31 Dec 2014	31 Dec 2013	31 Dec 2012
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2012	670.0	670.0	670.0
Expended	-269.0	-184.8	-93.7
Total remaining	401.0	485.2	576.3
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2013	1,900.0	1,900.0	
Expended	-112.3	-41.9	
Total remaining	1,787.7	1,858.1	
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2014	450.0		
Expended	-48.8		
Total remaining	401.2		

Audit report for the City Executive Board in 2014

As the auditors appointed by the councillors, we have audited the City Executive Board's activities during 2014. The audit of the City Executive Board also includes municipality-wide functions, the City's annual report and accounting records, and the consolidated financial statements for the Municipal Group, Stockholms Stad.

The audit has been conducted in accordance with the Local Government Act, generally accepted auditing practice in municipal operations and the City's auditing rules. The audit has been carried out using the focus and scope necessary to provide a reasonable basis for assessment and review of liability.

The appointed lay auditors of the City's companies – Stockholms Stadshus AB and subsidiaries – have audited the operations of these companies during 2014.

Our overall assessment is that activities have been conducted appropriately and satisfactorily. From a financial point of view, we

assess that the activities have been conducted satisfactorily, and that the financial statements are essentially true and correct and that there has been adequate internal control.

Our assessment is that the financial performance according to the annual report is consistent with the financial and business objectives established by the councillors. For the operational goals, the results are assessed to be partially in line with the operational goals set by the City Council.

We recommend that the City's annual report is approved.

We also recommend that the City Executive Board and its members are discharged from liability.

The auditor's report includes a summary of the outcome of the audit of the City's committees and companies, and audit memoranda and auditor's reports in accordance with the list attached.

Stockholm, 7 April 2015

Bengt Akalla	Jan Demuth	Bengt Leijon	Bosse Ringholm
Bo Dahlström	Barbro Ernemo	Sven Lindeberg	Gun Risberg
Håkan Apelkrona	Birgitta Guntsch	Ulla-Britt Ling-Vannerus	Siv Rodin
Andreas Bjerke	Barbro Hedman	Amanj Mala-Ali	Michael Santesson
Ulf Bourker Jacobsson	Bengt Lagerstedt	Lars Riddervik	David Winks

The following appendices are included in the auditor's report

Auditors' annual report 2014

Expert advisers' annual reports 2014 by committee (nos. 1–32)

Expert advisers' project reports (nos. 6–11, 2014 and nos. 1–5, 2015)

Review reports from lay auditors and auditor's reports from the company's authorised public accountants:

- Stockholms Stadshus AB
- AB Svenska Bostäder
- AB Stadsholmen
- IT-BO i Stockholm AB
- Svenska bostäder L-Bolag 1 AB
- Fastighets AB Centrumhuset i Vällingby
- AB Familjebostäder
- AB Familjebostäder Fastighetsnät
- Hemmahammen Kontor AB
- Hemmahammen Bostad AB
- Fastighets AB Pendlaren
- Gyllene Ratten Ny AB
- AB Stockholmshem
- AB Stockholmshem Fastighetsnät
- Bostads AB Hammarbygård
- Västertorp Energi AB
- Anser AB
- Skolfastigheter i Stockholm AB (SISAB)
- Datja Fastighets AB
- Bostadsförmedlingen i Stockholm AB
- Stockholm Vatten Holding AB
- Stockholm Vatten Avfall AB
- Stockholm Vatten AB
- Stockholm Vatten VA AB
- Stockholms Hamn AB
- Nynäshamns Hamn AB
- Stockholms Stads Parkerings AB
- AB Stokab
- S:t Erik Kommunikation AB
- S:t Erik Fiber AB
- Stockholms Stadsteater AB
- Stockholm Globe Arena Fastigheter AB
- Stockholm Entertainment Distrikt AB
- Södra Byggrätten Globen AB
- Arena 9 Norra Fastigheten AB
- Stockholms Business Region AB
- Stockholm Visitors Board AB
- Stockholm Business Region Development AB
- Micasa Fastigheter i Stockholm AB
- S:t Erik Markutveckling AB
- Fastighets AB G-mästaren
- Fastighets AB Runda Huset
- Fastighets AB Charkuteristen
- Fastighets AB Styckmästaren
- Fastighets AB Tuben
- Kylfacket förvaltning AB
- Fastighets AB Kylrummet
- Fastighets AB Palmfelt center
- Stockholms Norra Station AB
- Fastighets AB Langobardia
- Fastighets AB Gavia
- Fastighets AB Godsfinnan
- S:t Erik Livförsäkring AB
- S:t Erik Försäkrings AB

