

The Capital of Scandinavia



Stockholms  
stad

Annual Report

2016





## Structure

### Target groups

The City of Stockholm's Annual Report gives you an overview of the City's finances and operations during 2016. The Annual Report is produced by the City of Stockholm's City Executive Office and is intended for politicians, Stockholmers, users, employees and other stakeholders.

### Administration Report

The Administration Report presents the past year in accordance with Chapter 4 of the Local Government Accounting Act. The first section summarises the year and provides a view of the surrounding world. The fulfilment of the City of Stockholm's orientation goals and the operational area targets are briefly presented. There is also a brief information

here on the City's financial targets, the Municipal Group's investing activities and employees.

### How the City is governed

Under this section, you can read about the Municipal Group's governance, the Commission for a Socially Sustainable Stockholm, the City's international work and the City's quality assurance work.

### City Council orientation goals

In the City of Stockholm's budget, the City Council has established orientation goals, targets for the operational areas, indicators and activities that together measure goal attainment. This section describes how the City met the City Council's goals. The descrip-

tion is divided by operational area targets where activities done during the year and outcomes of indicators are presented.

### Economic and financial analysis and annual financial statements

The Annual Report is concluded with an economic and financial analysis of the results for the entire Municipal Group and the City. The income statement, balance sheet and cash flow statement with associated notes are included.

**The City of Stockholm's Annual Report 2016**

**Cover photo** Pär Olsson **Inside cover photo** Simon Gate **Production** City Executive Office's Finance Department in collaboration with Blomquist



A child wearing a bright yellow-green high-visibility vest with reflective stripes is running on a city street. The background is a blurred sunset or sunrise scene with warm orange and yellow light. A blue traffic light is visible on the left. The child is wearing dark pants and shoes.

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# A Stockholm for Everyone

Stockholm is a fantastic city. Based on the vision of a Stockholm for everyone, ambitious work is under way to realise the vision. Stockholm is growing and the number of Stockholmers is increasing. By the end of 2016, the city had a total of 935,619 residents, an increase by 12,103 people.



Order in the finances is fundamental in order for welfare to maintain good quality and for the operations to be able to be developed. Stockholm's

economy is continuing to grow and the economy in the Stockholm region is strong. The City's surplus shows that the City not only has balanced finances, but also sound finances.

The planning and building of new homes is historically high and one must look back to the years of the million home programmes to see a similar level in the building rate. There are good conditions to achieve the goal of building 40,000 homes between 2014 and 2020.

Self-sufficiency is fundamental in order for people to be able to be independent and realise their dreams. During the year, growing numbers of Stockholmers found a job and unemployment decreased in Stockholm. The number of openly unemployed people decreased and unemployment among young people continued to drop and was at a lower level than Sweden as a whole. The Jobbtorg programmes and outreach work played a major role for the unemployed to find work.

The number of people who are in need of financial assistance decreased and is at the lowest level in 50 years. The City's cost of financial assistance also fell in 2016. The

unemployment decreased among both those born in Sweden and those born abroad, but there are still differences in unemployment between the groups. The efforts begun on education and targeted intervention will be important to get Stockholmers who are far from the labour market into work. The City Council's target of 8,000 young people receiving summer jobs under the direction of the City was achieved and 8,150 young people received a summer job in 2016.

Stockholm receives good ratings and ranks highly in international rankings, which shows that the City has the right focus and is developing in a positive direction. It is pleasing that our city distinguishes itself among other cities with regard to environmental sustainability, innovative capacity and digital development.

25,000 new companies were founded in Stockholm during the year, an increase of 2,000 compared with the previous year. The work of strengthen local business and developing Stockholm as a business-friendly city remains a high priority. The City adopted a new programme for procurement and purchasing where conditions similar to those in collective agreements are required and Stockholm is now a Fairtrade City.

Cultural events are of major significance to bring the City to life. In 2016, Stockholm hosted the Eurovision Song Contest, which became a matter for the whole City. Organisations and young people were engaged

and with special help, programmes were conducted that involved 3,000 participants on the topic *Eurovision Song Contest in your neighbourhood*. More people are discovering Stockholm and the tourism industry broke records with 8.8 million guest nights. Most visits came from Germany, the UK and the U.S.

» The planning and building of new homes is historically high and one must look back to the years of the million home programmes to see a similar level in the building rate.«

All children and young people in Stockholm, regardless of where in the City they live or what background they have, should receive a good and equal education. The City Council's decision to offer children of those on parental leave the opportunity to go to pre-school full time is an important reform to benefit the children's learning and development. With greater continuity in the pedagogical context, conditions are created to give all children in Stockholm equal and positive conditions in childhood.

The open pre-school plays an important promotional and preventive function with the aim of supporting guardians at home and offering open activities. Among many activities during the year were the introduc-



tion pre-school, parental training and pure societal information on how the Swedish society works.

Growing numbers of children are achieving the proficiency targets and school results improved compared with 2015. Improvements took place in all grading measurements and school students in year 9 who attend municipal compulsory schools have higher results compared with other major cities. The fact that national exams and international studies show that Stockholm's students' levels of knowledge in mathematics have increased provides a clear indication that initiatives conducted during the year provide results. However, differences exist in results between schools and between boys and girls. Continued initiatives in schools are important for all children and young people to be able to achieve the knowledge objectives.

In the next few years, the number of young people in upper-secondary school age will increase and continued investments to create more school places are necessary to meet the sharp increase. To ensure that children and young people have good pre-schools and schools to attend, an expansion of pre-school facilities has been done and investments have been made in the construction of schools.

The Stockholm Survey conducted every two years indicates a generally positive development of living habits among young people in the City in terms of smoking, alcohol consumption and the use of drugs. Parental support programmes, training, knowledge dissemination and outreach work of field assistants have constituted important efforts, as well as the City's collaboration with other actors and networks around children and young people.

The City's work to ensure that children and young people in foster care have good childhood conditions and coherent schooling continued during the year. The City also conducted goal-oriented work to reduce the number of homeless, and families with uncertain housing situations received particular attention.

During the year, a programme against violence in close relationships and honour-related oppression was drafted. The first annual Katarina Taikon Prize was awarded to call attention to and reward human rights defenders who strengthen and protect human rights in Stockholm.

On 1 March 2016, the Settlement Act began to apply and all of Sweden's municipalities are obliged to receive newly arrived

immigrants. During the year, a total of 2,436 newly arrived immigrants were allocated to the City. To handle the City's commitment, various housing solutions were used. Former service blocks, newly built prefabricated homes, subletting of rooms and apartments by private individuals and emergency housing are examples of the various housing solutions. The number of unaccompanied refugee minors who came to Stockholm in 2016 continued to be high, but was lower than 2015. Work has been done in order for the children to receive good placements and for them to be able to participate in activities to prepare them for school.

The work for a sustainable city is continuing and the City Council made several decisions during the year and adopted programmes that aim to raise the level of the City's ambitions in the environmental efforts. The implementation decision on Högdalen's sorting facility, the Environmental Programme 2016-2019 and the Strategy for a Fossil-free Stockholm 2040 are a few examples. The City's expansion and improvement of the bicycle infrastructure contributed to an increase of bicycling in the City. During the year, Stockholm, together with other major cities in the world, participated in the work in the OECD Sustainable Growth in Cities initiative with the aim of collaborating on social sustainability. During the year, the City adopted both an international strategy and an EU policy.

» The work for a sustainable city is continuing and the City Council made several decisions during the year and adopted programmes that aim to raise the level of the City's ambitions in the environmental efforts.«

In 2016, the Sustainability Commission implemented and prepared reports in eight deepening areas. Some of the topics the reports addressed are the effects of school segregation, the possibility of establishing oneself in the labour market for people with little education, the role of the comprehensive plan for social sustainability and the City's collaboration with civil society. A decision was made on guidelines for the City's social investment fund and the start-up work came under way with the initial projects.

Lastly, we would like to direct a **huge, warm thank you to all of our employees** who contribute to Stockholm's development. You are the ones who have made it possible for Stockholm to be able to take large steps closer to the goal of a Stockholm for everyone. A financially, ecologically, socially and democratically sustainable city.



Karin Wanngård, Mayor



Ingela Lindh, Chief Executive Officer

# Administration Report



# Important events and decisions during the year



## Decisions

- ▶ Stockholm's environmental programme 2016-2019 has been approved.
- ▶ A decision was made on guidelines for the City's social investment fund and the start-up work is under way for the initial projects.
- ▶ A decision was made on a system for try-out studies for people with financial assistance. The possibility is being given during a two-year trial period.
- ▶ The strategy for implementation of measures in the Commission for a Socially Sustainable Stockholm was approved.
- ▶ A decision was made on City of Stockholm's programme for procurement and purchasing.
- ▶ In June, the Elderly Services Committee decided on an elderly housing study. The study will comprise a present situation description and analysis of housing, needs development and proposals that aim to meet the need for housing for the elderly.
- ▶ During the first four-month period of the year, the Elderly Services Committee decided on a study on the development of the home-help services and a report with various proposals.
- ▶ A parking strategy was adopted.
- ▶ A decision was made on the organisation, association charter, declaration of intent and financing for the coordination association of the City of Stockholm (FINSAM).
- ▶ A decision was made on a revised HR policy in September.
- ▶ The strategy for a fossil-fuel free Stockholm by 2040 was approved.
- ▶ The plan to secure routes to school and make them safe was approved.
- ▶ The City's programme against violence in close relationships and honour-related oppression 2017-2020 was approved.
- ▶ An implementation decision was made for Högdalen's sorting facility – a facility for the reception, optical sorting and reloading of food waste.
- ▶ A detailed development plan was approved for a cemetery in the Järva free area in the Akalla city district.
- ▶ An assignment was approved to conduct an in-depth study prior to a possible registration of interest in holding the Winter Olympics and Paralympics in 2026.
- ▶ A rental agreement regarding Murmästaren 3 at Hantverkargatan 29 was approved. The property shall be adapted to house an upper-secondary school with a capacity of around 2,200 student places.



## Events

- ▶ Around 8,150 young people received summer jobs in the City's companies and administrations, which is more than the City Council's annual target.
- ▶ During the year, the City decided on land allocations for 10,616 homes, 12,054 homes in a start memorandum and 7,671 homes in approved/adopted detailed development plans, of which 1,900 homes were appealed.
- ▶ The childcare guarantee was met throughout the City during the year.
- ▶ Both national exams and international studies, such as PISA, show that the knowledge levels in mathematics for Stockholm's school students have improved after a negative trend over several years.
- ▶ Both the number of households receiving financial assistance and the cost of financial assistance fell in 2016 compared with 2015.
- ▶ The credit rating institute Standard & Poor's again gave the City of Stockholm the highest possible short and long-term credit rating, AAA/A-1+ and K-1, respectively.
- ▶ The District Councils have prepared local development programmes with the aim of providing concrete form to the City's vision for a sustainable, democratic, equal and fair city.
- ▶ Together with Botkyrka Municipality, the City of Stockholm was ranked number one among Sweden's municipalities and county councils in terms of environmental adaptation of its own vehicles.
- ▶ The City of Stockholm became a certified Fairtrade City.
- ▶ Stockholm arranged the Eurovision Song Contest 2016.
- ▶ The City of Stockholm was one of five municipalities named a Development Municipality for Romani Inclusion.
- ▶ The City's work on an equality integrated budget process continues and relevant indicators can now be analysed based on gender.
- ▶ The City of Stockholm was elected to serve as the Vice President of the Eurocities organisation, a collaborative organisation for major European cities with more than 250,000 residents.
- ▶ Rinkebystråket was inaugurated with a street party.
- ▶ The first annual Katarina Taikon Prize was awarded to call attention to and reward human rights defenders who strengthen and protect human rights in Stockholm.
- ▶ The 1,350-metre dual-direction bicycle path along Norr Mälarstrand and Rålambshovsleden was inaugurated.
- ▶ A strengthening of the Social Services Committee entailed the recruitment of more social workers, a pilot project for the introduction programmes for new employees and the development of management development programmes to contribute to present and supportive work management.
- ▶ The support for targeted efforts in the area of mental health was strengthened in connection with the preparation of a county-wide action plan for mental illness in 2016.
- ▶ An implementation agreement was signed between the City of Stockholm and Stockholm County Council for the renovation of Slussen.
- ▶ In 2016, a total of 2,436 newly arrived immigrants were allocated to the City, of which 1,544 people were received during the year divided into 735 households (including quota refugees).



PHOTO: LENNART JOHANSSON

# Stockholm in the world

Stockholm is at the top of several international rankings and in international statistics. This is evident from a compilation from January 2017 that SWECO Strategy prepared on behalf of the City Executive Office and Stockholm Business Region. From an international perspective, Stockholm has a high gross regional product (GRP) per capita, low unemployment and a well-educated population.

According to SWECO's report, Stockholm has good results in indexes that measure cities' environmental sustainability, innovative capacity and digital development. For example, the City again ranks first in the Ericsson Networked Society City Index 2016.

The ranking highlights cities based on the connection between information technology and ecological, economic and social sustainability. Some challenges also exist, including keeping an even pace with international competition with regard to quality of life and attractiveness.

However, competition with other cities is getting tougher. Continued high-quality, cost-effective social service is a prerequisite for the City of Stockholm's future attractiveness and development so that Stockholm continues to be able to compete for attractive labour and be able to remain a knowledge-intensive hub.



# General economic analysis

## The global economy strengthens

Despite an uneasy surrounding world, the global economy showed signs of recovery at the end of 2016. The Brexit vote and the election results in the U.S. did not have any major impact on the international economic situation. The International Monetary Fund (IMF) assesses that global growth amounted to 3.1 percent in 2016 and that it will strengthen a few tenths of a percent in 2017 and a bit more in 2018. The emerging markets with China in the lead are expected to constitute the primary driving force behind the growth in the world economy. However, the IMF notes that there is uncertainty regarding the development in the U.S. and what effect greater protectionism will have on world trade and the global economy.

## Sweden is strong internationally

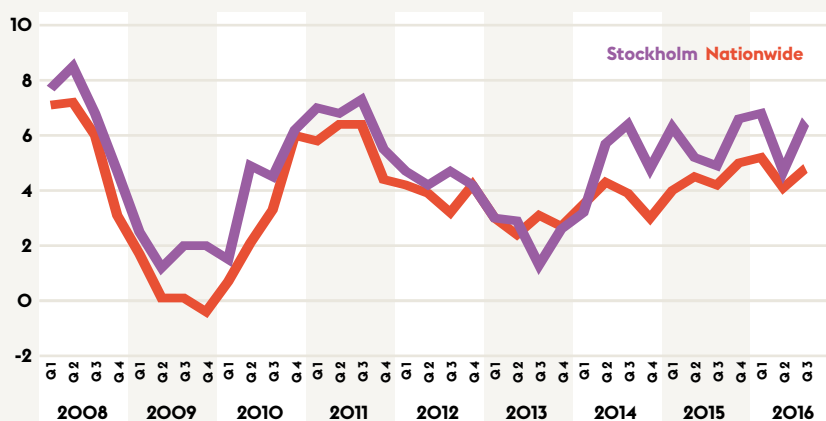
Compared with the other countries in Europe, the Swedish economy is strong. In 2016, Sweden's GDP is estimated to have amounted to 3.4 percent while the growth in the euro countries is estimated at 1.7 percent and in the EU as a whole at 1.9 percent. The situation in the Swedish labour market improved in 2016 with higher

employment and lower unemployment and many companies are experiencing a growing shortage of skilled labour. Statistics from the Public Employment Service show, however, that the division of the labour market has strengthened. Among those born in Sweden and Europe, the number of registered job-seekers is decreasing while they are increasing among those born outside Europe.

## The Stockholm economy is strong

The economy in the Stockholm region is strong and continues to grow. As an indicator of the regional growth, the payroll expense rose by 6.5 percent in the third quarter of 2016 compared with the third quarter of 2015. In addition, the Chamber of Commerce's economic barometer for the fourth quarter of 2016 indicates good confidence in the business sector.

Payroll expenses, percentage change compared to corresponding quarter last year



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



PHOTO: LISLOTTE VAN DER MEUS

## A good labour market for Stockholmers

The labour market in Stockholm also continues to develop well. Employment increased by more than 38,000 people compared with December 2015, corresponding to an increase of 1.7 percent. Various key indicators, such as the number of openly unemployed, the number of recently reported vacancies and newly started companies also point to a positive development; see figure at right.

The percentage of people employed continues to increase, which is shown in the diagram in the middle. The employment rate in the City of Stockholm amounted to 73.9 percent of the population (aged 15-74) at the end of 2016. In Sweden as a whole, employment was 67.9 percent and in Gothenburg it was 68.5 percent and in Malmö it was 64.9 percent. Stockholm's high employment rate reflects the fact that the City is at the centre of Sweden's largest and most efficient labour market region.

### Lower unemployment

Unemployment decreased every month in 2016 and among those born in Sweden, it decreased to so a low level in the City of Stockholm that the available workforce resources are small, according to the Public Employment Service. In December, unemployment<sup>1</sup> for those born in Sweden was 3.2 percent, while the corresponding percentage for those born abroad was 14.2 percent. At the same time, the unemployment levels decreased for both those born in Sweden and those born abroad, by 0.4 percentage points and 0.6 percentage points, respectively, compared with 2015.

The strong economy also continues to benefit young people ages 18-24. At the end of December, unemployment among young people in the City was 6.1 percent of the register-based workforce and in the County it was 6.9 percent. Stockholm County accordingly has Sweden's lowest unemployment among young people. The corresponding percentage nationwide was 11.5 percent.

### Strong population growth continues

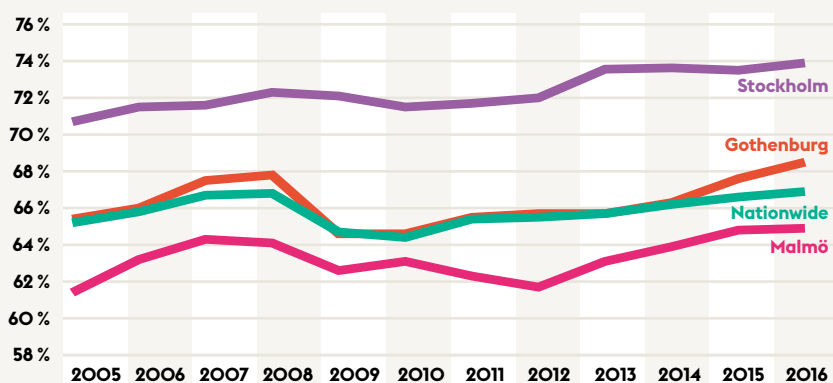
Sweden's population grew by 144,136 people in 2016 and amounted to 9,995,153 at year-end. This is the largest relative population increase since 1861. Every county in Sweden had an increase in population. Stockholm County grew by 37,621 people to 2,269,060. This means that the County accounted for 26 percent of Sweden's population increase, which is a significantly smaller share than a

<sup>1</sup> Openly unemployed and participants in programmes with activity support registered with the Public Employment Service in relation to the register-based workforce.

Some of the key figures for the City of Stockholm in 2016 compared with 2015

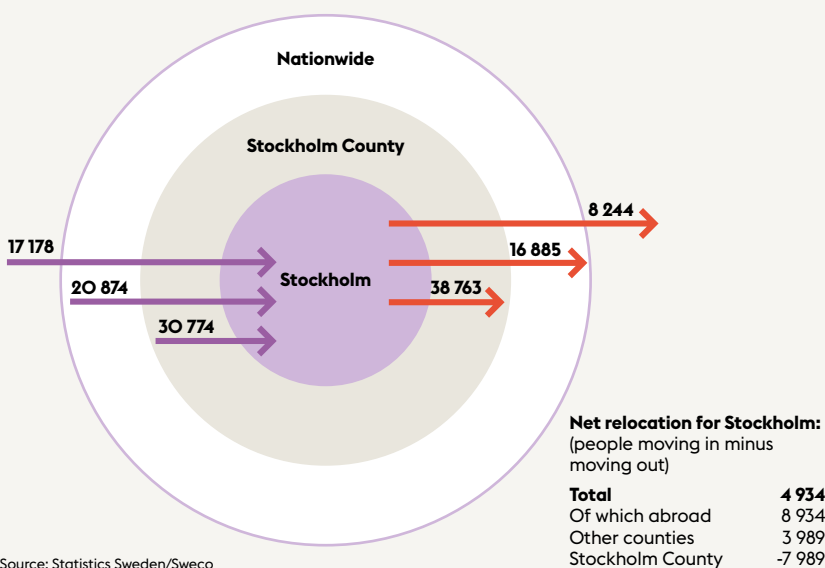


Employed as a proportion of the population ages 15-74, major cities



Source: Statistics Sweden/LFS

Relocations to and from the City of Stockholm in 2016



Source: Statistics Sweden/Sweco



few years ago. The corresponding figure for 2015 was 32 percent.