Operational outcome

COMMITTEES						
	Number of employees	Budget net expenses, SEK million	Net outcome excl. surplus reserves, SEK million	Change income fund SEK million	Deviation outcome 2014, SEK million	Outcome net investments, SEK million
City Executive Board	304	-1,454.1	-1,422.3	0.0	31.8	-1.7
Audit Board	16	-27.7	-24.1	0.0	3.6	0.0
Service Committee	279	0.0	7.7	-0.9	6.8	-0.6
Election Committee	1	-52.3	-42.2	0.0	10.1	0.0
District Councils	17,704	-18,695.1	-18,612.0	-24.6	58.5	-144.8
Labour Market Committee	673	-804.9	-768.5	0.0	36.4	-0.9
Development Committee	195	1,136.0	1,125.1	0.0	-10.9	-2,774.9
Real Estate Committee	155	114.1	130.1	0.0	16.0	-446.0
Sports Committee	429	-587.7	-580.6	-0.5	6.6	-28.4
Culture Committee: Culture Administration	918	-814.0	-811.1	0.0	2.9	-16.3
Culture Committee: City Archives	79	-49.1	-49.1	0.0	0.0	-1.0
Cemeteries Committee	105	-143.9	-128.6	0.0	15.3	-36.5
Environment and Health Committee	241	-85.1	-85.1	0.0	0.0	-1.7
Social Services Committee	805	-775.4	-757.8	-1.5	16.1	-3.1
City Planning Committee	325	-164.7	-172.7	0.0	-8.0	-5.6
Traffic Committee	350	-791.7	-656.1	0.0	135.6	-756.6
Education Committee	13,759	-15,163.3	-14,951.2	-98.2	113.9	-71.4
Senior Citizens Committee	111	-162.9	-162.2	0.0	0.7	-6.8
Chief Guardian Committee	24	-35.9	-37.5	0.0	-1.6	0.0
Tota committees	36,473	-38,557.7	-37,998.2	-125.6	433.9	-4,296.3

Note: The amounts in the tables are rounded and so do not add up exactly.

The number of employees refers to all salaried employees as of 31 December 2014.

The budget and outcomes are inclusive of capital costs and internal transactions between the committees.

Increase in income fund (-).

Deviation is after appropriation of surplus.

DISTRICT COUNCILS						
	Number of employees	Budget net expenses, SEK million	Net outcome excl. income funds, SEK million	Change in income fund, SEK million	Deviation outcome 2014, SEK million	Outcome net investments, SEK million
Rinkeby-Kista District Council	1,251	-1,358.0	-1,346.1	-0.8	11.1	-3.0
Spånga-Tensta District Council	917	-1,017.1	-1,011.9	-5.1	0.1	-6.6
Hässelby-Vällingby District Council	1,494	-1,631.4	-1,629.0	-1.4	1.0	-12.7
Bromma District Council	1,532	-1,339.3	-1,337.2	-1.1	1.0	-9.3
Kungsholmen District Council	1,171	-1,078.0	-1,069.7	-8.3	0.0	-14.1
Norrmalm District Council	813	-1,028.1	-1,020.4	2.0	9.7	-5.9
Östermalm District Council	873	-1,227.5	-1,206.9	0.4	21.0	-9.4
Södermalm District Council	1,670	-2,083.8	-2,068.5	-6.0	9.3	-14.2
Enskede-Årsta-Vantör District Council	2,199	-2,160.7	-2,153.8	-6.5	0.4	-16.3
Skarpnäck District Council	767	-1,026.1	-1,026.8	0.7	0.0	-10.7
Farsta District Council	1,312	-1,414.1	-1,415.6	1.5	0.0	-7.3
Älvsjö District Council	656	-549.9	-545.8	-2.1	2.0	-6.1
Hägersten-Liljeholmen District Council	2,080	-1,725.5	-1,729.8	4.4	0.1	-19.0
Skärholmen District Council	969	-1,055.6	-1,050.5	-2.3	2.9	-10.3
Total district councils	17,704	-18,695.1	-18,612.0	-24.6	58.5	-144.8

FOUNDATIONS AND STATUTORY JOINT AUTHORITIES							
	Average number of employees	City's contribution, SEK million	Other operating income, SEK million	Operating expenses, SEK million	Other income/expenses net incl. depreciation, SEK million	Surplus for the year after appropriations, SEK million	Balance-sheet total, SEK million
Foundations*							
Stiftelsen Barnens Dag	64		43.5	-39.7	-2.0	1.8	66.0
Stiftelsen Hotellhem i Stockholm	142	31.2	155.6	-187.8	3.0	2.0	84.4
Stiftelsen Stockholm Water Foundation	2	0.0	4.5	-7.8	3.5	0.2	34.0
Stiftelsen Strindbergsmuseet	9	5.3	3.5	-8.9	-0.7	-1.1	6.8
Total foundations	217	36.5	207.1	-244.2	3.8	2.9	191.2
Statutory joint authorities							
Greater Stockholm Fire Brigade	732	368.0	264.8	-567.2	-28.8	36.8	812.9

*Foundations to which the City appoints at least half of the Board members.

DISTRICT COUNCIL'S OPERATIONAL AREAS

SEK million	Budget net expenses	Net outcome excl. income funds	Change in income fund	Deviation outcome 2014
Committee and management administration	-560.9	-509.0	0.0	51.9
Individual and family care	-1,805.7	-1,817.5	0.2	-11.6
of which social psychiatry	-481.9	-479.0	0.2	3.1
City environment activities	-214.4	-214.6	0.0	-0.2
depreciation/amortisation	-47.0	-45.5	0.0	1.5
internal rates	-20.0	-20.2	0.0	-0.2
Pre-school activities	-4,479.6	-4,405.6	-19.2	54.9
Elderly care services	-6,734.1	-6,867.5	0.4	-133.0
Support and services for people with disabilities	-3,236.2	-3,238.2	-5.8	-7.9
Cultural and association activities	-302.1	-260.3	-0.2	41.6
Labour market measures	-84.7	-81.2	0.0	3.5
Financial assistance	-1,170.3	-1,149.9	0.0	20.4
of which administrators	-283.3	-280.0	0.0	3.3
Other operations	-40.1	-2.5	0.0	37.6
Total activities	-18,695.1	-18,612.0	-24.6	58.5

The income and expenses of the operations include internal transactions.
The amounts in the tables are rounded and so do not add up exactly.

LIMITED COMPANIES 2014

	Number of employees	Revenues, SEK million	Profit after financial items, SEK million	Balance-sheet total, SEK million	Equity ¹ , SEK million	Interest capital employed ² , %	Equity/assets ratio ³ , %	Investment, SEK million
Stockholms Stadshus AB (Group)								
Stockholms Stadshus AB, Parent Company	6	35.0	1,239.0	28,376.0	27,801.6	1,239,040.0	97.5	0.0**
AB Svenska Bostäder, Group	263	2,520.0	331.0	19,875.0	12,731.8	3.6	64.1	2,307.0
AB Familjebostäder, Group	276	1,725.0	867.0	13,582.0	8,006.6	8.1	63.5	665.0
AB Stockholmshem, Group	295	2,063.0	285.0	17,541.0	7,731.1	2.4	49.2	1,426.0
Micasa Fastigheter i Stockholm AB	61	1,015.0	298.0	7,238.0	382.5	2.7	5.3	378.0
Bostadsförmedlingen i Stockholm AB	86	95.0	4.0	73.0	12.2	332.1	16.7	0.0
Skolfastigheter i Stockholm AB, SISAB	191	2,084.0	35.0	11,045.0	299.5	1.2	3.2	2,880.0
Stockholm Vatten AB, Group	432	1,655.0	16.0	9,511.0	438.0	1.1	2.7	1,431.0
Stockholm Hamn AB, Group	160	713.0	108.0	2,481.0	640.3	4.0	26.3	532.0
AB Stokab	90	722.0	188.0	1,970.0	63.3	9.9	36.0	94.0
Stockholms stads Parkerings AB, Group	71	511.0	68.0	855.0	103.8	5.8	12.1	147.0
Stockholms Stadsteater AB	449	158.0	-330.0	380.0	1.7	Neg	0.4	9.0
Stockholm Globe Arena Fastigheter AB, Group	18	44.0	-1,187.0	4,110.0	418.8	Neg	10.2	46.0
S:t Erik Försäkrings AB	7	130.0	-5.0	326.0	106.0	0.0	32.5	0.0
S:t Erik Livförsäkring AB	3	71.0	37.0	2,279.0	481.1	neg	21.1	273.0
Stockholm Business Region AB, Group	69	253.0	4.0	161.0	50.3	229.9	30.9	9.0
S:t Erik Markutveckling AB, Group	3	231.0	28.0	2,653.0	191.2	1.5	2.2	394.0
Other companies, Associates SSAB				13.6	13.6			
Mässfastigheter i Stockholm AB, Group***	261	653.0	39.0	1,072.0	340.2	3.7	31.8	30.0
Fortum Värme Holding AB***	694	2,854.0	438.0	26,663.0	10,352.5	4.4	38.8	1,899.0
Total limited companies*	3,435	17,532.0	2,463.0	150,204.6	70,166.1			12,520.0