The City of Stockholm's population increased by 12,103, and the City had 935,619 residents at the end of December. The population increase in the City is attributable to both a continued strong net birth rate, meaning more are born than die (accounting for 59 percent of the increase), and to a positive net relocation from abroad. However, during the year, the net relocation domestically was negative, which is attributable to a large number of people moving to neighbouring municipalities within Stockholm County.

The figure at the bottom of page 10 shows what the relocation flows to and from the City of Stockholm looked like in 2016.

#### Relocations to and from the City of Stockholm in 2016

The total number of relocations over the county line was nearly 133,000. The top arrow in the figure illustrates moves abroad to and from the City of Stockholm, which result in a positive net relocation abroad equivalent to 8,934 people. The arrows in the middle show the relocation flows towards other counties in Sweden (+3,989), and the bottom arrows show relocations from and to the rest of Stockholm County (-7,989).

The relocation to other municipalities in Stockholm County has increased in recent years. One explanation may be that housing construction throughout the county has increased in recent years and that the City of

Stockholm's share of the total construction now constitutes approximately 40 percent, compared with half a few years ago. Those moving in still consist to the greatest extent of 20-30 year-olds, which continues to provide the City with a young profile in the population.

#### Number of asylum seekers decreasing

The number of asylum seekers decreased significantly in 2016 compared with the year before. In 2016, a total of 28,939 people sought asylum in Sweden, which can be compared to 162,877 in 2015. At year-end, 122,708 were registered in the Swedish Migration Board's reception system, of which 6,032 had their residence in the City of Stockholm (16,303 in Stockholm County). Of those registered in the City of Stockholm, 2,015 were children arriving alone. The largest groups of asylum seekers come from Syria, Afghanistan and Iraq, respectively, which together accounted for 40 percent of

# 935,619

people lived in the City of Stockholm at the end of December 2016, which is an increase by

# 12,103

people since the last year-end



the applicants. Of the children arriving alone, 51 percent came from Afghanistan. The asylum process is expected to take up to two years and the large increase in the number of municipal receptions will therefore not have an impact on the statistics until during 2017.

#### Stockholm an increasingly attractive tourist destination

A clear measure of Stockholm's attractiveness is the development of the tourism industry. 2016 was a record year for Stockholm's tourism industry with more than 13.5 million guest nights in the County, of which 8.8 million were in the City of Stockholm.

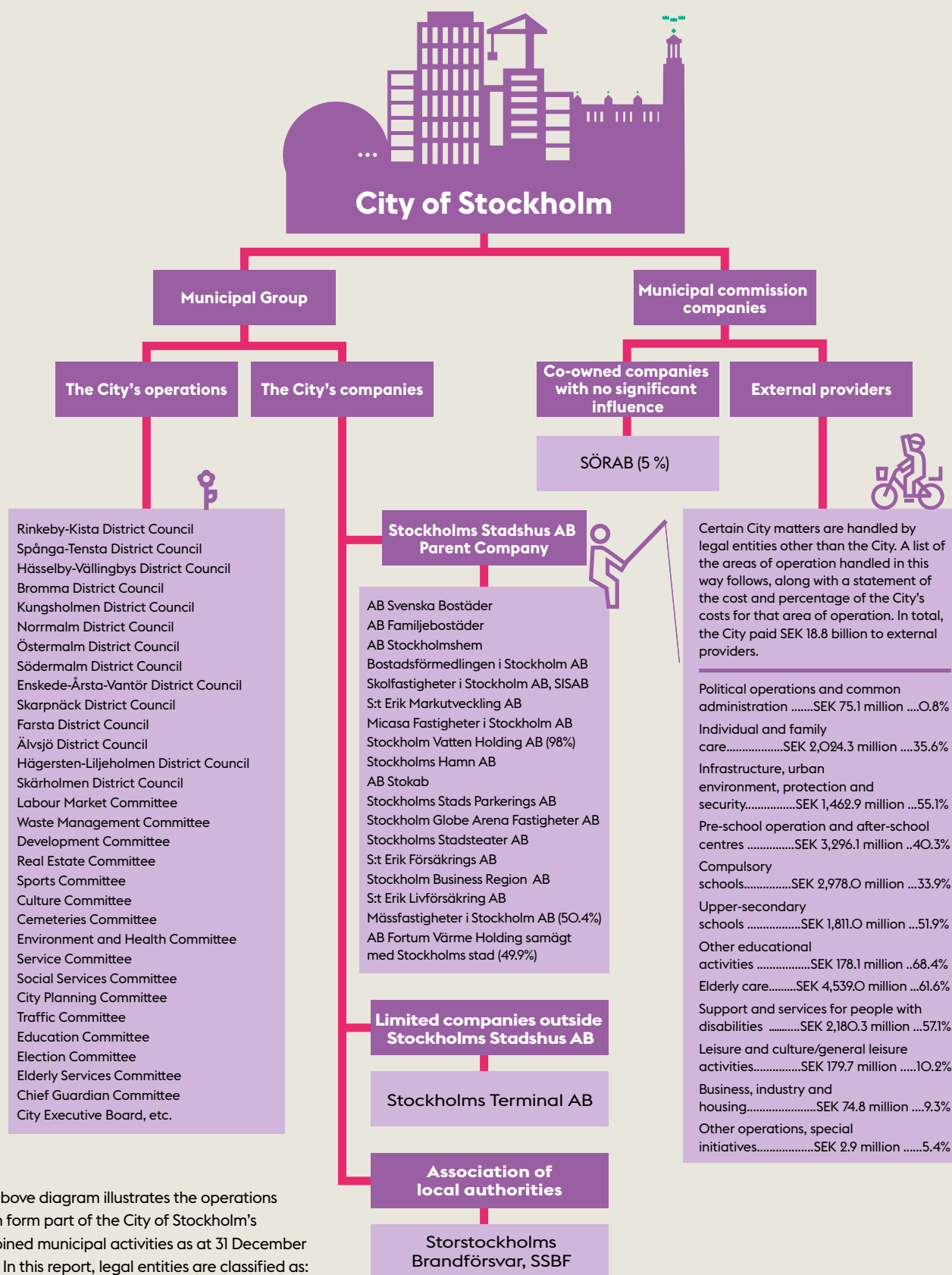
In 2016, international visits increased by 4.6 percent in total and domestic visits increased by 3.8 percent, compared with the year before. The largest markets remain unchanged at the top: Germany, the UK and the U.S. China accounts for the largest increase during the year, 37 percent<sup>2</sup>.

<sup>2</sup> Facts about the tourism industry in 2016, Visit Stockholm.



PHOTO: LIBELOTTE VAN DER MEULEN

# Organisation and governance



The above diagram illustrates the operations which form part of the City of Stockholm's combined municipal activities as at 31 December 2016. In this report, legal entities are classified as:

- ▶ Group companies with a controlling or significant influence
- ▶ Commission companies of the other co-owned company or municipal contracts type



# 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 2016.

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 targets. The supervisory 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.

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

### The City's vision

The City of Stockholm's vision, Vision 2040 – A Stockholm for everyone is divided into four sections with the same starting points as the City Council's orientation goals.

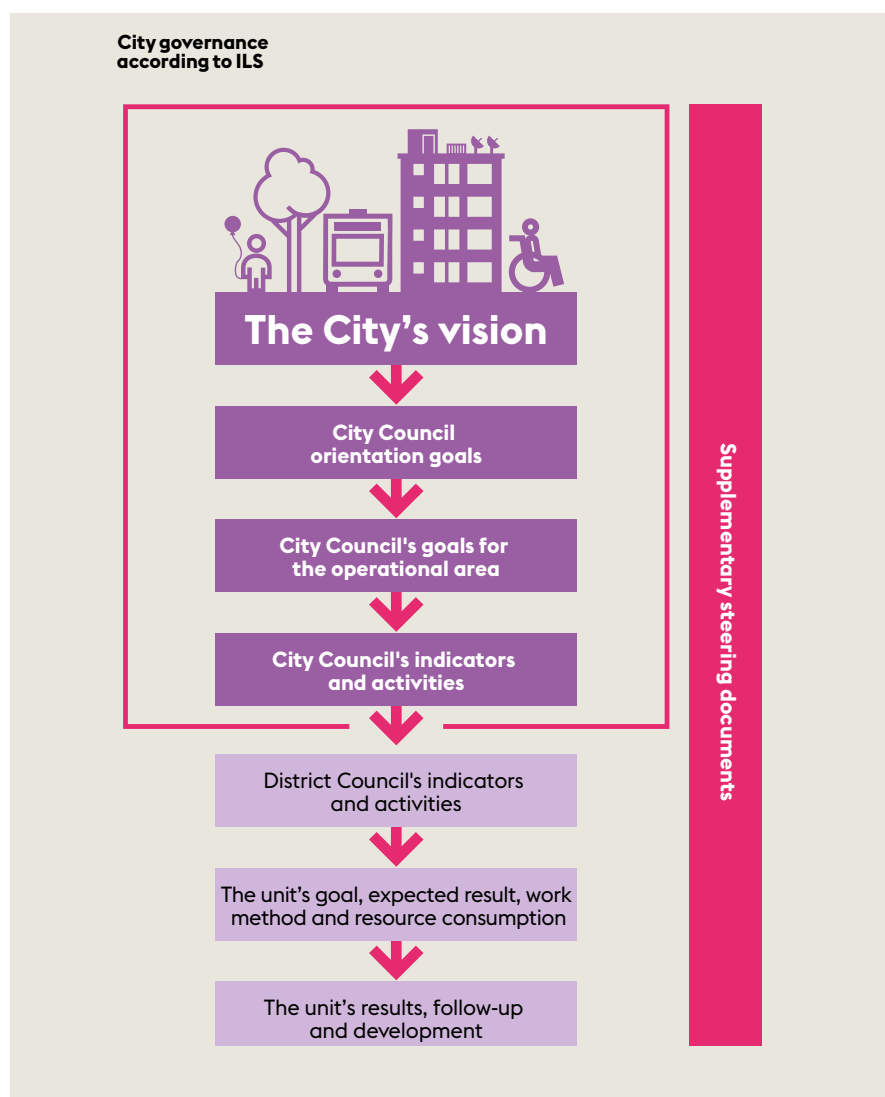




PHOTO: LIEBLOTTE VAN DER MEIJIS

## City Council orientation goals

The City Council decided on the following four orientation goals in the 2016 budget:

- ▶ A Stockholm that stands united
- ▶ Eco-smart Stockholm
- ▶ Financially sustainable Stockholm
- ▶ Democratically sustainable Stockholm

The orientation goals provide the framework for the City's management of its operations. The City Council's goals for the operational areas provide concrete detail to the orientation goals for the various operations that are in the City.

For every goal, there is a number of indicators and for every indicator, an annual target is set. 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.

An assessment of goal attainment for the year is based on the outcomes of the City Council's indicators and activities, whether or not the committees have met their own committee goals, committee indicators and the extent to which they conducted the activities they stipulated in their operational plans. Based on the above, an assessment of all of the City Council's operational targets has been done. The collective assessment is that the City has met the requirements for sound financial management in 2016. The summary of the goal assessments is presented at right.

City Council's orientation goals/operational targets	Municipal Group's goal attainment for the year
<b>A Stockholm that stands united</b>	<b>Met in part</b>
All children in Stockholm have equal and positive childhood conditions	Met in part
Early social efforts create equal chances in life for all	Met in full
Stockholm is a city with vibrant and secure city districts	Met in part
Stockholm is a city with a high level of housing construction where all can live	Met in full
Stockholm has a rich offering of sports and leisure activities accessible to all	Met in full
Culture and personal creativity are readily accessible to all Stockholmers	Met in full
All elderly have a safe old age and receive good quality elderly care	Met in part
<b>Eco-smart Stockholm</b>	<b>Met in full</b>
Energy consumption is sustainable	Met in full
Transports in Stockholm are environmentally friendly	Met in full
Stockholm has sustainable land and water use	Met in full
Stockholm has resource-efficient recycling	Met in part
Stockholm's environment is toxin free	Met in full
The indoor environment in Stockholm is healthy	Met in full
<b>Financially sustainable Stockholm</b>	<b>Met in full</b>
Stockholm is a world-leading knowledge region	Met in full
Stockholm is a business-friendly city	Met in full
More people work, have secure employment and support themselves	Met in full
In Stockholm, it is easy to acquire education throughout life	Met in part
The City of Stockholm's finances are sustainable on the long term	Met in full
<b>Democratically sustainable Stockholm</b>	<b>Met in full</b>
Stockholm is a city of equality where power and resources are distributed equally	Met in full
The City of Stockholm is a good employer with good working conditions	Met in full
Stockholm is a city that lives up to human rights and is free from discrimination	Met in full
Stockholm is a city that respects and lives up to children's rights in accordance with the UN Convention on the Rights of the Child	Met in full
Stockholm is a city where nobody needs to fear violence	Met in part
Stockholm is an accessible city for everyone	Met in full
Stockholm is a democratic city where the citizens have influence	Met in full
The City develops public procurement in a sustainable direction	Met in full





PHOTO: LIEBELOTTE VAN DER MEIJIS

## Attainment of orientation goals

### A Stockholm that stands united

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

The long-term goal is for 140,000 homes to be built between 2010 and 2030. Between 2014 and 2020, 40,000 homes will be built. The annual targets for nine out of ten of the City Council's indicators were achieved in full, most by a very wide margin. The pace is at an all-time high in both planning and construction of new homes.

Work to develop prevention and early efforts for children and young people continued during the year. Parental support programmes, training, knowledge dissemination and the outreach work of the field assistants have constituted important efforts, as well as the City's collaboration with other actors and networks around children and young people.

School results are an important protective factor for children and young people. The results for all grading measurements excluding recent immigrants and school students with an unknown background improved compared with the previous year and the City of Stockholm's own compulsory schools have higher results in year 9 than other major cities and Sweden as a whole.

During the year, the City worked in various ways to increase the proportion of pre-school teachers. The increase in the number of chil-

dren has levelled off in the past two years, but the strong expansion of pre-school facilities mainly in areas of new construction is continuing. The childcare guarantee was met during the year. The percentage of parents who say that they are satisfied with the pre-school was 88 percent in the 2016 user survey.

### » The City conducted goal-oriented work to reduce the number of homeless, and families with uncertain housing situations received particular attention. «

The City's work to ensure that children and young people in foster care have good childhood conditions and coherent schooling continued during the year. In addition, the development work to strengthen the child and parent perspective in addiction and dependence care continued during the year. The City conducted goal-oriented work to reduce the number of homeless, and families with uncertain housing situations received particular attention.

During the year, the number of unaccompanied refugee minors that came to Stockholm increased sharply, and the City prioritised finding stable and secure placements for them and offering activities to prepare for school and practical placement positions. There was extensive demand for on-call homes, but there was also extensive interest from families and individuals who want to welcome these children and young people into their homes.

In recent years, the City has developed a method, called quality observation, for in-depth quality follow-up in elderly care. In nursing and care facilities, the observations showed good examples in such areas as staff commitment and sensitivity.

### Eco-smart Stockholm

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

The City of Stockholm's environmental programme for 2016-2019, which advances the positions of the City's environmental efforts, was approved in April. In November, the City's strategy for a fossil-fuel free Stockholm by 2040 was approved. It describes the challenges and the necessary efforts to achieve the stage targets that the emissions shall decrease to a maximum of 2.3 tonnes of carbon dioxide equivalents per resident and year by 2020.

The City Council allocated climate investment funds for measures to contribute to the City's possibility of achieving the long-term targets, reducing the climate-impacting CO<sub>2</sub> emissions and having a high level of preparedness for future climate changes. During the year, the allocated funding was used for the purchase of electric bicycles for the home-help services and the replacement to energy-efficient fixtures and white goods in the City's pre-school operations.

For the period 2012-2018, the City allocated

SEK 1.3 billion for the expansion and improvement of the bicycle infrastructure. The continued expansion is under way of the highest priority sections of the Bicycle Plan 2012. The initiative is contributing to increasing bicycling in the City. In the year's measurement of the number of bicycles that pass the inner city, the highest number to-date was measured, with more than 75,000 passages per day.

In accordance with the City's action plan for a good water status, local programmes of measures were prepared with the aim of ensuring that the bodies of water achieve a good water status. The City also worked on preventive measures and careful operation to reduce the impact to soil and water and, among other things, pilot projects were conducted with sustainable storm water solutions.

The City works continuously to improve the air quality, mainly by limiting the amount of harmful particulates. The prohibition to drive with studded tyres was expanded by another street in the inner city. The indicator for the environmental quality standard for PM10 (particulates smaller than 10 micrometres in diameter) was achieved for the third consecutive year.

» In the year's measurement of the number of bicycles that pass the inner city, the highest number to-date was measured, with more than 75,000 passages per day. «

Several efforts for follow-up of the requirements in the City of Stockholm's chemicals plan for 2014-2019 were implemented, mainly with regard to products for pre-schools. The City has also worked on developing a list of approved materials for playground equipment and a guide for a chemicals-smart pre-school.

### Financially sustainable Stockholm

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

During the year, the City of Stockholm began the implementation of the City's approved innovation strategy, including with the project Innovation Platform Sustainable Stockholm. A new collaboration agreements was signed for the upcoming three-year period regarding OpenLab, a centre where Karolinska Institutet, the KTH Royal Institute of Technology, Stockholm University and Södertörn University work on challenges faced by the Stockholm region.

During the year, more than 25,000 new companies were founded in Stockholm, compared with around 23,000 in 2015, which is reflected in the survey by the Confederation of Swedish Enterprise where the City was given good marks in such issues as business operations, employment, entrepreneurship, market sourcing, municipal tax, construction contracts and telecom and IT networks.

The development in financial assistance is



In November, the City's strategy for a fossil-fuel free Stockholm by 2040 was approved.

positive. Both the number of households receiving financial assistance and the cost of financial assistance fell in 2016 compared with 2015. Opening more paths to work was a prioritised objective during the year. In 2016, 8,156 young people received holiday jobs in the City during the summer months, and a number of holiday jobs were also offered during the autumn and Christmas holidays.

During the year, the number of students in adult education increased. In total, 31,300 school students studied at a basic level, upper-secondary theoretical courses and/or vocational courses. The City conducted active outreach work and motivation efforts to encourage people far from the labour market to choose studies. During the year, the City introduced the possibility of try-out studies, where people with little educational backgrounds can receive financial support to try studying for a period of time. School students also received greater opportunities for individualised studies and possibilities to attend studies in parallel with work, placement or other training.



PHOTO: RIK OLSSON



During the year, the City began the long-term work of introducing a gender equality perspective in decision making and in ordinary governance.



The committees and District Councils generally have sound budget discipline and present a total surplus, after surplus transfers, of SEK 740 million (519), of which SEK 135 million relates to the District Councils and SEK 605 million to the specialist committees. All financial annual targets were met during the year. The work of introducing the Group-wide accounting system continued according to plan and it was deployed at another eight of the Group's companies. Five companies remain before the system has been implemented in the entire Group.

### Democratically sustainable Stockholm

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

The City continued to work on developing local democracy. All District Councils have prepared local development programmes and at one District Council, a citizen budget was implemented. Local development programmes are a way to provide concrete detail to the City's vision of a sustainable city. Several of the programmes in the suburbs focus on security and employment.

During the year, the City began the long-term work of introducing a gender equality perspective in decision making and in ordinary governance, from planning to implementation and follow-up of the operations. Gender differences have been made visible and analyses have begun. An important factor is statistics divided by gender.

During the year, a new HR policy for the City was approved by the City Council that aims to support an equal and sustainable working life and to provide the employees with a good basis to maintain a high level of quality in their work. The City also prepared an action plan for improving the work situation for social workers and assistance administrators.

The City of Stockholm became a certified Fair-



PHOTO: LIEBLOTTE VAN DER MEELS

trade City in 2016. The first annual Katarina Taikon Prize was awarded to call attention to and reward human rights champions who protect human rights in Stockholm. In the initiative on the organisation of young people, the Local organisers project was initiated with young Stockholmers who started study circles where they discussed such issues as racism and sexism and arranged various local initiatives for and with other young people.

The City held seminars, lectures and courses to raise awareness of children's rights. A goal-oriented effort was made to create meaningful sports and exercise activities in the suburbs. All schools prepared school health plans to clarify the school health team's organisation and mission.

The City continued to strengthen its work to reduce violence in close relationships. The

City continued to work on developing routines and methods to identify early signs of victimisation to violence. Prevention efforts were developed by increasing knowledge about gender, norm criticism and support for perpetrators of violence.

During the year, the City's new programme for procurement and purchasing was approved. The City also joined the Hållbarhetskollen sustainability monitoring programme to ensure that the City's suppliers of goods meet set requirements on ethical consideration. In 2016, three City-wide development projects were under way to develop the City's purchasing operations. The objectives of the projects are higher quality in City operations, higher contractual compliance, cost savings, a more efficient and quality-assured purchasing process and improved possibilities for follow-up and analysis.





PHOTO: LENNART JOHANSSON

## Financial targets for the City

The City has set financial targets to guarantee a favourable financial development over time. All financial targets were achieved in 2016.

### The City's net costs in relation to tax income, general government grants and equalisation

This measure establishes that the City's net expenses may not exceed tax income, general government grants and equalisation over a long-term perspective. The net financial items can also be used in the short term to finance the net operating expenses. In 2016, the net operating costs account for 100 percent of tax income, general government grants and equalisation. Including net financial items, net expenses constitute 98 percent. This means that the target was achieved in both the long and the short terms. In the past five-year period, the net cost share of tax revenues, general government grants and equalisation increased to the highest acceptable level. No space for further increase exists in the future.

### Equity/assets ratio

The equity/assets ratio measures how much of the City's assets are financed by equity. The measurement is calculated including pension liabilities, which according to applicable rules are partially off the balance sheet.

The target is for the equity/assets ratio to not go below 34 percent. In the short term, the value may drop to 30 percent. The equity/assets ratio was 36 per cent in 2016 and the target is thereby achieved. The equity/assets ratio has been stable at the end of the reporting period at a minimum of 34 percent for the past five years.

### Capital costs as a proportion of net operating costs

A higher investment volume means higher operating costs in the form of depreciation and interest. To ensure that these costs do not take an excessively large part of the City's total net operating costs, a target has been set up that these costs may constitute a maximum of 7 percent of the City's net costs. In 2016, the capital cost share of net operating costs amounted to 6 percent. The target was thereby achieved. In the latest five-year period, the outcome has been stable at 6 percent.

### Budget compliance

Proper budget compliance is an essential condition for effective financial control and, consequently, sound financial management. Budget compliance measures how well financial control 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 not exceed 100 percent, both before and after technical adjustments. The committees' outcome accounts for 98 percent of the budget and the target was thereby achieved.

### Forecast accuracy

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 outcomes, 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 2016 outcome deviates by 1 percent from the forecast in the second four-month report and the goal is thereby achieved.

### Profit for the year for the Municipal Group

After eliminating intra-Group balances,



Surplus for the year for the City

SEK  
**4,643** million

Profit for the year for the  
Municipal Group

SEK  
**5,406** million

Goal attainment 2012–2016, %	2016	2015	2014	2013	2012
Net expenses/tax revenues, equalisation, general government grants	100	101	100	98	98
Equity/assets ratio including pension liability	36	34	36	34	35
Capital costs as a proportion of net operating costs	6	6	6	6	7
Committees' outcome as a percentage of budget	98	99	99	99	99
Committees' outcome as a percentage of forecast in 2nd four-month report	1	-1	-0	+0	+0

including dividends, the profit for the Municipal Group after taxes and net financial items amounted to SEK 5,406 million (2,606). 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 1,347 million (1,086).

### Appropriations within the Municipal Group

The profit for the year after net financial income/expense for the Stockholms Stadshus AB Group amounted to SEK 1,914 million (1,411). In the financial statements for the Stockholms Stadshus AB Group, losses in certain subsidiaries are covered by corresponding Group contributions totalling

SEK 491 million (499). The dividend to the City in 2016 amounted to SEK 500 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 in an amount of SEK 1.2 billion according to the City Council's budget for 2017.

### Surplus for the year for the City

The surplus for the year for the City amounted to SEK 4,643 million (1,924). Capital gains and sales of development properties constitute the largest part of the surplus, SEK 4,426 million. Sales of development properties took place primarily in Hagastaden, the Globen Area, Liljeholmen,

Profit for the year for the Municipal Group, SEK 000s	Group contributions paid	Group contributions received	Shareholders' contributions paid	Shareholders' contributions received	Dividend from Stadshus AB Group	Dividend, City of Stockholm
<b>Parent Company</b>						
Stockholms Stadshus AB	122,000				-1,200,000	1,200,000
<b>Subsidiaries</b>						
AB Svenska Bostäder 1)					8,522	
AB Familjebostäder 1)					737	
AB Stockholmshem 1)					844	
Bostadsförmedlingen i Stockholm AB						
Skolfastigheter i Stockholm AB (SISAB)						
Micasa Fastigheter i Stockholm AB						
S:t Erik Markutveckling						
Stockholms Globe Arena Fastigheter AB		139,000				
Stockholm Vatten AB					2,868	
Stockholms Hamn AB	21,000					
AB Stokab	210,000					
Stockholms Stads Parkerings AB	138,000					
Stockholms Stadsteater AB		352,000				
Stockholms Business Region AB						
S:t Erik Försäkring AB						
S:t Erik Livförsäkring AB						
Other companies						
Group adjustments						
<b>Total</b>	<b>491,000</b>	<b>491,000</b>	<b>0</b>	<b>0</b>	<b>-1,187,029</b>	<b>1,200,000</b>





PHOTO: LISBLOTTE VAN DER MEUS

Södermalm and Södra Hammarbyhamnen. The operations provide a surplus of SEK 740 million, of which SEK 135 million pertains to the District Councils and SEK 605 million the specialist committees.

The surplus excluding non-recurring income from sales amounted to SEK 217 million (249). The surplus indicates the operating earnings, meaning the part of the City's operating activity costs that were financed with operating income, such as taxes, fees and government grants.

Non-recurring income from sales has, in accordance with the City's financial strategy, been used to finance the City's investments and thereby reduced the need for new borrowing by an equivalent amount. The City's investments have in their entirety been able to be financed with its own funds, meaning with surplus, depreciation and sales. The self-funding ratio was 123 percent (74).

The tax rate was raised in 2016 by SEK 0.22 of which SEK 0.02 constituted a tax exchange with Stockholm County Council.

Surplus for the year for the City, SEK million	2016	2015
Profit/loss for the year	4,643	1,924
Less capital gains*	-4,426	-1,675
Profit excluding capital gains	217	249

\*2015 also adjusted with the repayment from AFA insurance

### 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 aim of the balanced-budget requirement is to show that a municipality is not living beyond its means. Capital gains and some other non-recurring income affecting comparability are deducted. According to the legal requirement, income from the sale of development properties can be included in the balance requirement investigation, which is done below. The City's surplus adjusted in accordance with the Local Government Act requirements shows that the City meets the requirement for a balanced budget as there is a balance requirement result of SEK 4,225 million (1,560).

SEK million	2016
Profit/loss for the year	4,643
Less income affecting comparability	-418
<b>Balance requirement result for the period</b>	<b>4,225</b>



## Budget settlement

In total, the District Councils and specialist committees report a surplus of SEK 740 million including settlement against surplus reserves. For 2015, the corresponding surplus was SEK 520 million.

According to the second four-month report, SEK 500 million of the budgeted dividend from Stockholms Stadshus AB was paid back, which entails a budget deficit of SEK 500 million.

Personnel costs for the City increased by 9.2 percent compared with the preceding year. The number of full-time equivalents increased by 2,052, which is more than estimated. The employer's contributions for the City's staff exceeded budget by SEK 0.2 billion due to the increase in staff.

Tax income, equalisation and general government grants show a surplus compared to budget of SEK 2 billion in total. The final tax settlement was lower than budgeted at SEK -0.2 billion, depending on a lower tax base forecast for 2016. General government grants show a surplus compared to budget of SEK 0.4 billion. The grant for refugee reception from 2015 was allocated to the period of 2016 and provides a positive outcome together with the construction bonus the City received in 2016.

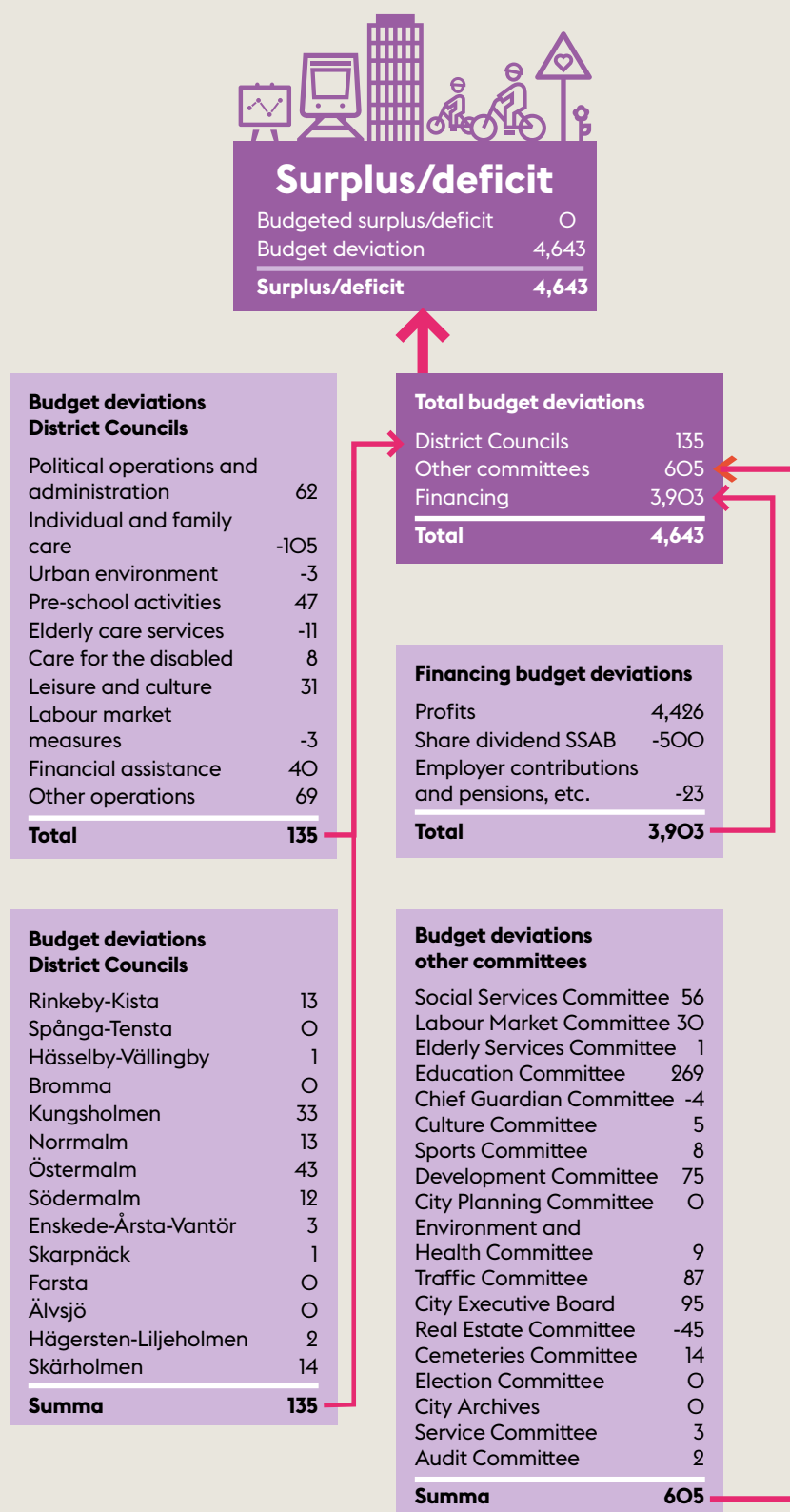
## Pensions

Pension costs in the income statement amounted to SEK 2,297 million (2,119) including financial items. Estimated pension fees, which constitute a percentage of the payroll expense for the active personnel, increased by 8.2 percent in total. This is SEK 30 million more than budgeted. The change in the pension provisions increased by nearly 50 percent, compared with 2015. More employees are reaching the limit for defined-benefit pension, 7.5 income base amounts. Their entire period of service in the City thereby becomes the basis for the defined-benefit retirement pension. In total, the pension costs result in a small budget deficit. Local pension provisions over and above the municipal pension agreement, KAP-KL, are included in pension liabilities. As of 2015, the latent survivor's pension is also included. A new defined-contribution pension agreement, AKAP-KL, applies for employees born after 1985. Other personnel groups continue to sort under the old agreement, KAP-KL.

Contingent liabilities for pension liabilities earned through the end of 1997 amounted to SEK 17,338 million including payroll tax, a decrease of SEK 454 million compared with 2015. A continued decrease in the contingent liabilities is expected in the years ahead. The pension provisions are secured in the City's assets.

## Surplus overview

Amounts in SEK million



The gross investments of the Stockholms Stadshus AB Group in 2016 totalled

**10.1** billion

SEK  
**5.8** billion

is what the City's investments amounted to in 2016. Compared with 2015, this is an increase of

SEK  
**800** million

### The Municipal Group's investing activities

The Municipal Group's gross investments in 2016 amounted to SEK 15,596 million (15,525). The gross investments of the Stockholms Stadshus AB Group in 2016 totalled SEK 10,073 million (10,769).

The gross investments consist primarily of new housing construction, infrastructure such as ports and water/sewage works 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 2016 amounted to SEK 5,759 million (4,923), which is an increase of 17 percent or SEK 800 million over the previous year. Investment income for the year amounted to SEK 144 million (51).

In the City's investment strategy, investments are divided up into two types. New investments, which entail greater benefit than exists today, are called strategic investments. Re-investments, made to retain the benefit the investment has today, are called replacement investments. They shall always be implemented with own funds. Of the year's investments, nearly half, SEK 2.7 billion, are strategic investments while SEK 3.1 billion is comprised of replacement investments and planned maintenance.

The largest projects by amount during the year were the renovation of Slussen, the Värtapiren pier, Hagastaden and the renovation of square Sergels torg. Housing construction reached record levels during the year. A decision was made on land allocations regarding more than 10,000 apartments.

Despite the historic investment volume, the outcome is somewhat lower than budgeted,

### Investments during a five-year period

	2016	2015	2014	2013	2012
Gross investments per year, SEK billion	5.8	4.9	4.3	4.3	4.6
Self-financing ratio (%)	123	74	108	134	92

### Investments, net expenses per committee (SEK million)

Committee	Budget	Outcome	Deviation from budget
City Executive Board, etc.	-2	-1	+1
Service Committee	-1	-1	0
District Councils	-349	-292	+57
Labour Market Committee	-3	-5	-2
Development Committee	-3,627	-2,953	+673
Real Estate Committee	-1,285	-1,157	+128
Sports Committee	-48	-39	+9
Culture Committee, total	-36	-15	+21
Cemeteries Committee	-36	-41	-5
Environment and Health Committee	-1	-2	-1
Social Services Committee	-5	-3	+2
City Planning Committee	-2	-2	0
Traffic Committee	-1,032	-973	+59
Education Committee	-121	-127	-6
Elderly Services Committee	-9	-4	+5



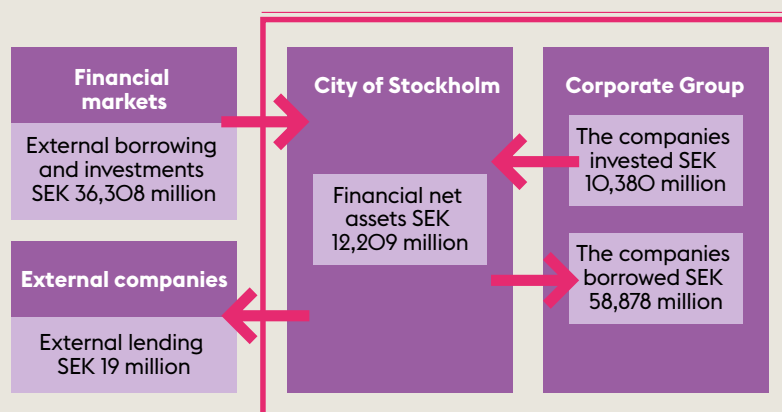
PHOTO: SARA HICKEY

SEK 941 million. There are many individual objects that jointly give rise to the deviation. Shifts in time occurred in, for example, housing construction at Blackebergsvägen, the Nobel Museum at Blasieholmen, Stockholm Royal Seaport, expansion of bicycle paths and the renovation of the Liljevalchs Art Hall.

#### Municipal Group's financial position

As at 31 December 2016, the City of Stockholm Municipal Group had an external debt portfolio amounting to SEK 36,308.3 million (33,335.8). The external debt portfolio increased by SEK 2,972.5 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 the previous year, the investments consist primarily of the construction of housing, schools and infrastructure projects.

#### Municipal Group



#### Municipal Group's internal dealings

	Internal purchases which have been eliminated	Internal sales which have been eliminated	Internal receivables, excluding the Group account, which have been eliminated	Internal liabilities, excluding the Group account, which have been eliminated
Municipal Group	4,993	4,993	2,022	2,022





PHOTO: LENNART JOHANSSON

## Employees

### The increasing trend has been broken

The City uses two methods to measure sick leave. Sick leave is measured both in accordance with the statutory requirement, 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 requirement 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 ordinary working hours, which means 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

0.1 percentage points, from 7.3 percent to 7.4 percent, during the period 2015 to 2016. Out of the total sick leave, 50.0 percent lasted 60 days or more. The corresponding figure for 2015 was 51.3 percent. This was a decrease of 1.3 percentage points. An account of the City's work in occupational safety and health is provided under the section *The City of Stockholm is a good employer with good working conditions*.

### Staff in figures

In December, a total of 42,660 people were employed by the City of Stockholm. Of these, 39,868 worked in the City's District Councils and 2792 were employed in the City's companies. About three out of four employees were women. This table presents the number of employees by operational area.



About three out of four employees in the City of Stockholm are women.

# 42,660

people were employed in the City of Stockholm in December 2016. This was an increase of

# 1,620

people since 2015.

## Sick leave according to statutory requirements 1 Jan 2016 – 31 Dec 2016

	Total	Women	Men	Age groups		
				-29	30-49	50-
Sick leave as a percentage of regular working hours	7.4	8.3	4.9	6.0	7.2	8.1
Percentage of total sick leave that lasted 60 days or more	50.0					

## Sick leave, according to the City's own measurement method, 1 Jan 2016 – 31 Dec 2016

Sick leave as a percentage of contracted working hours	Total	Women	Men
Short-term absence, day 1-14	2.1	2.2	1.9
Long-term absence, day 15-	4.6	5.3	2.5
Total	6.7	7.5	4.3

The City's companies have a somewhat lower sickness absence than the City District Councils. Since the total sick leave figure of 6.6 percent includes companies, this shows an increase compared with 2015, when total sick leave was 6.5 per cent.

## Number of employees (salaried) by operational area

Operational area	2016			2015 Total	Year on year change
	Women	Men	Total		
Political operations and common administration	1,214	513	1,727	1,581	146
Individual and family care	2,986	863	3,849	3,599	250
Infrastructure, urban environment, safety/security	645	502	1,147	1,106	41
Pre-school operation and school child care	9,935	1,715	11,650	11,469	181
Education	8,769	3,547	12,316	11,671	645
Care for the elderly	4,122	917	5,039	4,972	67
Support and services for people with disabilities	1,446	521	1,967	1,809	158
Leisure and culture/general leisure activities	994	778	1,772	1,736	36
Business, industry and housing	164	166	330	320	10
Other operations	43	26	69	62	7
Stockholms Stadshus AB Group	1,237	1,555	2,792	2,715	77
<b>Total</b>	<b>31,557</b>	<b>11,103</b>	<b>42,660</b>	<b>41,040</b>	<b>1,620</b>
Full-time equivalent employees	30,429	10,734	41,163	39,598	1,565

There is no information on the operational area for two of the City's employees for 2016. These employees are only reported in the total. In addition to the employees paid monthly, employees paid per hour worked an equivalent of 2,984 annual full-time jobs. Compared with 2015, there has been a drop of 5 percent in the hours worked by hourly-paid staff. This figure only refers to the administrations, not the companies.