* The summaries do not pertain to the compiled accounting (Municipal Group), but rather only the sum of the companies included.

** As per 1 July 2014, Stockholms Stadshus AB acquired the associate Fortum Värme from the City of Stockholm for a value of SEK 7,500 million.

*** The associates' profit share is included in the operations' operating profit.

¹ Equity is expressed here as the sum of restricted and non-restricted equity according to the balance sheet, and 78 % of untaxed reserves.

² Interest on total capital is calculated as follows: Surplus after financial items plus interest expenses divided by average balance-sheet total.

³ The equity/assets ratio is calculated as follows: Equity and 78% of untaxed reserves divided by total assets.

FIVE-YEAR OVERVIEW

	2010	2011	2012	2013	2014
Population	847,073	864,324	881,235	897,700	911,989
national share, %	9.0	9.1	9.2	9.3	9.4%
Employment rate aged 1-74 (LFS):					
percentage of entire population	54.6	55.1	55.0	56.0	56.1
percentage of population aged 15-74	71.9	72.4	72.3	73.6	73.6
Unemployment rate, percentage of workforce aged 15-74	6.7	6.6	6.7	6.6	7.1
Taxable income, SEK million*	175,718	182,181	191,258	201,067	210,351
per resident, SEK**	211,858	215,071	221,280	228,165	234,322
national average for the same, SEK	173,718	176,054	180,028	185,792	190,264
Total municipal tax rate:					
Stockholm, SEK	29.58	29.58	29.645	29.495	29.495
Of which the City:	17.48	17.48	17.48	17.33	17.33
assemblies	-	-	-	-	-
County Council	12.10	12.10	12.10	12.10	12.10
Burial fee	0.07	0.07	0.065	0.065	0.065
Total municipal tax rate, national, SEK	31.56	31.55	31.60	31.73	31.86
Consumer price index, annual national average (1980=100)	302.47	311.43	314.20	314.06	313.42
Inflation (annual average), %	1.20	3.0	0.9	0	-0.2
Inflation (annual average), %	-0.5	1.20	3.0	0.9	0.0
The City's operations					
Change in equity for the year, SEK million	948	881	3,037	3,444	3,450
Surplus for the year in accordance with balanced-budget requirement, SEK million	343	679	2,318	2,286	2,795
Operating costs, SEK million	41,178	42,372	43,276	44,502	46,405
Operating revenues, incl. taxes and general government grants, SEK million	43,262	44,174	44,503	45,674	46,702
Assets, SEK million	87,790	97,064	103,256	112,809	120,823
per resident, SEK	103,639	112,458	117,335	125,841	132,423
Liabilities, SEK million	38,520	46,913	50,067	56,176	60,160
of which provisions	12,102	12,964	12,852	13,695	13,089
liabilities per resident, SEK	45,474	54,353	53,310	62,666	65,936
Equity, SEK million	49,270	50,151	53,188	56,633	60,663
per resident, SEK	58,254	58,105	60,440	63,176	66,487
Equity/assets ratio, %	56	52	52	50	50
Number of employees, approx.	37,559	36,734	36,530	36,280	36,473
full-time equivalents, approx.	35,709	35,040	34,775	34,644	35,069
Salaries and related expenses, SEK million	16,449	16,055	16,052	16,313	16,809
Majority-owned limited companies' operations***					
Number includes companies/groups	20	20	19	18	18
Balance-sheet total, SEK million	90,142	95,968	101,053	108,108	123,542
Revenues, SEK million	13,333	13,091	13,564	13,874	14,678
Profit after tax, SEK million	5,626	826	2,519	1,040	733
Equity, SEK million	51,170	51,744	53,725	52,939	59,814
Investments (gross), SEK million	8,378	8,758	9,489	8,279	10,621
Number of employees, converted to full-time equivalents	2,734	2,498	2,507	2,564	2,741
Salaries, SEK million	1181	1163	1,197	1,238	1,309

* Tax assessment year.