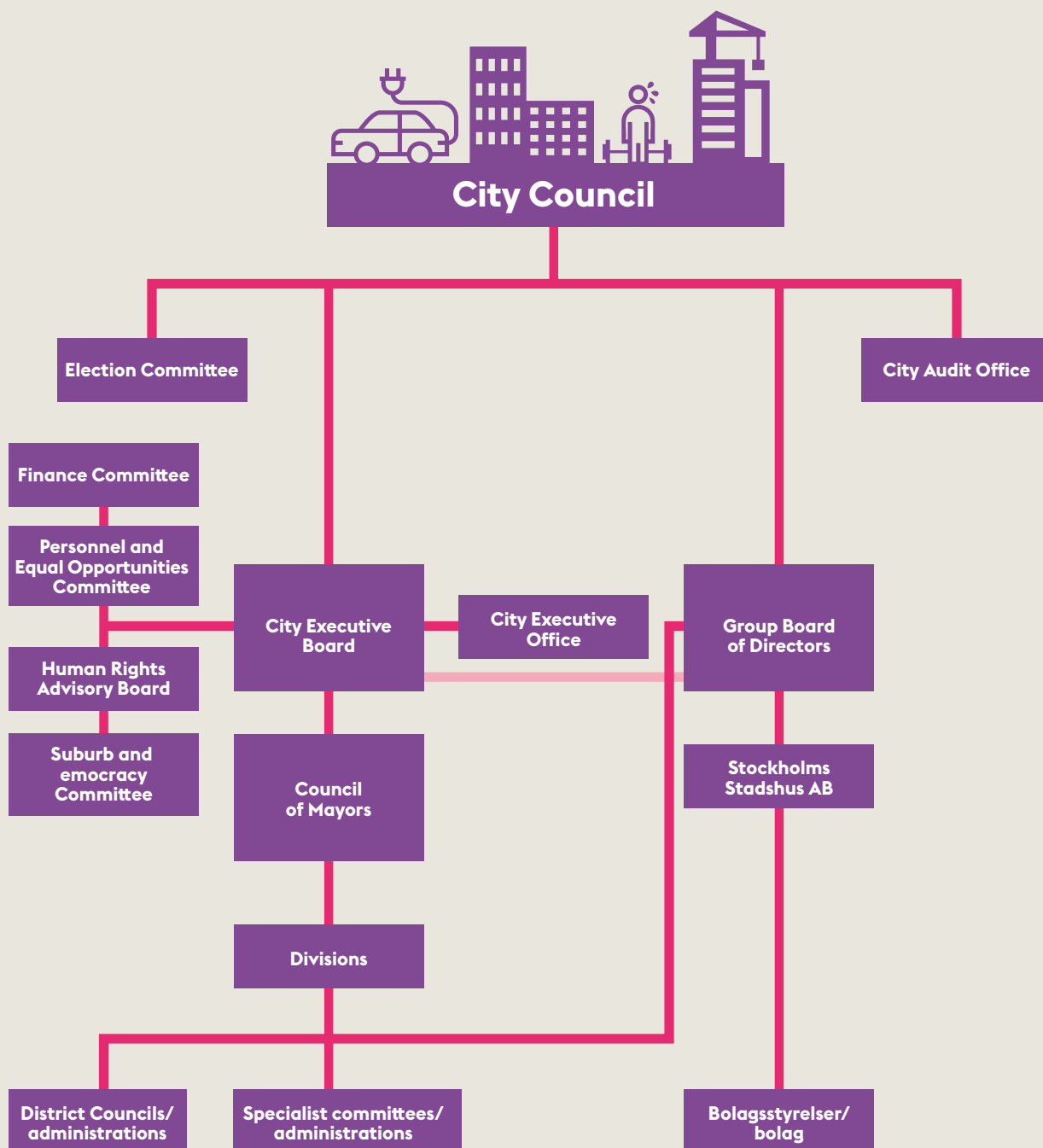
# How the City is governed

How the City is governed



# The Municipal Group's governance

The following is a description of the political organisation as of 1 January 2016 based on areas of responsibility.



# City Council

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.

On 31 December 2016, 50 of the 101 councillors were women, and 51 men.

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

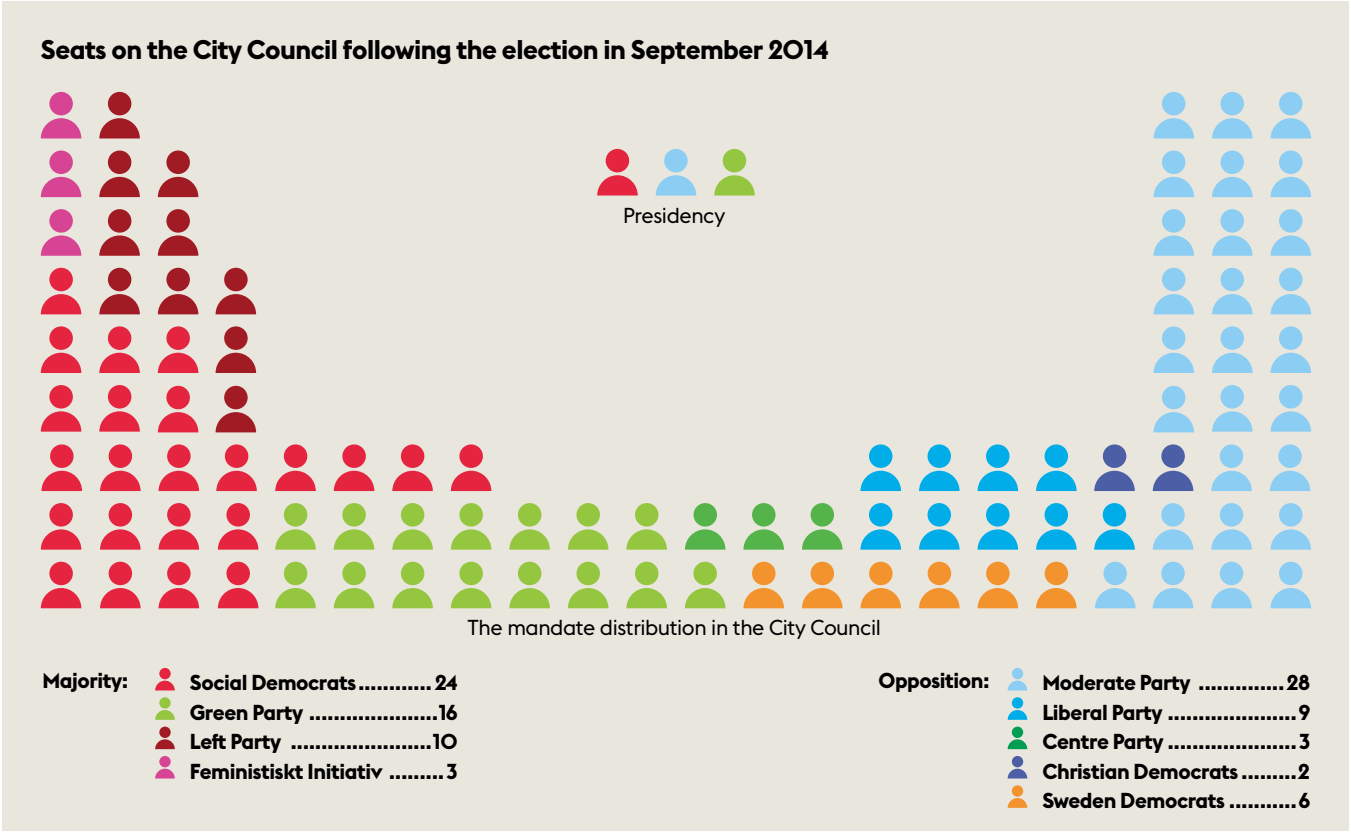
The City Executive Board comments on all decisions made by the City Council. The Executive Board also has overall responsibility for ensuring that decisions are implemented and followed up. General responsibilities include managing and coordinating the administration of the City’s affairs, and supervising the operation of other committees and companies. 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, a Personnel and Equal Opportunities Committee, a Human Rights Advisory Board and a Suburb and Democracy Committee.



On 31 December 2016, 50 of the 101 councillors were women, and 51 men.

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.



# 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, the Election Committee, District Councils overall finances, 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.

► *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, 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)*



PHOTO: LIEBLOTTE VAN DER MEIJIS

**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 (Feministiskt initiativ), 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.



## Environment Division

Environment and Health Committee, Stockholm Vatten och Avfall 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, Stiftelsen Hotellhem i Stockholm, District Councils - Individual and Family Care, Financial Assistance, Support and Service for Persons with Disabilities. 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)*

## 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 Elderly Services Committee, Micasa Fastigheter i Stockholm AB, District Councils - Care for the Elderly, City Executive Board Personnel and Equal Opportunities Committee, City Executive Board's Senior Citizens Advisory Board. 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 City Executive Board's 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)*



PHOTO: LIESLOTTE VAN DER MEELS

**City Executives:** Margareta Östrand – Vice CEO, Ingela Lindh – CEO and Fredrik Jurdell – Vice CEO.



PHOTO: LIESLOTTE VAN DER MEELS

**City Council:** Second Vice President Mats Berglund (Green Party), President Eva-Louise Erlandsen Slorach (Social Democrats), First Vice President Margareta Björk (Moderate Party).



PHOTO: OLA ERIKSSON

**Oppositional Vice Mayors:** Cecilia Brinck (Moderate Party), Lotta Edholm (Liberal Party), Joakim Larsson (Moderate Party), Anna König Jerlemyr (Moderate Party).



PHOTO: FREDRIK PERSSON

## 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 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](http://www.insyn.stockholm.se).

### Specialist committees

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.

### 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.

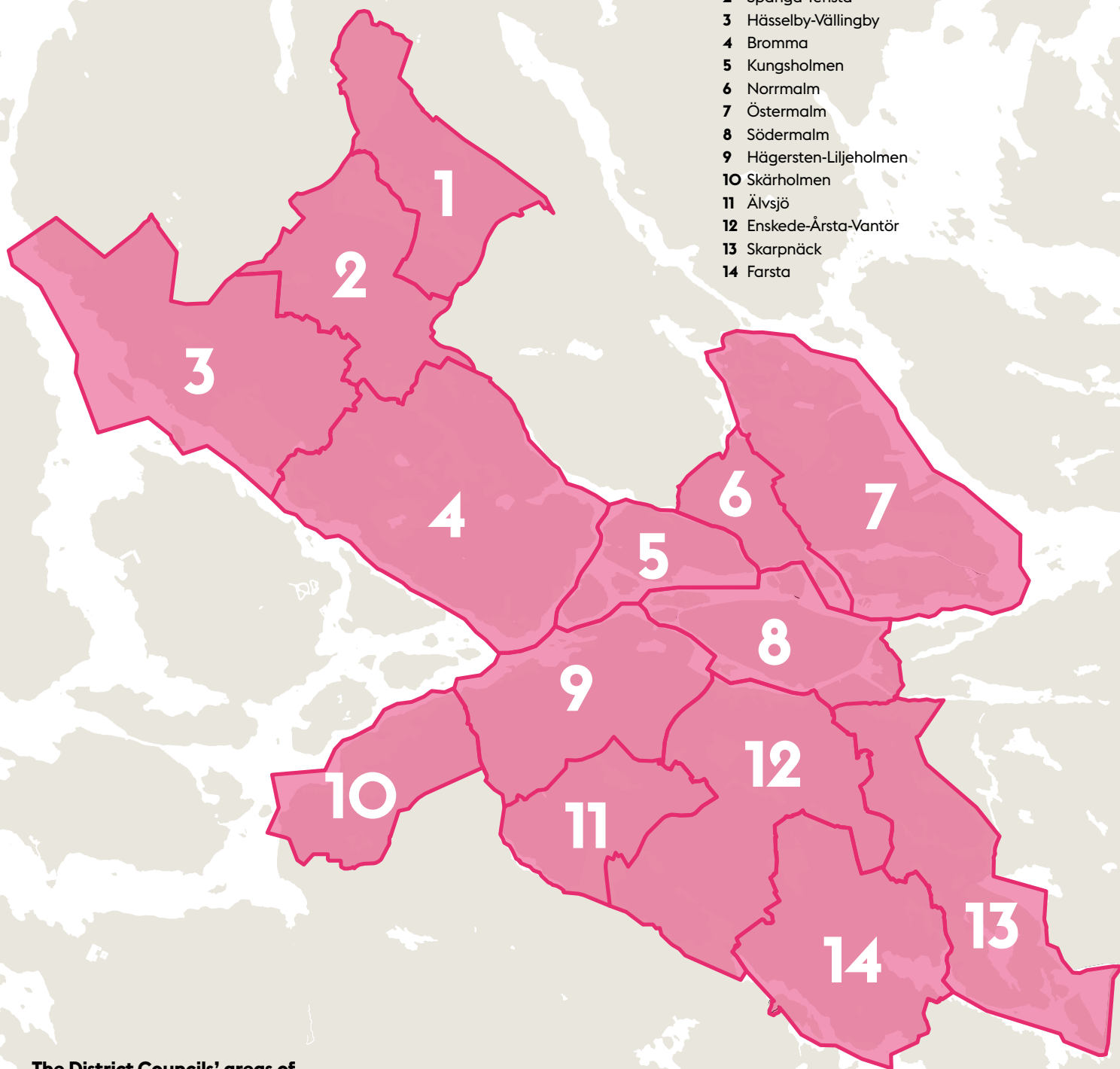
#### The specialist committees are:

- ▶ 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

# City of Stockholm's District Councils

- 1 Rinkeby-Kista
- 2 Spånga-Tensta
- 3 Hässelby-Vällingby
- 4 Bromma
- 5 Kungsholmen
- 6 Norrmalm
- 7 Östermalm
- 8 Södermalm
- 9 Hägersten-Liljeholmen
- 10 Skärholmen
- 11 Älvsjö
- 12 Enskede-Årsta-Vantör
- 13 Skarpnäck
- 14 Farsta

How the City is governed

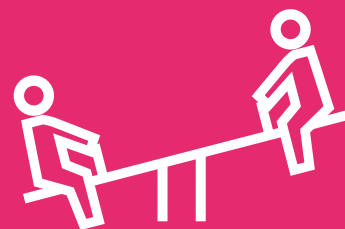


## The District Councils' areas of responsibility include the following:

- ▶ Pre-school activities
- ▶ Activities for children, culture and leisure
- ▶ Care for the elderly
- ▶ Support and services for people with disabilities
- ▶ Individual and family care including social psychiatry
- ▶ Urban environment operations
- ▶ Financial assistance and labour market measures
- ▶ City of Stockholm's District Councils



# The Commission for a Socially Sustainable Stockholm



The Commission for a Socially Sustainable Stockholm was established in 2015 with the aim of analysing differences in living conditions in Stockholm and making proposals for an equal and socially sustainable development in the City.

## **The Commission's work is divided into four development areas**

- ▶ Work and living income.
- ▶ Housing and urban environment.
- ▶ Democracy and security.
- ▶ Childhood and education.

The Commission's analyses and proposals are based on current research and well-tried experience and shall learn lessons from other cities' and regions' work in the area of social sustainability.

In 2016, the Commission implemented and prepared reports in eight in-depth areas.

For example, reports were prepared on the effects of school segregation, the possibility of establishing oneself in the labour market for people with little education, the role of the comprehensive plan for social sustainability and the City's collaboration with civil society. The reports were presented both internally in the City and at external seminars.

The City Council decided in June 2016 on a strategy for the implementation of the Commission's proposals. The strategy established that the implementation shall primarily take place by integrating the Commission's analyses and actions into the City's budget process.

A large number of the measures prepared in the Commission's first four in-depth areas were addressed in the 2017 budget and in other ways. The four latter reports were circulated in January 2017.



PHOTO: HATTAS PROBROHOL DAHLQVIST



PHOTO: ISTOCK

# The City's international work

Stockholm is a part of a global context. In order to realise the socially, ecologically, financially and democratically sustainable city, Stockholm needs to conduct active international work; learn from others, act proactively and be visible, be compared and collaborate internationally. To further increase the benefit of the City's international work, in 2016, the City Council adopted a City-wide international strategy that will form the basis of the international work of all committees and company boards.

## Important international contexts during the year

In 2016, the City chose to participate in various international contexts with the aim of strengthening the view of Stockholm as an equal and sustainable city and to hear how other cities work successfully with challenges that the City is facing. At a political level, the City was represented in the ongoing work in the OECD Sustainable Growth in Cities initiative with meetings in Paris and at a meeting of European mayors on the initiative of the Mayor of London; both initiatives are about collaborating internationally on social sustainability in cities, which is a major challenge for many of the world's major cities. The City was also represented at both the UN 22nd Conference

of the Parties on the global climate in Marrakesh, Morocco and at the C40s Mayors Summit in Mexico City to discuss cities' contributions and collaboration for reduced emissions and climate impact.

## International visits to the City

In 2016, 62 international visits to the City were arranged at an overall level with the aim of positioning Stockholm, developing international networks and exchanging experiences in order to strengthen the City's operations. The visits spanned from meetings at the employee level to meetings between the City's highest political representatives with the mayors and spokespeople of other cities as well as foreign government and parliament representatives. As

in 2015, a particularly large interest was noted in integration, environmental and city planning issues. International visits that can be mentioned in particular are the state visit to Sweden by the president of Chile, where besides arranging a lunch, the City participated in the programme both at political and official level. A visit from Paris can be noted in particular, where the City welcomed two Vice Mayors. In addition to this, a number of different international visits were welcomed in the City's operations.

## Collaboration in international organisations and networks

The City Executive Board was a member of 10 international organisations and networks at the end of 2016. In three cases, the City holds positions of trust in the boards or the equivalent. The City's committees and boards are members of 80 international organisations and networks in total at the end of 2016. This is as many as were reported in 2015.

In November 2016, the City of Stockholm was elected to be the Vice President for EUROCITIES. The decision to seek the vice presidency and increase Stockholm's political involvement in the network seeks to strengthen the City's advocacy work towards EU institutions, develop the City's



# 80

The City's committees and boards are members of 80 international organisations and networks in total at the end of 2016. There are just as many as were reported in 2015.

European network further and give the City more visibility at an EU level. The mandate as the Vice President extends to the end of 2018.

## EU work

The City of Stockholm's operations are extensively affected by various EU initiatives and the City therefore continued to conduct active lobbying work towards the EU in 2016. However, the policy work has been less than earlier years as a result of Brexit among other things. In 2016, the City Council adopted an updated EU policy. The EU policy clarifies the City's overall attitude to the European cooperation and shall contribute to a more coordinated advocacy work in the City.

» Stockholm is a part of a global context and in order to realise the socially, ecologically, financially and democratically sustainable city, Stockholm needs to conduct active international work; learn from others, act proactively and be visible, be compared and collaborate internationally.«

A socially, ecologically, economically and democratically sustainable society demands new approaches. Participating in EU projects contributes both to developing operations and the skills of the City's personnel, by revising and developing approaches and work methods and introducing innovative new solutions. In 2016, 11 new projects were granted co-financing from the EU's various funds and programmes with the City as the project principal or project participant. In total, the City received around SEK 31.3 million in EU financing in 2016, which is an increase compared with 2015.



PHOTO: SARA MCKEY



# The City's quality improvement efforts – quality for Stockholmers

Throughout their lives, 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 at developing and improving the quality of all operations. 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 views 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. Those who participate in the Quality Award answer a number of questions that shed light on the operations' quality efforts. The Quality Award is not just a competition. The questions in the award can also be used as a basis for developing the operations. The questions have a clear focus on the benefit for Stockholmers, analysis of results for continuous improvement, and the distribution and use of good examples. This year, the award was given out for the 21st time.

Those who assess the operations' contributions are the City's examiners. 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 2016, 87 examiners were trained. As well as carrying out their assignment with respect to the Quality Award, the examiners will also act as effective ambassadors for development work within their own operations.

## Renewal Award of the Year

This year, the Renewal Award was given out in connection with the Quality Award. Winners were:

- ▶ *Subsistence Support Unit 2, Enskede-Årsta-Vantör District Council.*

## 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.

Winner of the St. Julian Prize 2016 was:

- ▶ *Hotell Skeppsholmen with the National Property Board of Sweden in the category of Physical Accessibility,*
- ▶ *Bandhagshemmet in the category of Accessible information and communication.*
- ▶ *The new People's Hall in Rågsved in the category of Employer characteristics.*
- ▶ *IK Södra in the category of Participation.*

## The St. Julian Prize



PHOTO: STEFAN EK

Winners of the St. Julian Prize 2016 – Bandhagshemmet, IK Södra, Hotel Skeppsholmen with the National Property Board of Sweden, Nya Rågsveds Folkets Hus and the presenting official Åsa Lindhagen, Vice Mayor for Social Affairs.

## Renewal Award of the Year



PHOTO: FREDRIK PERSSON

Subsistence Support Unit 2, Enskede-Årsta-Vantör District Council

## Winners of the Quality Award 2016

### The pre-school category



Grimsta pre-schools, Hässelby-Vällingby District Council



Råcksta pre-schools, Hässelby-Vällingby District Council

### The social services and support and services for people with disabilities category



Group and service homes in Bromma, Bromma District Council



On-call Social Services outreach and advice, Social Services Committee

### The education category



Stockholm Hotel and Restaurant School, Education Committee

### The elderly care category



Bergsund care and nursing home, Temabo AB

### The other activities category



Park Environment Division, Norrmalm District Council

### Commendation



Nytorpgården, Södermalm District Council







# City Council's orientation goals

In 2016, the City worked according to the City Council's four orientation goals: A Stockholm that stands united, An eco-smart Stockholm, A financially sustainable Stockholm and A democratically sustainable Stockholm.



# A Stockholm that stands united

A Stockholm that stands united

Regardless of different circumstances, all Stockholmers shall be given the same opportunity to journey well through life. The City's operations should work with the direction that social differences shall be evened out. Stockholm shall be the best city to grow up in and live in, with equal schools and where there is housing that everyone can afford to rent. The Stockholmers should feel secure in their daily lives, and be close to culture and personal creativity and vibrant urban environments throughout the City.

# Equal and positive conditions during childhood and adolescence

All children shall have equal opportunities regardless of background. The City's operations should contribute to creating childhood conditions that give all children the same chance and thereby safeguard the rights of the child. Efforts to improve quality in schools and pre-schools are fundamental to this.

## Pre-school

The number of children in the City's pre-schools is continuing to grow. In 2016, more than 55,000 children were registered in the City's pre-schools. This is an increase of around 400 children over the previous year. Even if the rate of increase is low, 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. Among the City's District Council areas, the number of children decreased mainly in Älvsjö compared with earlier years while the number of children is increasing in the District Council areas Kungsholmen, Östermalm and Farsta.

## Still very satisfied parents

Parents in Stockholm are consistently positive to the activities conducted in the City's pre-schools. The percentage of parents who say that they are satisfied with the pre-school was 88 percent in the 2016 user survey, which is an improvement over last year's already high results. The results are high in both municipal and independent pre-schools. An area that has indicated improvements in recent years is development and learning. In two years, the proportion of parents who

feel that the pre-school's pedagogical environment encourages play, development and learning increased by 5 percentage points.

## Greater expertise in the City's pre-school operations

In 2016, the City of Stockholm worked in various ways to increase the proportion of pre-school teachers over the long term based on a high level of ambition.

Efforts on the training of child minders to become pre-school teachers continued during the year. In 2016, 245 people participated in the further education, a decrease by 40 people compared with 2015, but an increase by around 50 percent compared with 2014. By 2016, there were 64 pre-school teachers who had completed degrees within the scope of the effort and 133 who were still studying.

In autumn 2016, the child minder training for permanently employed child minders without a basic pedagogical education at Midsommarkransen upper-secondary school was expanded from 30 to 60 places.

During the year, work began to arrange the Pre-school Summit 2017, which is a col-



## Goal for the operational area

All children in Stockholm have equal and positive childhood conditions.

## Goal attainment for the year

The annual targets for nine out of 17 of the City Council's indicators were achieved in full, six were achieved in part and two were not achieved. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in part in 2016.

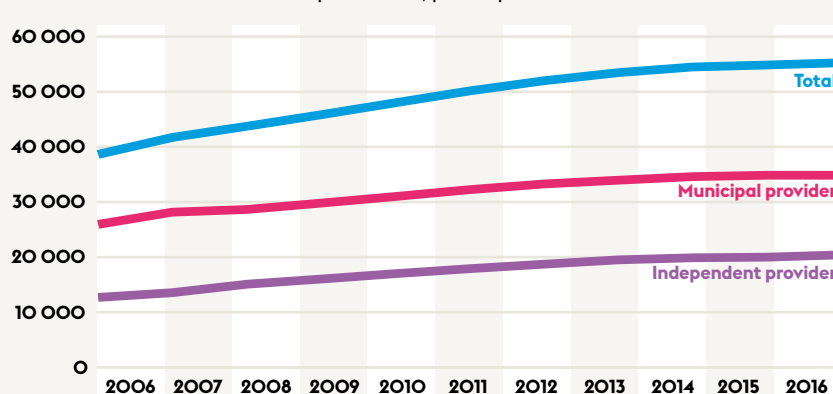
laboration between the City and Stockholm University. It is the largest conference for pre-schools in Northern Europe and the objective is to get practice and research to meet in a way that contributes to the development of the City's pre-school operations.

## Supervision of independent pre-schools and pedagogical care as well as school inspection of own operations

During the year, the City conducted 104 inspections of independent pre-schools and pedagogical care/family day homes. To increase the conditions for an equal and legally assured assessment, inspections are always done by two inspectors or one inspector and one administrator as of autumn 2016. Previously, the majority of the inspections were done by one inspector. The most common deficiency in pre-schools and in the pedagogical care activities inspected concern action plans and procedures for the systematic child safety work.

During the year, the Swedish Schools Inspectorate conducted inspections of the pre-school operations under the City's direction in all District Councils and the Education Committee's City-wide activities for coordination and inspection. The Schools Inspectorate's collective decision is that the City meets the statutory requirements as a principal and that there are no deficiencies.

Number of children enrolled in pre-school, public pre-school and educational care





**Increase in equal childhood conditions**  
In 2016, the City conducted a number of activities for a pre-school operation that provides equal opportunities to the children. Gender equality work is continuously conducted based on the operation's democracy mission with gender equality representatives and the training of teachers in gender perspectives. Work on providing children with special needs the right support is continuously under way in ordinary operations.

During the year, the City compiled support materials for all district council administrations on child language development with a focus on mother-tongue support and second-language development. During the year, the two-day course *Multilingualism in pre-school* was held on six occasions with a total of around 200 teachers from municipal and independent pre-schools. The course provides basic knowledge in working with language and knowledge development with a focus on multilingualism in pre-schools. A number of different activities were conducted for the Finnish language among Finnish-speaking teachers in municipal and independent pre-schools, with a focus on digital tools such as tablets and robots in the Finnish operations.

The open pre-school fills an important promotional and preventive function with the aim of supporting guardians at home and offering open activities. Among many activities during the year were the introduction pre-school, parental training and pure societal information on how the Swedish society works.

### Compulsory school and special-needs compulsory school

During the autumn semester, around 72,000 students attended compulsory schools under the direction of the City of Stockholm, of around 93,000 compulsory school students in total, which is an increase by around 2,000 students compared with 2015. The number of school students in municipal after-school centres and after-school clubs increased by around 1,700 school students to nearly 43,000.

#### Results better than for Sweden as a whole and other major cities

The results for all grading measurements excluding recent immigrants and school students with an unknown background improved compared with the previous year. The City of Stockholm's own compulsory schools have higher results in year 9 than other major cities and Sweden as a whole.

#### Positive trend break

The national exams' results in mathematics, social studies and science improved in

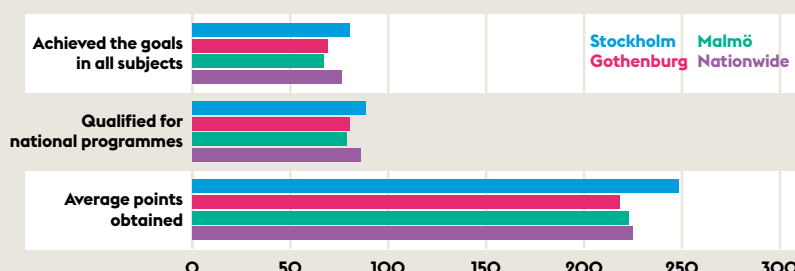


PHOTO: FREDRIK SANDIN CARLSON

Comparison of results between years, students in year 9, excluding recent immigrants and school students with an unknown background, in the City of Stockholm's own schools

	2015	2016
Percentage qualified for national programmes	90.4%	92.5%
Percentage achieving the goals in all subjects	82.7%	83.7%
Average points obtained	247.1	254.9

Comparison of results with other major cities and nationwide, students in year 9, excluding school students with an unknown background, municipal schools



year 9 compared with 2015. Above all, the improvement in mathematics is remarkably large, from 84 percent passing in 2015 to 94 percent passing in 2016.

At year-end, the results were published from the OECD's international knowledge measurement, PISA and the international study TIMSS, which were carried out in 2015. PISA examines the knowledge of 15-year-olds in science, reading comprehension and mathematics. TIMSS examines school students' knowledge of and attitudes towards mathematics and science in years 4 and 8. After Swedish school students generally demonstrating declining results in these studies in earlier years, the results are now higher and indicate a break in the trend in Stockholm as well as Sweden as a whole.

A contributing factor to the improved results in mathematics is deemed to be the Stockholm Mathematics Improvement programme that has been under way since 2012. It has given the teachers in the City greater confidence in their own abilities and increased awareness of their instruction and relationship to the students, which has led to greater reflection.

#### Reception of recently arrived school students

The 2015/2016 school year was characterised by an unusually large influx of newly immigrated school students. In a short amount of time, the City's compulsory schools received 1,800 recently arrived children and young people, compared with 387 the previous year, most of whom were placed in years 7-9.

Giving these school students a good start has had a high priority, and since the beginning of the autumn semester, all recently arrived students in compulsory school and special-needs compulsory school are received by the reception unit for recently arrived students, START Stockholm. They visit a school nurse for health talks and both guardians and students receive a family talk with information on the Swedish school system, the view of knowledge, etc.

#### Continued focus on reducing differences between schools

The differences in results between schools continue to be large based on socioeconomic conditions, and have increased overall compared with the year before. This increase can largely be explained by the large number of recently arrived school students and that many of them began in Swedish schools as late as year 9. The differences between the results of boys and girls are also growing, which can be explained by a large number of the recently arrived students being boys. At the same time, the difference in the results between boys and girls excluding new arrivals remains at the same level as the year before. An important challenge for the City continues to be supporting boys in the suburbs so that their results development improves.

#### Upper secondary school and upper secondary school for students with special needs

In autumn 2016, a total of around 33,600 students attended upper-secondary school in the City of Stockholm, of which 15,500 students were in municipal schools and

Around

# 72,000

students attended compulsory schools under the direction of the City of Stockholm in the autumn semester, out of a total of around

# 93,000

compulsory school students, an increase by around

# 2,000

students compared with 2015.

around 18,200 were in independent schools. Of these school students, around 22,600 were registered in the City.

The grade average and percentage that has achieved the general entry requirements to university are higher than Sweden as a whole. The percentage of students who have completed a national programme with a degree certificate within three years, known as student completion, increased compared with the previous year.

**Development of language introduction**  
The upper-secondary school also received a very large number of recently arrived



PHOTO: FREDRIK PERSSON



Important work to reduce the differences between the schools is to review the programme offering and the schools' placement.

students and there was extensive pressure on the school units to arrange programmes for language introduction. A new unit for the reception of new arrivals was established and another three upper-secondary schools, in various city districts, received recently arrived students.

A study of language introduction was done and three areas of development were identified: An overview of the admission decision for new arrivals, strengthening of the information about the upper-secondary school offering and development of the documentation for admissions.

#### Focus on reducing differences between schools

The differences in the educational results remain large in upper-secondary schools as well. There are schools with a large number of applicants per place and very good results at the same time that schools with few applicants per place have deficient goal attainment. The value of the merits in the students' compulsory school grades has a large effect on the final results, which in turn affects socioeconomic conditions.

The school's work on health promotion and

various prevention efforts is a prerequisite for more students to achieve the objectives for their programme so that the school results improve and the differences between schools decrease. In 2016, every upper-secondary school drafted a student health plan, which describes which professions are included in the school's student health service and what procedures apply. Headmasters, special needs instructors and teachers have received support and skills development.

Important work to reduce the differences between the schools is to review the programme offering and the schools' placement. During the year, work was conducted to review and adjust the programme offering and to increase the percentage of students who choose municipal upper-secondary schools and receive their first choice placement.

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage pre-school teachers of the total number of employees	40%	39.2%	36%	2%	Met in part	Continuous efforts from the City are done at a central and local level to increase this percentage. District Councils Skärholmen and Spånga-Tensta have the greatest challenges for better goal attainment.
Number of children per group	16	15			Met in full	Fewer children in the autumn term than spring term.
Number of pre-school children per employee (full-time equivalent)	4.9	4.9			Met in full	Fewer children in the autumn term than spring term.
Percentage of pre-school teachers with expertise in gender pedagogy/norm criticism	Increase	6%			Met in full	
Proportion of pre-schools with less than 25 percent pre-school teachers	0%	7.3%			Not met	Continuous efforts from the City are done at a central and local level to increase this percentage. District Councils Skärholmen and Spånga-Tensta have the greatest challenges for better goal attainment.
Percentage of satisfied parents	85%	88%			Met in full	
Staff assessment of "the pre-school's ability to promote children's learning and development"	3.8	3.4			Met in part	In spring 2016, the City of Stockholm's pre-schools were able to study the web-based quality indicator (WKI), a self-assessment tool. WKI contains, compared with the City of Stockholm's quality indicator 2015, partially new criteria in the various areas. This has entailed a lower outcome than the annual target as the teachers did a more critical evaluation of their work.
Percentage of units that carry out systematic child safety work	100%	100%			Met in full	
Percentage of pupils in year 6 who achieved the targets in all subjects	82%	82.4%	83.9%	81%	Met in full	
Percentage of pupils in year 8 who feel safe at school	86%	82%	79%	86%	Met in part	Some improvement compared with the previous year. The systematic quality and change work is long-term and takes time.
Percentage of students in year 9 who achieved the targets in all subjects	79%	74.4%	81.2%	69.9%	Met in part	Large number of recently arrived students in year 9 and continued large differences between schools.
Percentage students graduating from upper secondary school	72%	72%	-	-	Met in full	
Percentage of pupils who are qualified for national programmes	88.5%	82.4%	89%	77.6%	Met in part	Large number of recently arrived students in year 9 and continued large differences between schools.
Percentage of compulsory school teachers with expertise in gender pedagogy/norm criticism	5%	0.3%	-	-	Not met	The indicator does not cover all teachers and a higher percentage of teachers is assessed to have expertise in gender pedagogy and norm criticism than the outcome shows.
Percentage of upper secondary pupils who feel safe at school	95%	90%	89%	90%	Met in part	Some improvement compared with the previous year; there is a wide spread between schools. The systematic quality and change work is long-term and takes time.
Percentage of licensed teachers in compulsory school	62%	74.3%	-	-	Met in full	
Percentage of licensed teachers in upper secondary school	61%	79.4%	-	-	Met in full	







PHOTO: LIESELLOTTE VAN DER MEELS

# Social intervention and equal opportunities in life

The social services shall be sustainable, equal, accessible and equivalent. To prevent social problems, focus shall be on the prevention work and early intervention. The social child and youth care is focused on creating childhood conditions that provide all children the same chances. Efforts against homelessness shall be strengthened and people with problems of substance abuse or mental illness shall receive support and help.


## Focus on prevention and early intervention

In the City, active work is under way to develop prevention and early intervention for children and young people. Parental support programmes, courses, knowledge dissemination and the field assistants' outreach work are important efforts. Prevention work is done in collaborative teams with county councils where children welfare centres, maternity care centres, child and adolescent psychiatric services and the social services are included. The collaboration between the social services, pre-schools, schools, leisure activities and police is crucial to the prevention work.

School results are an important protective fac-

tor for children and young people. The City's work to ensure that children and young people in foster care have good childhood conditions and coherent schooling continued during the year. The work in *Skolfam* shows good results and more children placed in foster homes achieve the knowledge objectives in school. The collaboration between school and social services with the aim of all students being able to graduate compulsory school with qualification to enter upper-secondary school continued to be developed.

Other examples of preventive and early intervention that were developed during the year and show good results are the *Social intervention groups* for young adults, aged 19-29, that target young people in the risk



**Goal for the operational area**  
Early social efforts create equal chances in life for all.

**Goal attainment for the year**  
The annual targets for five out of seven of the City Council's indicators were achieved in full and two were achieved in part. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

zone of developing a criminal lifestyle or who wish to leave such a lifestyle. Training was provided to personnel at the housing facilities for unaccompanied refugee minors and young people who have sex for pay – sexual victimisation and exploitation. The activities in Future Stockholm, which targets



# 62%

of young people stated that they do not use alcohol.

children and young people up to the age of 20 with, or where there is concern for, risky use, abuse or dependence on alcohol and narcotics have shown good results where efforts led to greater freedom from drugs and an improved living situation.

The City has continued to prioritise finding stable and safe placements for unaccompanied refugee minors, and activities to prepare them for school and practical work placement. The Chief Guardian Committee plays an important role for the reception of the children who are in need of and have a right to a legal guardian.

### Efforts to reduce the use of narcotics

The District Councils' drug prevention and outreach work continued to be prioritised in 2016. The Stockholm Survey conducted every two years indicates a generally

positive development of living habits among young people in the City in terms of smoking, alcohol consumption and the use of drugs. The outcome for young people's living habits in terms of drugs does not achieve the target even if a positive trend can be seen. In general, girls smoke to a greater extent than boys, while the boys use moist snuff to a greater extent.

### Development in addiction and dependence care

During the year, the City continued the work of developing evidence-based substance abuse care and strengthening the child and parent perspective in substance abuse and dependence care. The City has especially prioritised the target groups of adolescents/young adults, people with multiple illnesses and children of parents with substance abuse problems, which is in line with the City's work on the child perspective and the work on early and

preventive efforts. The work to ensure that matters are concluded according to plan to a higher degree has yielded good results and the work of making the client more involved in his or her own planning has continued.

### Goal-oriented work to reduce the number of homeless

A number of different efforts are being conducted to reduce homelessness in the City, which have provided results. The City offers counselling regarding budget and debt issues, the City's housing coordinators or housing teams conduct outreach work, support individuals to find independent housing and work to prevent eviction and homelessness. Families with uncertain housing situations have received special attention and *the City of Stockholm's programme against homelessness 2014–2019* is a guide in this work.

### Increased participation in social psychiatry

The City continued to work to increase the users' participation and motivation for various activities in social psychiatry. Among other things, the method of motivational interviewing (MI) is used with the aim of increasing the individual's participation and independence. Satisfaction with the investigation of the need for support amounted to 69 percent, which is a decrease over the previous year. A high personnel turnover that leads to worse continuity for the clients, investigation templates that are difficult to adapt to the individual and a low response rate in the City's user survey are a part of the explanation.

Indicator	Annual target	Total	Outcome Women	Men	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%	85%	85%	84%	Met in full	
Percentage of intervention(s) concluded according to plan in adult substance abuse	35%	38%	46%	34%	Met in full	The differences between men and women are mainly about men generally have more severe substance abuse problems and more complex care needs than women, which leads to more relapses into substance abuse and more discontinued efforts.
Percentage of trial apartments transferred to the tenant's own contract in relation to the total number of trial apartments in the District Council	25%	27%	49%		Met in full	
Percentage of people undergoing intervention within social psychiatry who were satisfied with the manner in which their needs for support were assessed	80%	69%	70%	69%	Met in part	A high personnel turnover that leads to worse continuity for the clients, investigation templates that are difficult to adapt to the individual and a low response rate in the City's user survey are a part of the explanation.
Percentage of young people who stated in the Stockholm Survey that they did not use alcohol	55%	62%	58%	67%	Met in full	
Percentage of young people who stated in the Stockholm Survey that they did not use narcotics	90%	91%	93%	89%	Met in full	
Percentage of young people who stated in the Stockholm Survey that they did not use tobacco	90%	87%	86%	89%	Met in part	The annual target is not achieved even if a positive trend can be seen. In general, girls smoke to a greater extent than boys, while the boys use moist snuff to a greater extent.



# Vibrant and secure city districts

Stockholm shall clearly focus on efforts that promote a cohesive city. The commitment that exists in the local community is leveraged. The City shall work actively to increase safety in the city districts. The high level of ambition for cleaning and graffiti removal will continue and efforts will be made to increase the quality of the City's parks and green spaces.

## More pleasant and secure living environments

During the year, the City worked in several ways to create a vibrant urban life with pleasant living environments. Within the Living Stockholm project, the City worked together with property owners and other actors to identify and create more pedestrian zones, walking speed zones and summer pedestrian zones.

In October, the Rinkebystråket shopping street was inaugurated. The entrance road has been converted into a living urban environment with shops, restaurants and local service.

The urban environment and security are prominent themes in the District Councils' local development programmes that were prepared during the year. In the programmes, prioritised measures were identified, including those in the urban space.

A proposal on *Guidelines for centre development* was prepared as an aid and guide in the City's work for vibrant local centres. The preparation of the guidelines were linked to the local development programmes and occurred in parallel with the preparation of a new comprehensive plan.

The District Councils are continuing their security and safety work through collaboration with associations, police, property owners and other local actors. This is being done through local crime prevention boards, among others, and collaboration agreements with the local police organisation.

The municipal housing companies work on security issues through well-maintained properties and outdoor environments, good accessibility, and a presence and visibility in their residential areas. During the year,



## Goal for the operational area

Stockholm is a city with vibrant and secure city districts.

## Goal attainment for the year

The annual targets for three out of six of the City Council's indicators were achieved in full and three were achieved in part. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in part in 2016.

a joint project was conducted to reduce disturbances, threats and violence in residential environments.

Several urban development projects were completed, and contributed to more vibrant urban environments.

The theme for the year's security prize



PHOTO: STOCKHOLM STAD



was innovative efforts to create security in school for children and young people. The winner was Tullgårdsskolan in Södermalm.

### Greater satisfaction with cleaning and care of green spaces

The outcome for the indicator of Stockholmers' satisfaction with the care of parks and green spaces improved by several percentage points and the annual target was achieved by a wide margin, at 68 percent compared with 64 percent. The District Councils' outcomes vary between 59 and 75 percent.

The outcome for the indicator of Stockholmers' satisfaction with cleaning also improved compared with previous years and the annual target was achieved by a wide margin, at 68 percent compared with 65 percent. The District Councils' outcomes vary between 54 and 78 percent.

A possible contributing factor to the greater satisfaction is the so-called "Tyck till" (Express your opinion) app, which grew strongly in use. Through the app, Stockholmers can easily report faults and provide their opinions. Which also makes it easier for the City to quickly take action.