** Number of residents in the assessment year.

*** The summaries do not pertain to the compiled accounting (Municipal Group), but rather only the sum of the companies included.

Key figures for committees

EDUCATIONAL ACTIVITIES		
Pre-school	2014	2013
Percentage annual employees with university education in teaching in pre-school, municipal pre-school, %	i.u	40.1
Percentage annual employees with university education in teaching in pre-school, independent pre-school, %	i.u	34.1
Number of children enrolled per annual employee in pre-school, municipal pre-school	4.9	5.0
Number of children enrolled per annual employee in pre-school, independent pre-school	i.u	5.0
Compulsory school	2014	2013
Average points obtained in year 9, municipal schools	225.2	222.4
Average points obtained in year 9, independent schools	238.1	238.3
Pupils in grade 9 achieving their targets in all subjects, municipal schools, %	77.0	75.2
Pupils in grade 9 achieving their targets in all subjects, independent schools, %	77.3	80.3
Upper secondary school	2014	2013
Residents aged 20 who have completed upper secondary school education, %	70	70
Percentage beginners on 1 October -10 who completed the programme within 4 years (excl. induction programmes), municipal schools, %	83.1	81.1
Percentage beginners on 1 October -10 who completed the programme within 4 years (excl. induction programmes), independent schools, %	78.1	78.1
Average grade points, municipal schools	14.8	15.0
Average grade points, independent schools	14.1	14.4
Pupils with basic eligibility for education at university/college, municipal schools, %	82.7	89.7
Pupils with basic eligibility for education at university/college, independent schools, %	74.0	85.7
SUPPORT AND SERVICES FOR PEOPLE WITH DISABILITIES		
Cost per resident aged 0-64, SEK	4,292	4,357
Collective housing and housing for children, average cost per day, SEK	2,885	2,855
Day activities, average cost/day, SEK	1,084	1,153
INDIVIDUAL AND FAMILY CARE		
Number of days per person, children and young people	2014	2013
§ 12 accommodation	109	113
HVB accommodation	125	114
Emergency accommodation	117	110
Foster homes	282	283
Number of days per person, adults (including unit for the homeless)	2014	2013
HVB accommodation	75	85
Care for drug abusers/compulsory care	86	113
Foster home care	151	216
Cost per day, SEK, children and young people	2014	2013
§ 12 accommodation	7,435	6,651
HVB accommodation	2,021	2,404
Emergency accommodation	1,373	1,444
Foster homes	1,104	1,057
Cost per day, SEK, Social Psychiatry (including unit for the homeless)	2014	2013
Accommodation with special services,	1,627	1,732
Family care/HVB board and lodging	1,482	1,409
FINANCIAL ASSISTANCE		
Recipients of assistance per month as a percentage of the population, %	2014	2013
Assistance recipients in the population, aged 0-, %	1.9	2.0
Percentage households to other support, %	16.6	15.6
CITY ENVIRONMENT		
Cost per square metre, SEK	2014	2013
Winter road clearance surface	8.6	9.0
Maintenance of snow-free park land	2.5	2.0
Park operations/Park maintenance	7.7	6.8
CULTURE		
Public recreation activities – net cost per hour open, SEK	2014	2013
Excluding premises	1,265	1,168
Including premises	1,463	1,364
Number of visits per resident	2014	2013
Total visits including online visits	11.8	11.3
Public Library (incl. all media)*	4.6	3.7

* Public Library including the district libraries and Kulturhuset library

Number of student places in Kulturskolan's paid activities for children and young people	2014	2013
Number of student places (ages 6-22)	15,734	15,250
Number of visiting children and young people in all of the cultural institutions' activities	2014	2013
Number of visiting children and young people, aged 0-22	49,345	392,101
Number of youths who held own events/projects in the Culture Administration's activities	2014	2013
All activities within the Culture Committee	226	1,150
Number of visits by children and young people in the Stockholm Stadsteater activities	2014	2013
Stadsteater presentations	129,288	149,810

SPORTS

Utilisation rate, sports halls, %	2014	2013
Large halls (20x40), booked time of bookable time	87	88
Other halls, booked time of bookable time	65	65
Net cost per visit to aquatics centres and the aquatics part of combined facilities, SEK	2014	2013
Net cost per visit	21.13	33.87
Association-run facilities	2014	2013
Number of facilities that are completely or partially run by associations or have some activities in a facility that is run by an association.	62	60