The variation in outcomes between city districts is relatively unchanged compared with 2015. Changes in differences between city districts should, however, be studied on the long term.

### Unchanged percentage of secure Stockholmers

The percentage that feels secure in the district where they live is unchanged compared with 2015, 74 percent. The annual target was thereby not fully achieved. The results indicate a weak positive trend for the indicator over the years. The variation in outcome between the District Councils is, however, still large, from 44 to 89 percent. The spread is wider for the women in the study, from 31 to 88 percent. For men, the



PHOTO: PÅL OLSSON

outcomes are in the span from 52 to 90 percent.

During the year, a pilot project was initiated for strengthened coordination of security and crime prevention work. The goal is that Stockholmers' perceived sense of security shall increase and that the actual crime rate and percentage of criminally active individuals and victims of crime shall decrease. The project focuses especially on the District Councils in Rinkeby-Kista, Spånga-Tensta and Enskede-Årsta-Vantör. An inventory of existing efforts in the City was conducted to spread good examples and increase coordination.

### Efforts for increased accuracy

A prerequisite for a secure and vibrant city is a safe traffic environment, which is based on the unprotected road users. The speed plans are central to traffic safety and the work on

them continued by the speeds in the first areas, Kungsholmen, Spånga-Tensta and Hägersten, being adapted to local conditions. The work with speed plans for the other areas in the City is under way.

The annual target for the indicator *Speed limit compliance* was not fully achieved. The target was that at least 75 percent would not drive faster than the posted speed limit. The outcome was 68 percent. The outcome is based on measurement readings for 30 out of 40 selected streets, and is not completely comparable with earlier outcomes.

A plan for safe and secure routes to school was established by the City Council in September. Based on the priority list that was previously prepared, renovations are being done next to a number of schools to increase traffic safety.

Indicator	Annual target	Outcome			Goal attainment	Comments
		Total	Women	Men		
Percentage that feels secure in the district where they live	75%	74%	72%	76%	Met in part	Unchanged level compared with outcome in 2015.
Stockholmers' satisfaction with cleanliness and tidiness	65%	68%	69%	67%	Met in full	
Stockholmers' satisfaction with the care of parks and green spaces	64%	68%	69%	67%	Met in full	
Speed limit compliance	75%	68%	-	-	Met in part	The outcome is based on measurement readings for 30 out of 40 selected streets, and is not completely comparable with earlier outcomes.
Safe passage for pedestrians, cyclists and mopeds (GCM)	21%	33%	-	-	Met in full	
Proportion of steps taken in the scope of the Risk and Vulnerability Analysis (RVA)	100%	95%	-	-	Met in part	20 committees and 14 company boards reported full goal attainment.





PHOTO: LENNART JOHANSSON

# Housing construction for everyone

By 2030, 140,000 homes shall be built, of which 40,000 between 2014 and 2020. Focus should be on climate-smart rental units with reasonable rents. The City will plan housing for young people, students and groups that the City has a special housing supply responsibility for. The planning shall be permeated by a child and equality perspective, and be based on highly set requirements of energy use, the environment and accessibility.

## Higher speed in planning

The number of homes for which land has been allocated has increased sharply in recent years as a result of the higher ambitions for housing construction. In 2016, the target was 8,000 homes. The outcome of 10,616 was an increase of 30 percent compared with 2015. The target with regard to the number of homes in approved/adopted local plans was also achieved by a wide margin, 7,671 compared with 7,000, and entailed an increase of 11 percent compared with 2015.

The City works continuously to ensure efficiency and quality in the planning

process. In the Focus Skärholmen project, for example, a method is being tested with larger general detailed development plans and so-called anchor developers. The aim is to increase the volume of the housing construction and at the same time reduce the detailed control in the detailed development plans. At the same time, Focus Skärholmen shall be developed into a template for socially sustainable urban development.

The Stockholm Houses concept was developed to quickly and cost-effectively build thousands of new rental units in Stockholm. The goal is 3,500-5,000 homes by 2020. To-date, a total of 2,500 homes have been allocated land



## Goal for the operational area

Stockholm is a city with a high level of housing construction where everyone can live.

## Goal attainment for the year

The annual targets for nine out of ten of the City Council's indicators were achieved in full and one was not achieved. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.





PHOTO: LIESELOTTE VAN DER MEUS

» The Stockholm Houses concept was developed to quickly and cost-effectively build thousands of new rental units in Stockholm. The goal is 3,500–5,000 homes by 2020.«

and the first stages are being planned to begin construction in 2017.

### A very strong year for housing construction

In 2016, construction began on a total of 7,283 homes. Compared with 2015, which was a strong year, this is an increase of 26 percent. The annual target for the indicator of Number of homes entering construction, 6,000, was exceeded by 21 percent.

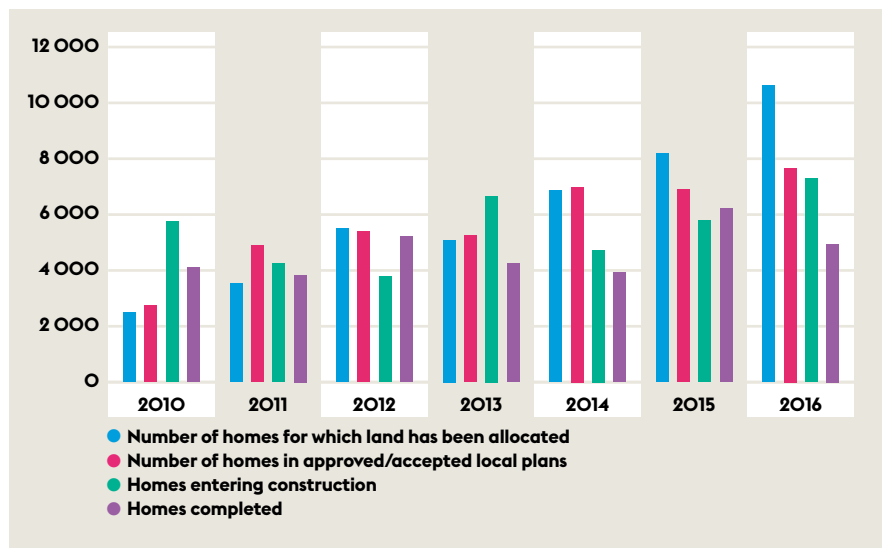
Since 2014, a total of 17,791 homes came under construction. For the target of 40,000 homes in 2014-2020 to be met, an average construction rate of more than 5,550 homes per year in the next four years is necessary. With the current high rate of construction, the conditions for achieving the target are assessed to be very good.

City districts with the most homes entering construction are Västra Matteus (Hagastaden) with 915, followed by Solberga with 818 and Tekniska Högskolan with 346. City districts with the most completed homes are Hjorthagen-Värtahamnen (Stockholm Royal Seaport) with 729, Liljeholmen with 445 and Västberga with 280.

The annual target for the number of rental apartments entering construction was achieved by a wide margin. The target was 3,000 and the outcome was 3,308 rental apartments entering construction. Compared with 2015, this is an increase of a whole 49 percent. The City's housing companies AB Svenska Bostäder, AB Stockholmshem and AB Familjebostäder jointly report that 1,075 rental units entered construction during the year. The municipal housing companies thereby accounted for around one third of the total number of rental apartments that entered construction.

The number of student accommodations completed was 624. This is an increase of 56 percent compared with 2015. However, the annual target of 1,300 was not achieved. Since 2013, 1,546 student accommodations were completed in the City of Stockholm. Accordingly, more than 2,450 student accommodations remain to reach the target of 4,000 completed student accommodations in 2013-2017. It will be a challenge to achieve the target. An





# 7,283

homes entered construction in 2016. Number of rental apartments started

# 3,308

which compared with the previous year corresponds to an increase of

# 49%

increasing trend in the construction of student accommodations can, however, be confirmed. In total, 901 student accommodations entered construction during the year, and more than 1,600 are under construction. In addition to this, there is a large number of student accommodations in plans that will be realised in the next few years, including in Albano.

### The 2013 Stockholm Negotiations have an impact on housing construction

According to the 2013 Stockholm Negotiations, 45,900 homes are to be built in the influence area of the new Metro 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.

During the year, 1,946 homes were begun with a bearing on the Stockholm Negotiations; this corresponds to more than one fourth of the total number of homes that entered construc-

tion in the City. During the year, the first homes with a bearing on the agreement were completed, in Sköndal.

For 2016, the goal was that the number of homes in approved/accepted local plans in the new Metro's influence area would reach 2,800. The goal was achieved by a very wide margin. The outcome was 4,165. In total, 4,727 homes were allocated land in the influence area during the year.

### Occupancy of Fast Housing

In the summer of 2016, young adults aged 18-30 moved into AB Svenska Bostäder's first Fast Housing in Västberga where 280 mobile prefabricated apartments had been built. The concept is to build mobile rental units on plots awaiting detailed development plans or not in use for some other reason.

### Housing for newly arrived immigrants

In accordance with the Settlement Act, the City of Stockholm would receive up to

2,800 people granted residence permits in 2016. Initially, the main emphasis was to meet this housing need with prefabricated homes. Only a small part of the emergency need has been able to be met this way to-date, as the building permits have been appealed. The City has therefore broadened the work of obtaining housing, such as through various types of subletting. During the year, housing has been arranged for all 735 households that have come. Some of them are single-member households that arrived late in the year and received a place in shared housing, which entails a place for a bed with shared access to a kitchen and hygiene areas.

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Number of homes for which land has been allocated	8,000	10,616	-	-	Met in full	
Number of rental apartments for which land has been allocated	4,000	5,189	-	-	Met in full	
Number of homes in approved/accepted local plans	7,000	7,671	-	-	Met in full	
Number of homes in approved/accepted local plans in the new Metro's influence area	2,800	4,165	-	-	Met in full	
Number of homes entering construction	6,000	7,283	-	-	Met in full	
Number of rental apartments started	3,000	3,308	-	-	Met in full	
Number of homes completed	1,300	623	-	-	Not met	An increase of 56 percent compared with 2015.
Number of trial and training apartments distributed and First Home apartments through the Housing Service (IoF)	4,500	465	-	-	Met in full	
The housing companies' tenants' satisfaction with the companies' service	83.5	83.4	-	-	Met in full	
The housing companies' tenants' satisfaction with housing, common spaces, outdoor environment	78.5	78.9	-	-	Met in full	



# Accessible sports and leisure for everyone

The City of Stockholm's activities contribute to an accessible and inclusive sports life characterised by quality and a diversity of expression, actors and practitioners. The City's work for a rich association life together with maintaining a good facility structure creates conditions for integration, public health and an equal society.

## Healthier Stockholm

The City's goal is to inspire more Stockholmers to become physically active. By supporting a vital association life and providing functional facilities, such as swimming facilities and outdoor gyms, the City promotes better public health. Through good planning and a responsible investment strategy, Stockholm can today offer trails for jogging and skiing, outdoor gyms, easily walked walking paths, outdoor swimming, ice skating rinks and 14 swimming and sports facilities with 12 gyms, around 550 group exercise activities every week alongside of activities for people with disabilities. During the year, the City has prepared a new sports and outdoor map that helps Stockholmers get started.

## Cooperation and joint planning for more facilities

The City's committees and companies work ever closer together to jointly plan and jointly use existing and new facilities. The joint planning of sports halls has gained increasingly clear structure through joint local programmes and issues regarding card locks, security and staffing being coordinated in a structured manner. The collaboration between association life and schools will be of major significance to greater accessibility to the City's sports facilities. Association life increasingly gains access to school gyms and the City's resources are enough for more facilities when the utilisation can be maximized.



### Goal for the operational area

Stockholm has a rich offering of sports and leisure activities accessible to all

### Goal attainment for the year

The annual targets for six out of seven of the City Council's indicators were achieved in full and one was not achieved. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



PHOTO: SIMON GATE



## Meaningful leisure time for children and young people

An important function for the City's sports and leisure efforts is to create community, meaning and context in daily life. Nearly three fourths of the students in year 8 and a full 88 percent of those in year 5 feel that they have access to meaningful leisure activities, a result that describes that children and young people's sports and leisure activities have been prioritised in the City's work. The District Councils take extensive responsibility for children and young people's leisure time and coordinate efforts with the Sports Committee's City-wide operations.

## Equal, fair and accessible sports life

An important part of the City's work to make sporting and leisure activities more equal and fair is based on getting more girls physically active. An example is to offer activities in demand by girls. When instructors are provided at outdoor gyms, participation by girls increases. During the year, exercise paths were also subject to a security inventory and security-creation efforts will be done in accordance with the results. During the year, new activities for children and young people were added and a number of facilities have offered open activities for the target group. The City has conducted several knowledge improvement seminars on gender equal outdoor environments. This work has among other things meant that check lists for developing parks with a focus on a gender equality, child and accessibility perspective were developed.

The Sports Committee and the District Councils work actively to develop the offering of sports and leisure activities for children and young people with disabilities. An expression for this is greater collaboration with various actors in the work to reach out to children and young people with functional variations, another is that more and more playgrounds and park facilities are being adapted for accessibility.

# 88%

of the fifth graders feel that they have access to meaningful free-time activities.



## Integration and diversity

The City's sports and leisure activities are an important part of the welcome and integration of newly arrived unaccompanied refugee minors and other refugee children. The Sports Committee with its City-wide activities, association life and District Councils jointly shoulder an important responsibility. Among other things, the City has invested in the implementation of so-called *Sports camps* for children aged 8-12 in collaboration with local sports associations. Children have the possibility of trying out a number of different sports, such

as dance, swimming and football, orienteering, taido, table tennis and track and field. For many children, Sports camp is a first contact with various sports and afterwards many choose to become members in one of the associations.

The City also worked so that available facility times are used for targeted activities, such as open leader-led activities and tournaments between the City's asylum housing units. Residents at the City's asylum and PUT housing units have been invited in to holiday activities.



PHOTO: PETRA SUNDBLÖM

Indicator	Annual target	Outcome			Goal attainment	Comments
		Total	Women	Men		
Stockholmers' satisfaction with the City of Stockholm's sports offering	60	79	79	78	Met in full	
Satisfaction among young people with access to opportunities in sports	71	74	74	77	Met in full	
Percentage of young people (10-17) who feel that they have access to meaningful free-time activities	77	77	80	75	Met in full	
Number of hours booked in school gyms outside school hours	120,000 hours	78,847 hours			Not met	The annual target is set without base line.
Utilisation rate large gyms (20x40)	87	88			Met in full	
Utilisation ratio other halls	67	75			Met in full	
Large halls (20x40), percentage booked time that is a zero tariff	66	76			Met in full	





PHOTO: MATTHIAS PRODHONOU DAHLQVIST

# Proximity to culture and personal creativity

Culture, art and creativity are a present and nourishing part of democracy. Culture in Stockholm inspires meetings and experiences and is inclusive. Personal creativity is given space in an environment where free expression is accessible to all regardless of background, income or gender identity.

## Stockholmers read, learn and reflect

Stockholm's libraries play an important role in attracting the residents to read, learn and reflect. During the year, the libraries have especially invested in pop-up activities. Libraries have shown up at both beaches and squares to meet the Stockholmers in their daily lives. As a part of the work with the City's local development programmes, the mobile libraries have created activities in Fagersjö and Värberg.

During the year, more than 10.4 million visits were made to the libraries, both physical and digital, which is an increase by more

than 500,000 visits over the previous year. One reason for the higher visiting figures is longer opening hours. A special effort on summer opening hours has been targeted at libraries in the suburbs. The number of loans from the libraries is increasing, above all the loan of e-media, which increased by 28 percent. Today, 32 percent of the media budget goes to e-media. During the year, 82,000 new borrowers found the Stockholm Public Library.

## Vibrant and important institutions

The City's cultural institutions, the Stockholm City Museum, the Medieval Museum and Stockholmia, safeguard and make avail-



## Goal for the operational area

Culture and personal creativity are readily accessible to all Stockholmers.

## Goal attainment for the year

The annual targets for five out of six of the City Council's indicators were achieved in full and one was not measured. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

able the City's and Stockholmers' stories. The stories provide perspective on the City's life in our own time and for the future.

At Liljevalchs, the fashion exhibition *Utopian Bodies* was concluded and won the award for the Exhibition of the Year. A critically acclaimed Spring Salon was held during the year in premises on the roof of Gallerian with a female artist jury. Together with Micasa Fastigheter i Stockholm AB, a guided tour of the Spring Salon was recorded, which was then shown at the City's elderly housing facilities. Despite the physical building being closed for renovation, more than 100,000 visited the institution's exhibitions.

During the year, Stockholm art purchased 90 works of art from 65 female artists and 25 male artists.

The Stockholm City Museum is also closed for renovation and instead, the Medieval Museum, the Digital Stockholm City Museum, the Stockholmskällan (Stockholm source) and the City Archives' branch offices stood for the museum's activities. The results from the museums' visitor surveys show that 94 percent of the visitors felt that they learned something new.

### Popular cultural school with broader offering

During the year, Kulturskolan broadened its offering, both in terms of contents and structure. The number of course places has increased. In total, Kulturskolan's course activities reached nearly 27,883 students.

Kulturskolan has arranged and participated in activities where children and young people had the opportunity to play instruments, sing, express themselves in art, or try dance, circus or theatre activities. Kulturskolan has thereby reached new groups of children and young people in every part of the City. El Sistema has expanded its activities to include around 1,200 children with families. Today, the activities are in the city districts Bredäng, Skärholmen, Tensta, Kista and Husby.

### Local cultural life

The District Councils' work on local development programmes provides the City new opportunities to implement a cultural foundation and make culture visible in the local perspective. In the seven prioritised District Councils, there are coordinators who strengthen culture's local significance and develop local collaboration. In schools, the work with cultural issues is based on the City's programme for child and youth culture *Culture at eye level – for, with and by children and young people*. In year 5, 75 percent of the students are satisfied with the cultural experiences they receive in school.

### Large events

Cultural events are of major significance to bring the City to life. During 2016, the Night of Culture, the Citizenship Ceremony, the Cultural Festival and We are Sthlm were held. The Eurovision Song Contest became something that engaged the whole City. During the Eurovision Song Contest, organisations and young people were given the chance to get involved at seven selected locations (Farsta, Skärholmen, Husby, Kista, Högdalen, Rågsved and Vällingby). With special help, programmes were conducted that involved 3,000 participants on the topic *Eurovision Song Contest in your neighbourhood*. Other events held were the celebration of His Majesty the King's 70th birthday, which was produced at Norrbro with a 2000-member women's choir, and the reception of Olympic medal winners in August. In Kungsträdgården, more than 70 events were held that were targeted at all target groups.



PHOTO: MAGNUS SANDBERG

# 10.4 million

visits to the library, both physical and digital. Compared with earlier years, this is an increase in visitors by

# 500,000

Lending of e-media increased by

# 28%

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Stockholmers' satisfaction with municipal cultural institutions	80%	83%	-	-	Met in full	
Number of visits to the City's cultural institutions per Stockholmer	6.25	8.92	-	-	Met in full	
Number of student places in Kulturskolan's paid activities for children and young people	15,800	17,400	-	-	Met in full	
Total number of loans in municipal libraries per resident	4.6	4.6	-	-	Met in full	
Number of visits per resident – Stockholm Public Library	11.8	12	-	-	Met in full	







PHOTO: SARA MC KEY

# Secure old age

Stockholmers should be able to feel secure about old age. Elderly care shall be sustainable, equal, accessible and equivalent. Every elderly person has the right to secure housing and a high quality of daily life. The right to self-determination shall be fundamental. Secure conditions for the staff are a prerequisite for secure elderly care.

## Development work for higher quality in home-help services

In 2016, the study of the development of the home-help services was completed. Based on the proposals in the study, the City conducted a development project with the aim of increasing the individual's influence over how and when home help services are carried out and improving the collaboration around the individual's needs. In the project, the home-help service staff and assistance administrators mapped how various approaches can be developed. This work resulted in instructions regarding ordering and implementation plans were prepared to provide support to the City's work for a more person-centred home-help service.

## More secure housing

In Stockholms Trygghetsjour, work on the technology shift from analogue to a digital alarm chain continued. The procurement of a digital alarm receipt service that can be adapted to today's digital welfare technology was begun. During the autumn, work was also begun on the replacement of the security alarm to a digital security alarm. The technical shift means that people granted a security alarm receive a functioning alarm according to modern information and communication technology.

To ensure a safe reception in the home after a hospital stay, the development project *Secure reception in the home* is under way.



## Goal for the operational area

All elderly have a safe old age and receive good quality elderly care.

## Goal attainment for the year

The annual targets for three out of nine of the City Council's indicators were achieved in full and six were achieved in part. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in part in 2016.

As a part of the project, several of the assistant nurses that began their employment in 2016 received training regarding the new concept.

During the year, the City placed extensive importance on developing the forms of housing for the elderly. This is to improve security and create community. In November, the City decided on the interim report on the elderly housing study. The study comprises a present situation description of housing units, needs development and proposals. The elderly housing study will be a guiding factor for the formulation of the City's forms of housing for the elderly.

### In-depth quality analysis in elderly care

In recent years, the City has worked systematically to develop the governance and follow-up of elderly care. In 2016, the City prepared a proposal on a follow-up model that will optimise, enhance efficiency and unify the existing follow-up in elderly care.

The follow-ups that the City's quality observers conducted in nursing and care facilities indicate good examples in terms of the personnel's commitment and sensitivity. One development area is the mealtime situation. The City actively conducts work to develop the mealtime situation for the residents, in part through their dietitians. The City has also worked to ensure the right of the elderly to spend time outdoors and the indicator result improved since 2015.

### Education and development

In 2016, the degree of training in the home-help services was a focus area. In operational follow-ups, all providers had to present training certification for existing personnel. The City obtained action plans from the private providers that did not meet this requirement and continuously follows up that competence improvement takes place according to plan. The basic education to become an assistant nurse was also offered to employees under the City's own direction in 2016.

Within the scope of the EU project DigIT, the City worked to provide personnel in elderly care and disabilities skills development in digital technology and digital tools. All District Councils in the City collaborate in the project. In autumn 2016, a total of 257 employees and managers in the City of Stockholm participated in various skills development efforts, including management seminars on on-the-job learning and gender equality integration.

### Stimulus funding for more staffing in elderly care

The government has decided on a temporary effort for more staffing in municipally financed elderly care in 2015-2018. For 2016, the City was allocated SEK 157.6 million, from which all providers in the City's elderly care, regardless of management form and operations, were able to apply for stimulus funding. For 2016, stimulus funding was allocated to 235 operations under municipal and private management.



Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage of satisfied care recipients – Nursing and care facilities (elderly care)	85%	81%	81%	80%	Met in part	Improvement by 1 percentage point compared with 2015.
Percentage of satisfied care recipients – home-help services in ordinary housing (elderly care)	86%	84%	84%	86%	Met in part	Unchanged outcome compared with 2015. The District Councils that do not meet the City Council's target are relatively close to the target.
Percentage of satisfied care recipients – Social assistance day care service (elderly care)	95%	95%	96%	95%	Met in full	
Care recipients' perception of security – home-help services in ordinary housing (elderly care)	84%	80%	78%	83%	Met in part	Unchanged outcome compared with 2015. The District Councils' outcome has a relatively wide spread.
Care recipients' perception of security – nursing and care facilities (elderly care)	90%	86%	86%	86%	Met in part	Decline by 2 percentage points compared with 2015. The perceived security depends on several factors, such as the elderly person's health, if he or she is single and the personnel's personal treatment.
Care recipients' perception of how they can influence how help is provided – home-help service in ordinary housing (elderly care)	85%	85%	85%	85%	Met in full	
Mealtimes are a pleasant time during the day – nursing and care facility (elderly care)	70%	67%	66%	68%	Met in part	Unchanged outcome compared with 2015. The mealtime situation is a prioritised development area for the District Councils.
Continuity in care – home-help services in ordinary housing (elderly care)	Maximum 10 people	10.8	–	–	Met in part	The outcome is on a par with 2015. In the 2015 annual report, it states that the outcome was 9.3, however a subsequent analysis showed that the outcome was actually 10.7.
Percentage with outdoor time for residents – Nursing and care facilities (elderly care)	95%	98.4%	–	–	Met in full	





# Eco-smart Stockholm

Stockholm shall intensify the transformation to become an ecologically sustainable city with high ambitions in climate and the environment. Energy, transport and city planning are to promote sustainable development and protect ecological coherence and local nature in the City. Bicycle, pedestrian and public transport will be consistently prioritised. The City's operations should work in every component based on the goal of the smallest environmental impact possible.



# Sustainable energy use

The City of Stockholm will become a climate-neutral city. Sustainable energy use aims to reduce the climate impact, improve the efficiency of use and convert to the use of renewable energy. The City's growth creates a demand for more energy at the same time that the City's increasing density provides conditions for energy efficient housing and sustainable transports.

The City's work for sustainable energy use is central to the City being able to achieve the target of being a fossil-fuel-free city by 2040. Through innovative projects, information efforts and expert knowledge, the City works to hasten energy-efficiency improvement and the climate measures in both the City's own operations and the rest of Stockholm.

## Projects that provide energy-efficiency improvements

The City has worked to reduce the energy needs of buildings by directing efforts at recycling and re-using heat to thereby reduce the purchase of energy. Such projects have been under way at the Kulturhuset cultural centre, City Hall and the Technical Committee building. Other efforts in energy projects were carried out in the City of Stockholm's sports facilities. In addition to

» The City has worked to reduce the energy needs of buildings by directing efforts at recycling and re-using heat to thereby reduce the purchase of energy.«

better energy performance, the efforts also led to a better indoor climate and longer sustainability for the City's sports facilities. In addition, a collaborative project to enable recycling of energy from computer rooms was initiated in 2016. Energy consumption for facilities such as bridges, walking tunnels, lifts and public bathrooms varies depending on the ambient temperature. In November, a test was begun of the forecast control of ground heat in collaboration with SMHI, which is estimated to be able to reduce energy consumption for the City's ground heat by around 10 percent.

## Solar energy

Investments in solar energy are continuing. More solar cell plants were installed on the roofs of swimming facilities for instance. A part of the solar energy produced has been used for ventilation in swimming facilities and for the heating of the pool water in the outdoor swimming areas. The recent years' investments have meant that the solar energy's percentage of production increased significantly.

## Renewable energy requirements

In procurement, the City sets demands on all electrical power bought being entirely produced from renewable electricity sources. To ensure this, a central electricity trade



## Goal for the operational area

Energy consumption is sustainable.

## Goal attainment for the year

The annual targets for all five of the City Council's indicators are achieved in full. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

organisation has been established, which among other things shall follow-up and conduct forecasts regarding the Group's energy consumption.

## Climate investments in the City's operations

The City Council has set aside funding for the period 2015-2018 for climate improvement measures. The measures have contributed to achieving the City's long-term climate targets and reducing the climate-impacting CO<sub>2</sub> emissions or contributed to a high preparedness for future climate changes. Implemented measures had a clear connection to the City's current steering documents in the climate and environmental area. A large part of the climate investment funds allocated in 2016 was used for energy efficiency enhancements in the City's operations, such as the replacement of white goods and light fixtures at pre-schools.

Indicator	Annual target	Outcome	Goal attainment	Comments
Energy consumption in newly produced buildings	55 kWh/sq.m.	55 kWh/sq.m.	Met in full	
Purchased energy (GWh)	1,880 GWh	1,833 GWh	Met in full	
Purchased energy for heating, comfort cooling and hot water in the City's public utility housing companies (kWh/m <sup>2</sup> living area and total area)	156 kWh/sq.m.	154 kWh/sq.m.	Met in full	
Greenhouse gas emissions per resident (tonnes of CO <sub>2</sub> e per resident)	2.8 tonnes CO <sub>2</sub> e/resident	2.5 tonnes CO <sub>2</sub> e/resident	Met in full	
Annual solar energy production (MWh)	1,575 MWh	2,258 MWh	Met in full	



# Environmentally friendly transports

Environmentally friendly transports are to be promoted by prioritising travel by walking, bicycling and public transport. Passability is to increase. This is achieved in part by preparing a new parking strategy, by beginning joint loading initiatives for goods traffic and by stimulating the introduction of car pools. Urban development in areas close to public transport reduces the risk of needing a car. Car traffic shall decrease and thereby contribute to better air quality.

## Growing numbers of bicycles in Stockholm

For the period 2012–2018, the City allocated SEK 1.3 billion for the expansion and improvement of the bicycle infrastructure. The initiative is contributing to increasing bicycling in the City. In the year's measurement of the number of bicycles that pass the inner city, the highest number to-date was measured, with more than 75,000 passages per day.

The continuing expansion of the highest priority sections of the *Bicycle Plan 2012* is under way. Several projects have been delayed. Instead, different kinds of bicycling promotion measures were carried out. Among other things, 2,100 new bicycle parking spaces were installed and winter road maintenance was improved and expanded. Painting and signs of bicycle paths have also improved. Dual-direction bicycling has been introduced on suitable one-way streets. The City of Stockholm's first bicycle-only garage was inaugurated in August. The garage has more than 300 rented bicycle places and six bicycle boxes where Stockholmers can charge their electric bicycle.

## Control for a lower climate impact

During the year, the City decided on two overall steering documents of major significance to the work of the future years to achieve a sustainable transport system. The *Environmental Programme for Stockholm for 2016–2019* includes the goal of Environmental tests. Five sub-targets are specified, of which one is that car traffic shall decrease. The *Strategy for a fossil-fuel-free Stockholm by 2040* describes the challenges and the necessary efforts to achieve the stage targets that the emissions shall decrease to a maximum

of 2.3 tonnes of carbon dioxide equivalents (CO<sub>2</sub>e) per resident and year by 2020.

In cooperation with the transport industry, the *Strategy for better delivery traffic 2014–2017* is being carried out. This includes, for example, measures such as off-peak deliveries (night time deliveries with quiet trucks or other times when the road network is less burdened), a co-loading solution and the creation of a network for greater cooperation. The indicator regarding the number of heavy trucks that pass the inner city shows a decrease compared with the previous year. The possibilities for a future municipal co-loading solution have been investigated.

An action plan to promote pedestrian traffic in the City has been decided and the work of



### Goal for the operational area

Transports in Stockholm are environmentally friendly.

### Goal attainment for the year

The annual targets for five out of 11 of the City Council's indicators were achieved in full, four were achieved in part and one was not achieved. One indicator has no set annual target. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

implementing the plan has begun. The City's planning takes place on the basis of enabling attractive pedestrian and living environments. The guidelines on "green parking figures" have begun to be applied, which means that the developer in development agreements pledges to provide a number of mobility ser-



PHOTO: LENNART JOHANSSON



vices for the residents. This makes it easier for people to refrain from owning a car.

The City's own vehicle fleet is almost entirely comprised of environmentally classed cars. The proportion of electric vehicles increased from 19 to 20 percent. To further increase the percentage of electric vehicles in general in the City, the infrastructure for charging is being expanded.

The City works continuously to improve the air quality, mainly by limiting the amount of harmful particulates. The prohibition to drive with studded tyres was expanded by another street in the inner city. The indicator for the environmental quality standard for PM10 (particulates smaller than 10 micrometres in diameter) was achieved for the third consecutive year. However, the indicator for the number of days that the level of nitrogen dioxide in the air is below the environmental quality norm has been achieved. This is due in part to the proportion of diesel cars in the Stockholm region having increased.

### Greater passability in focus

During the autumn, work was begun to implement the City's new parking strategy. It aims to improve passability and increase access to available parking spaces. New rules for street parking are being introduced and fees for parking will begin to be charged in part of the suburbs and the fees in the inner city will be raised.

Passability issues are largely a matter for regional cooperation that the City conducts in several forums. Traffic Stockholm, which monitors traffic and conveys traffic information, is a collaboration between the City



PHOTO: LIESELOTTE VAN DER MEUS

of Stockholm, Nacka Municipality and the Stockholm Region of the Swedish Transport Administration.

The City is cooperating with the Stockholm County Council to improve passability for the mainline bus services. The ambition to annually increase the speed by 1.0 km/h has, however, proven to be too ambitious. The average travel times have not been able to be improved during the year, as a result of

large traffic-disrupting works, including in connection with the renovation of Slussen.

To resolve passability issues in the City and the region on the longer term, the City is participating in the planning and implementation of several major infrastructure projects. An example is the expansion of the Metro to Nacka, Barkarby and Arenastaden, which constitutes a part of the 2013 Stockholm Agreement.

Indicator	Annual target	Outcome	Goal attainment	Comments
Percentage of studded tyre use on inner-city streets	40%	39%	Met in full	
Percentage of electric vehicles	14%	20%	Met in full	
Percentage travel by public transport, inner city	72%	71%	Met in part	Goals and outcomes refer to 2015. The level is unchanged compared with 2014.
Percentage of renewable fuel of total sold fuel in the county per year	28%		Forecast: fully	Outcome for 2015 – 24%. The outcome for 2016 will be available at the end of 2017.
Number of days over the norm for nitrogen dioxide in air	7 days	45 days	Not met	Partly attributable to the number of diesel cars increasing. The weather conditions can have an impact.
Number of days over the norm for PM10 in air	35 days	20 days	Met in full	
Number of bicycle passages across the inner city	70,000	62,520	Met in part	Refers to five-year average. Increase by 6 percent from 2015.
Average speed of mainline buses in the inner city	18 km/h	16 km/h	Met in part	Many on-going traffic-disrupting works are causing delays, such as at Slussen.
Average speed of mainline buses in the suburbs	31 km/h	28 km/h	Met in part	Decrease compared with the previous year.
Pedestrian flow on a selection of streets.	Not determined	-	No measurement done	Annual target not determined.
Passages through the inner city, trucks	19,200	17,823	Met in full	





PHOTO: JOHAN PONTÉN

# Sustainable land and water use

Stockholm's target to build 140,000 homes and associated public and commercial service entails challenges and opportunities for sustainable land and water use. The claims of land use in combination with on-going climate changes set high demands on how the City plans and strategically works with green spaces, bodies of water and urban environments for recreation and biological diversity.

## Guidelines for a greener Stockholm

Guidelines for a greener Stockholm were drafted in 2016, and they clarify the assignment for the City's committees and company boards and provide support for how the City should work long term with the projects, nature areas and meeting the need for ecosystem services. The starting point is the vision of a Stockholm for everyone and the planning emphases and strategies that are set in the *City of Stockholm's comprehensive plan and the City of Stockholm's environmental programme 2016–2019*.

## Nature reserves

During the year, the City worked to develop blue and green spaces for a sustainable Stockholm, including the establishment of more nature reserves. The City has made the City's nature reserves accessible to Stockholmers and developed and strengthened recreational and ecological assets in the reserves. The City has also worked on continuously conducting maintenance measures on forest land, cultivated land and open land to create a richer plant and animal life within the reserves. Some green spaces that are



### Goal for the operational area

Stockholm has a sustainable land and water use.

### Goal attainment for the year

The annual targets for three out of four of the City Council's indicators were achieved in full and one was achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.





During the year, the City worked to develop blue and green spaces for a sustainable Stockholm, including the establishment of more nature reserves.

so-called activity spaces have been regularly cut for this particular purpose. With the aim of increasing accessibility and the possibility of experiences in more areas, a programme for cultural environments and proposals for a new outdoor programme have been drafted. The Älvsjö forest's nature reserve is established and the work with the reserve formation of Årsta forest/Årsta holmar and Kyrkhamn was under way in 2016.

### Effort for quieter recreation areas

During the year, the City has tried measures for quieter recreation areas, where the first project was the section along Lidingövägen down towards Östermalm sports ground. The 168-metre long noise screen contains 28,000 planted plants and functions both as a shield for the environment around Östermalm sports ground and absorbs both noise and airborne particulates.

### Green leases in the City's properties

Through the Real Estate Committee, the City signed 36 green leases with tenants in environmentally certified buildings in 2016. The

green leases contain agreements between the landlord and customer on how different environmental issues shall be conducted by the various parties. The goal of the leases is for the care, operation and activities to reduce the environmental impact. A customer survey conducted in autumn showed that more tenants are interested in environmental issues and how they will be able to contribute to better environmental profiles.

### Water improvement measures

The City worked on preventive measures and careful operation to reduce the impact to soil and water. The City has used a torrential rain model to identify vulnerabilities and studies of storm water measures have been initiated. Pilot projects with sustainable storm water solutions have been implemented and streets that are particularly sensitive to large amounts of storm water are cleaned extra for better run-off. In the installation and renovation of plant beds and garden pits, techniques such as skeletal soil were applied to enable locally treated water that would otherwise be led away through the pipe network.

» With the aim of increasing accessibility and the possibility of experiences in more areas, a programme for cultural environments and proposals for a new outdoor programme have been drafted.«

Local programme of measures for Bällstaån and Brunnsviken with the aim of ensuring that these bodies of water achieve a good water status was completed during the year. In addition, local programmes of measures for another nine bodies of water have been begun.

### Strengthened green structure

Ecosystem services are included as a natural part of the work with park plans and during the year, the City's parks were cared for and developed to meet the need for well-managed green lungs in the inner city and suburbs. Care and inventory of street trees took place continuously and during 2016, around 350 trees were replaced.

Indicator	Annual target	Outcome	Goal attainment	Comments
Percentage of new development that is located within 500 metres of rail or main bus line service	60%	86%	Met in full	
Percentage of the City's land allocated properties with requirements according to the storm water strategy	100%	100%	Met in full	
Percentage of Stockholmers who have access to park and nature areas within 200 m	84%	83%	Met in part	The indicator is measured every five years when the sociotope map is updated. In between, the outcome is annually assessed based on changes in the park database and the population statistics.
Percentage of water bodies that comply with environmental quality norms for ecological status	25%	26%	Met in full	



# Resource-efficient ecocycles

Stockholm develops ecocycles that are resource efficient. The most environmentally friendly way of increasing the management of material is to prevent waste from arising. The waste that arises shall be taken care of in resource-efficient ways. The recycling centres shall become more accessible and the possibilities of re-use shall be increased. Food waste should decrease and the collection of food waste should increase.

The annual target of 30 percent for the indicator *Amount of food waste that goes to biological treatment* was not achieved in 2016, but an increase occurred to 19 percent – from 15,860 tonnes to 17,970 tonnes. The reasons that the indicator was not achieved are problems collecting food waste from restaurants and grocers. In 2016, however, the number of affiliated operations increased by 14 percent to 1,426. The work was intensified in autumn 2016 to increase the food waste collection in other areas and the target regarding the total number of affiliated households increased by nearly 17,000 households to a total of 85,040 households. The targets regarding the number of affiliated single-family homes, single-family home owners' associations and multiple-unit dwelling were achieved.

## Waste and recycling

During the autumn, a proposal on a new waste plan was prepared and adopted by the Waste Committee in December. The waste plan makes it possible for the waste management to be conducted in such a way that the City of Stockholm contributes to achieving both the national environmental quality objectives and the regional environmental target, as well as the targets in the *City of Stockholm's environmental programme 2016–2019*. Stockholm's growing population entails growing needs for enough room for the handling of both the household and business waste.

A programme for waste management in the public space has been prepared with the aim of reducing littering by making it easier to recycle waste, both for the City's residents and for visitors. Source sorting modules were

placed out at a total of 19 public places around the City during the year. In the autumn, the City also purchased solar cell powered waste bins that compact their contents. These waste bins can handle waste equivalent to five to seven times the bin's size, before it automatically alerts when it is time to be emptied.

To increase the conditions for pre-schools to sort out food waste and packaging, most of the operations were equipped with new refuse cubicles. A number of pre-school units also worked during the year to plan purchases, preparation and serving of food in a way that reduces the amount of food waste. At the pre-schools, the children are encouraged to take smaller portions at a time, which has resulted in less food waste at these units.

## Greater possibilities for a city garden

In 2016, the City worked to create good opportunities for city gardening in the Dis-



**Goal for the operational area**

Stockholm has resource-efficient recycling.

**Goal attainment for the year**

The annual targets for one out of two of the City Council's indicators were achieved in full and three were not achieved. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in part in 2016.

trict Council areas of Kungsholmen, Hässelby-Vällingby and Hägersten-Liljeholmen and thereby strengthened the ecosystem services in the park and natural land areas by offering the residents possibilities for city gardening at suitable and otherwise unused places in parks and green areas. Good possibilities for city gardening have been created through communication, a free starter kit, procedures and a rapid handling, which resulted in the number of city gardens increasing.



PHOTO: LIEBLOTTE VAN DER MEUS

Indicator	Annual target	Outcome	Goal attainment	Comments
Percentage of food waste to biological treatment of expected amount produced	30%	19%	Not met	This deviation is due to problems in collecting food waste from restaurants and grocers.
Amount of household waste per person	480 kg/pers	480 kg/pers	Met in full	







PHOTO: LIESELOTTE VAN DER MEIJIS

# Toxin-free environment

The residents of Stockholm shall to the furthest possible extent be protected from harmful substances and special focus lies on protecting the children. In the City of Stockholm's chemicals plan 2014-2019, the vision is described of a Toxin-free Stockholm by 2030 and which steps shall be carried out to achieve the vision.

## Chemicals Centre supports and provides guidance

In 2014, the City established a Chemicals Centre with the aim of providing support and guidance to the City's residents and operations to achieve the vision of a Toxin-free Stockholm by 2030. During the year, the Chemicals Centre worked in formulating chemicals requirements in procurements, safe handling of chemical products, information to consumers and companies, and continuing education of the City's staff

regarding how they can contribute to the vision of a Toxin-free Stockholm by 2030.