TRANSPORT

Operation and maintenance, SEK million	2014	2013
Operation and maintenance	641.1	669.5
of which streets	61.8	55.1
of which work on bridges, concrete and steel	61.4	50
of which public lighting, including cables and fittings	132.0	127.1
Correctly parked vehicles, %	2014	2013
Correctly parked vehicles which paid the fee	82.6	78.2
Correctly parked vehicles, including those which did not pay a fee	97.1	94.5

BURIAL

Cost, SEK	2014	2013
Net cost per resident of burial operations	143	142
Maintenance cost of individual graves	666	685

ENVIRONMENTAL AND HEALTH PROTECTION

Percentage of objects inspected during the year, %	2014	2013
All inspection areas	41	47
Environmentally hazardous activities	57	61
Health protection	18	28

URBAN DEVELOPMENT

Turn-around time from application to decision - by area of operations, average in days	2014	2013
Turn-around time, building permits	64	39
Turn-around time, local plan, simplified procedure	257	239
Turn-around time, local plan, normal procedure	794	879
Turn-around time, property registration	365	370
Turn-around time accommodation adaptation	60	60
Housing construction, number	2014	2013
Homes/development rights in legally enforceable local plans	5,720	3,890
Homes begun in new construction	4,005	5,372
Homes completed in new construction	3,071	3,604

PROPERTY

Return on capital employed, %	2014	2013
Surplus after financial items plus financial expenses in relation to the balance-sheet total	8.13	8.14
Vacancy rate, sq.m. of total number of lettable space, %	2014	2013
Total	3.5	3.6
Rental rate (SEK/sq.m.)	2014	2013
Industry	935	1,094
Offices, shops, restaurants	1,362	1,403
Operating expense level – Expenses for measures at an interval of less than one year relative to the gross area (SEK/sq.m.)	2014	2013
Total	342	406
Maintenance cost – Costs of planned maintenance in relation to gross area (SEK/sq.m.)	2014	2013
Total	167	145

STAFF		
Staff employed by the City's administrations	2014	2013
Proportion of permanent employees, %	88.9	88.3
Proportion of full-time employees, %	87.2	86.3
Staff turnover, %	4.8	4.8
Proportion of women managers in relation to the proportion of women employees (ratio)	0.95	0.95
Proportion of foreign-born managers in relation to the proportion of foreign-born employees (ratio)	0.39	0.39
Short-term absence. (Number of hours off sick, days 1-14, in relation to the total agreed working hours.) %	1.93	1.97
Long-term absence. (Number of hours off sick, days 15 onwards, in relation to the total agreed working hours.) %	4.02	3.56

ENTREPRENEURS		
Entrepreneurs, number	2014	2013
Start-up (newly registered) companies in the City	12,435	12,435
Corporate bankruptcies in the City	1,642	1,642

People of Stockholm

STOCKHOLM COMPARED TO THE REST OF THE COUNTRY	Stockholm	Sweden
Residents aged 65 or older	14.4%	19.6%
Residents aged 0-15	17.9%	18.3%
Residents with a foreign background *	31.1%	21.5%
Average age at birth of first child	31.4	29.0
Average number of children per family **	1.79	1.91
Children (aged 0-14) with a foreign background *	27.4%	20.8%
Children aged 1-5 in child care, total	83%	84%
Percentage of privately run pre-school places	35%	20%
Students in grade 9 eligible for the upper secondary vocational programme ***	85.7%	86.9%
Grade points (average) in grade 9 ***	225	215
Upper secondary students of the total number of residents aged 16-19 ***	75.6%	75.6%
Low level of education aged 25-64 (not upper-secondary school)	10%	13%
High level of education aged 25-64 (college)	56%	40%
Employment rate aged 15-74	74%	66%
Employment by industry *****:		
Business services, ICT, finance and real estate activities	39%	19%
Retailing, transport, hotel and restaurant	21%	21%
Healthcare and social services	9%	16%
Average life expectancy, men	80.4	79.9
Average life expectancy, women	84.2	83.7
Average age	38.8	41.2

* Individuals who are foreign-born or native-born with two foreign-born parents.

** Aged 0-17.

*** Refers to public and independent schools located in the municipality.

**** Students in the national register on 15 October or nearby weekday.

***** Refers to workplaces in the municipality (daytime population).