## Towards a more chemicals-smart pre-school

A guide for a chemically smart pre-school was prepared that contains an action programme for the work on a chemically smart pre-school. Among other things, the guide has been provided in the form of half-day courses for pre-school managers and environmental representatives in municipal and private



### Goal for the operational area

Stockholm's environment is toxin free.

### Goal attainment for the year

The annual targets for four out of six of the City Council's indicators were achieved in full, one was achieved in part and one indicator has no set annual target. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

pre-schools. Since March 2016, there is an online course prepared for pre-school staff and around 1,300 personnel groups had time to begin the online training in the past year.

In autumn 2016, an inspirational seminar was held on chemically smart solutions in pre-schools that was recorded and published on the City's website. During the year, the District Councils were also able to apply for funding for the implementation of the guide on the Chemically smart pre-school which includes phasing out materials and toys that do not meet today's environmental requirements.

### System for assessment of environmental performance

Several of the City's committees and company boards are members of the Building Material Assessment (BVB), with the aim of facilitating the environmental assessment of building and construction materials. This way, the City wants to reduce the use of environmentally and health-hazardous substances together with the construction industry. In 2016, a study was done on methods and procedures for requirement specification based on BVB and work is under way to compile all environmental requirements in an environmental construction programme that will be implemented in the City in 2017.

### Percentage of ecological food purchased in the City is increasing

The percentage of ecological food in the City's operations continued to increase in the majority of District Councils. The City's central procurement function contributes to a higher percentage of the food in the City's pre-schools and schools being ecological. In the past year, Rinkeby-Kista District Council, among others, conducted training efforts directed at chefs and cooks in pre-school operations with a particular focus on vegetarian and ecological food preparation.

### Requirements on the reduction of environmentally and health-hazardous substances in procurement

The City's vision is that the goods and chemicals used in the City's operations shall not contain any substances that constitute a risk to people or the environment. In 2016, the Service Committee conducted procurements, such as those in laundry and textile services, where special chemicals requirements were set and which will be followed up during the contract period.

### City-wide chemicals management system

During the year, a pilot project was initiated on the introduction a common chemicals management system in the City. By developing a common system, the possibilities increase of

# 36%

of the City's total purchases of meals and food were ecological.

removing the most harmful chemicals from the City's operations and contributing to the achievement of the targets in the *Environmental Programme for the City of Stockholm 2016–2019* and the *City of Stockholm's chemicals plan 2014–2019*.



PHOTO: LIESLOTTE VAN DER MEIJIS

Indicator	Annual target	Outcome	Goal attainment	Comments
Percentage of the City's pre-schools that conducted all measures at level 1 according to the Chemicals Centre's guide for a chemically smart pre-school	50%	98%	Met in full	
Percentage of construction contracts under the City's direction that meet the City's requirements of use of the Building Materials Assessment (BVB)	40%	75%	Met in full	
Percentage of ecological food purchased in the City of the total purchased meals and good	35%	36%	Met in full	
The share of prioritised and relevant agreements according to the chemicals plan without deviations from set chemicals requirements	25%	87%	Met in full	
Number of 17 selected substances that indicate decreasing or unchanged levels in sludge	14 pcs.	11 pcs.	Met in part	The deviation is due in part to higher levels of silver being measured.
Number of chemical products that contain the phase-out substances and are used in the City's operations	To be determined in 2017		No measurement done	Target unavailable. In 2017, a pilot project was initiated with the aim of gathering documentation to form the basis of a target for 2018.





# Healthy indoor environment

The City of Stockholm shall offer healthy premises and housing environments for Stockholmers. With the construction of new homes and the fill-in development of the City come new challenges that make it important to work preventively with risks of disruptions in the indoor environment as early as the development planning. Special focus shall be placed on measures for creating a good acoustic environment in pre-schools and schools.

## Counteracting noise for a healthier indoor environment

With many infrastructure projects under way in parallel in the City, the risk of noise and vibration problems increases. The City is working to reduce and prevent to the furthest possible extent consequences of noise and vibration disruptions from road traffic from arising in accordance with the *City of Stockholm's environmental programme 2016–2019*.

Properties that are particularly subjected to noise according to the City's noise survey have the possibility of applying for grants to replace windows with the aim of reducing the noise levels indoors. After implemented measures, the homes have been assessed to handle 30 dBA indoors. Examples of such measures were window replacements on subjected streets and the installation of noise barriers. Attempts have also been made with noise dampening asphalt and limiting the use of studded tyres on some of the City's streets. After implemented measures, the target of "Percentage of homes in existing

multi-dwelling properties estimated to handle 30 dBA indoors" is deemed to have been achieved. In 2016, nine multi-family dwellings received measures that allow them to handle 30 dBA indoors.

## City's newly produced buildings undergoing moisture safety projections

In the City's operations, active work has been conducted to work for a healthy indoor environment. During the year, the District Councils worked continuously to prevent and identify risks and deficiencies that can be linked to noise, radon or moisture in indoor environments. By regularly conducting safety inspections in their operations and in renovations and new construction, the District Councils are working to prevent risks of disruptions in the indoor environment.

For the City to address and prevent problems that can be linked to moisture, the City has requirements that newly produced buildings shall undergo moisture safety projections according to the ByggaF method or the equivalent. In 2016, moisture projections were done in essentially all of the City's newly produced buildings.

## Radon levels indoors shall decrease

Studies show a clear connection between



### Goal for the operational area

The indoor environment in Stockholm is healthy.

### Goal attainment for the year

The annual targets for three out of four of the City Council's indicators were achieved in full and one was not achieved. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

a higher radon level in the home and an elevated risk of being struck by cancer. In an attempt to reduce the radon levels indoors and thereby reduce the risk of diseases related to radon, all of the City's properties used as housing, workplaces or educational facilities are inspected every year.

In the past year, 86 percent of the City's own properties that are used as housing, workplaces or educational facilities were inspected for radon and deemed to have radon levels below the limit of 200 Bq/m<sup>3</sup> air. Work is also under way to prepare strategies for measures that shall prevent and forestall deficiencies from arising in the City's school and pre-school facilities, and to develop limits and definitions for a healthy indoor environment in the City's schools and pre-schools.

» During the year, the District Councils worked continuously to prevent and identify risks and deficiencies.«

Indicator	Annual target	Outcome	Goal attainment	Comments
Percentage of homes in existing multi-dwelling properties estimated to handle 30 dBA indoors	85%	85%	Met in full	
Percentage of the City's own newly produced buildings subjected to moisture projections according to ByggaF or the equivalent	85%	99.6%	Met in full	
Percentage of the City's own properties with buildings used as housing, workplaces or educational facilities with radon levels below 200 bq/m <sup>3</sup> air	70%	86.0%	Met in full	
Percentage of the City's buildings that are environmentally certified	3.1%	1.2%	Not met	The target refers to the existing building portfolio and measures are being implemented in pace with plans for upgrades and renovations.



# Financially sustainable Stockholm

Financially  
sustainable Stockholm

The goal for financial sustainability shall be the starting point for the City's financial management, at the same time that more jobs and investments in education are central for a better functioning economy.



# World-leading knowledge region

Strengthening the collaboration between academia and society with joint research projects is one of the most important strategic issues for the future. Stockholm shall be a centre for internationally based operations in research and development, which presupposes aggressive efforts in both education and infrastructure.

The two indicators for the operational area's goal are not comprehensive for assessing goal attainment. Extensive work is being done in the City with regard to collaboration with the academic community and universities, participation in research projects, work placement training and trainee positions, etc.

The decrease in the percentage of 20 year-olds with a completed upper-secondary education consists of Swedish citizens born in Sweden. This is remarkable as other results linked to compulsory and upper-secondary schools are mainly affected by the proportion of newly immigrated children and young people. Underlying causes are not entirely established, but one possible explanation is a greater relocation out of the City after completing upper-secondary school as one does not have the possibility of finding one's own home within the City

limits. In addition, the upper-secondary education reform introduced in 2011 may have given rise to some instability in the grading and thereby the percentage that completes their upper-secondary education.

During the year, the City of Stockholm began the implementation of the City's approved innovation strategy, including with the project *Innovation Platform Sustainable Stockholm*. The strategy's overall objective is to strengthen the City's innovative capacity and promote novel thinking among managers, employees and the City's suppliers.

## Collaboration at various levels

A new collaborative agreement was signed for the upcoming three-year period for OpenLab. OpenLab is a centre where students, teachers and researchers from Karolinska Institutet, the KTH Royal Institute of Tech-



**Goal for the operational area**

Stockholm is a world-leading knowledge region

**Goal attainment for the year**

The annual targets for one of the City Council's indicators are not achieved. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

nology, Stockholm University and Södertörn University work on challenges faced by the City of Stockholm, Stockholm County Council and the Administrative Board of Stockholm.

The City began the work on a strategy for collaboration and cooperation with the region's universities. The partnership with KTH continues to be developed and a dec-

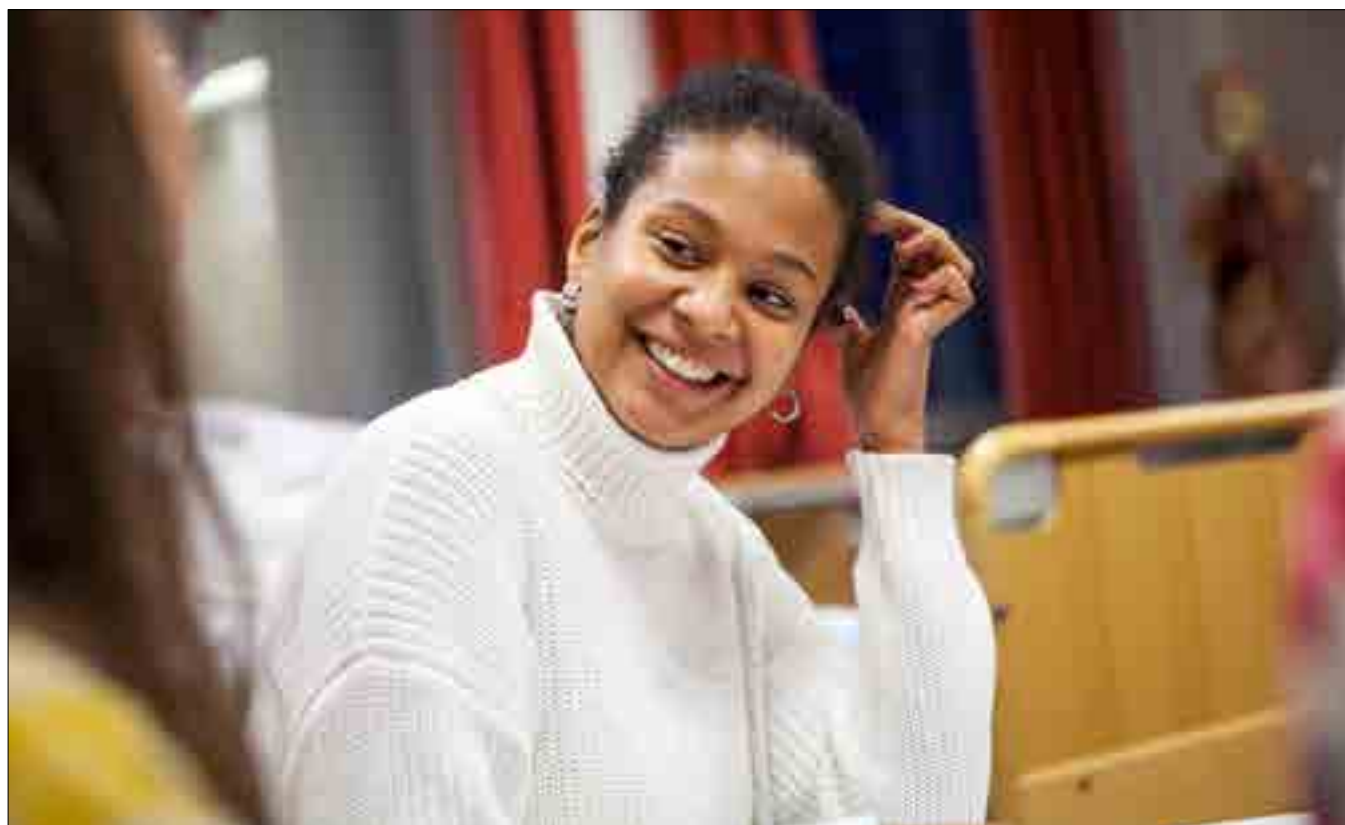


PHOTO: LENNART JOHANSSON

laration of intent was signed on a collaboration agreement with Stockholm University.

The Labour Market Committee collaborates with the universities through the Commission for a Sustainable Stockholm and participates in several research projects in the committee's area of operations. Examples of projects include *Leading SFI in study stream 1* together with the National Centre for Swedish as a Second Language at Stockholm University, and Linnaeus University's study of the interface between government and municipal labour market policy.

### Development of the City and its indoor and outdoor environments

The Development Committee continues with significant growth projects for the Stockholm region, with the new city district Hagastaden and the development of the western and northern parts of the City. The City's qualities are combined with world-leading research, entrepreneurship, housing, culture and sports.

The Real Estate Committee has signed a declaration of intent together with the KTH Royal Institute of Technology (KTH) on cooperation regarding water purification in the swimming facilities. The Traffic Committee cooperates with universities and business on method development and resolution techniques in such areas as forecast models, winter road maintenance and particulate binding.

### Innovation promotion work

The City of Stockholm decided in 2016 to establish so-called innovation sluices, clearly structured units or parts of the operations that support innovations.

The build up of the City's participation in the European Institute of Innovation and Technology (EIT) continued during the year. EIT is an association at the European and Scandinavian/regional level with the aim of meeting the challenges pursuant to a greater percentage of elderly in the population. The City's Elderly Services Committee has also been a project partner in the EU's Thematic Network on Innovation for Age-Friendly



PHOTO: FREDRIK PERSSON

Environments, a project with the aim of promoting age-friendly environments.

### Knowledge exchange and placement

The Elderly Services Committee has worked to enable the establishment of more trainee positions and places for placement courses and in its academic nodes has offered half-time financed student coordinators or clinical adjuncts for the District Councils.

Bromma District Council continued to develop the collaboration with universities in the various operations of elderly care, and during the year welcomed more than 30 university students for placement. Pre-schools in the Enskede-Årsta-Vantör District Council participated in a research project on the *Learning of young children*, which is being conducted together with Linnaeus University and 12 other municipalities throughout Sweden.

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage of residents, aged 20, who completed upper secondary education*		83%	70%	69%		The decrease is relatively large compared with the average trend in the past seven years and comprises Swedish citizens born in Sweden.
Percentage of the population, aged 25-64, with upper secondary education*	76.3%	59%	61%	54%	Not met	The deviation from the annual target is remarkably large, which is most probably due to changed definitions and/or measurement methods. Study/analysis under way.



\* Outcome is reported with a one year delay, which means that the outcome in the spring budget 2016 = outcome for 2015. The outcome for 2016 will not be presented by Statistics Sweden until autumn 2017.





PHOTO: LIESELOTTE VAN DER MEIJ

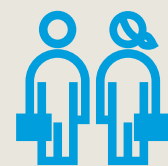
## Business-friendly city

Stockholm is an attractive city for small business operators and local business through developed business service and advice. Entrepreneurship and self-employment shall be supported, among women and those born abroad in particular. The City collaborates with other public and private actors to increase entrepreneurship in Stockholm.

### Greater entrepreneurship in Stockholm

Stockholm is an attractive city for businesses. A high level of housing production, well-developed infrastructure, a high level of education and strategies for matching, the exercise of authority and guide functions attract businesses to the City. During the year, 25,444 new companies were founded in Stockholm, which

is reflected in the survey by the Confederation of Swedish Enterprise where the City was given good marks in such issues as business operations, employment, entrepreneurship, market sourcing, municipal tax, construction contracts and telecom and IT networks. To further support the good work on entrepreneurship, a strategy for how the City can further strengthen the work with start-ups in the



### Goal for the operational area

Stockholm is a business-friendly city.

### Goal attainment for the year

The annual targets for one out of three of the City Council's indicators were achieved in full and two were achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

technology sector was prepared. During the year, more than 2,000 companies received guidance prior to applications and inquiries.

### Attractive meeting place for people and business

The City of Stockholm seeks to be a popular meeting place that attracts people and investment. During the year, nearly 110,000 delegate nights were registered in international congresses and in the collaboration Connect Sweden, marketing activities were conducted that contributed to three new international long-distance lines being established to Arlanda.

### Matching of skills and training

An important part of a business-friendly city is being able to match the right competencies to the companies' needs. During the year, a strategy for collaboration and matching with business was adopted. The strategy aims to meet business' requirements and needs for

»An important part of a business-friendly city is being able to match the right competencies to the companies' needs.«

expertise and contribute to creating a long-term, secure and sustainable establishment in the labour market for people regardless of their background. The two overall objectives for the strategy are to open pathways to employment for the City's students and the unemployed and to contribute to business' sourcing of expertise.

During the year, a partnership model was established where partnerships were established with industry organisations in the region where there is a need for sourcing of expertise.

Education is important for strengthening employability and meeting the needs of enterprise. The City acts within such areas as vocational adult education, apprentice training, higher vocational education, Swedish for immigrants education and special efforts in shortage professions. An early analysis of an effect evaluation of the vocational programmes indicates that after completed vocational training, most have gained better terms of employment. Of those who attended apprentice training, 45 percent said that they worked full time and 22 percent said that they were part-time employees. During the year,



# 25,444

new companies were started during the year.

an agreement was also entered into with the Swedish Transport Administration that means that the City will participate in the Swedish Transport Administration's procurements in the Mälardalen region. The aim is that the Swedish Transport Administration's procured suppliers will be able to meet the requirement of employment promotion measures in the form of employment and trainee positions.

### More workplaces for growing enterprise

In the growing Stockholm, plans are being made for more workplaces and commercial premises. The drafted plans for Stockholm Royal Seaport include 35,000 new workplaces. A new passenger terminal for ferry passengers was built and adjacent to it, a new shopping area is planned. At Telefonplan, there are plans for 70,000 sq.m. of office space for workplaces in a cohesive urban environment.

In the Slakthus area, there are conditions for new offices in existing development

and in new office blocks corresponding to 10,000 to 12,000 workplaces. Additional workplaces will be created close to Globen, a part of the Söderstaden district. A new collaborative forum was established with the commercial property owners in the Kista workplace area.

### Local collaboration for local business

The District Councils continue to work to create a business-friendly climate such as through cooperation with local business associations and acting as a link between local companies, the City and various authorities. The District Councils and Stockholm Business Region have developed a model for the City's overall business service and company guide function. The model means that each city district has a contact function for local business that works with outreach and is responsible for business receiving up-to-date information on urban development and guidance in contacts with the City's authorities and operations.



PHOTO: LIESELOTTE VAN DER MEUS

Indicator	Annual target	Outcome	Goal attainment	Comments
Number of new business start-ups	22,500	25,444	Met in full	
Companies' satisfaction with treatment	76	70	Met in part	The span between highest and lowest outcome is 21 percentage points.
Business sector satisfaction in contacts with the City as an authority	72	68	Met in part	The span between highest and lowest outcome is 22 percentage points.







PHOTO: FREDRIC SANDIN CARLSON

# More jobs and secure employment

A job is the foundation for people's development, participation and self subsistence. The City Council's goal aims to create a sustainable working life with secure employment and the possibility of life-long learning. Everyone, regardless of gender and ethnicity, shall have access to labour market measures based on individual needs.

## Decreased need for financial assistance

The trend of a positive development in financial assistance is continuing. The labour market situation in the region is positive, which together with the City's active work on labour market measures, contributes to lesser need for financial assistance. During the year, 23,655 people received financial assistance, which corresponds to 1.6 percent of the City's population (monthly average)

and is a decrease compared with 2015. The percentage of adults who have a long-term dependence on financial assistance compared with all adult residents has also decreased since the previous year, and is now 1.1 percent.

Both the number of households receiving financial assistance and the cost of financial assistance fell in 2016 compared with 2015. The number of households with financial



## Goal for the operational area

More people work, have secure employment and support themselves.

## Goal attainment for the year

The annual targets for nine out of 13 of the City Council's indicators were achieved in full, three were achieved in part and one was not achieved. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



PHOTO: FREDRIK SANDIN CARLSON

assistance decreased by 6.8 percent and the total of assistance disbursed decreased by 5.1 percent to SEK 894.7 million. The assistance period for households was on average 7.2 months during the year, which is a small average shortening compared with 2015.

» During the year, the City established a special operation, Intro Stockholm, to provide support and assistance to newly arrived immigrants with resident permits who have been assigned to Stockholm. «

During the year, the City established a special operation, Intro Stockholm, to provide support and assistance to newly arrived immigrants with resident permits who have been assigned to Stockholm. The operations have also been able to pay out financial assistance during the new arrival's first time in Stockholm.

### Support and coaching at Jobbtorg

Jobbtorg Stockholm offers support and coaching to the unemployed with maintenance assistance or who have social problems. The goal is that they should receive the support necessary to get a job. In 2016, 6,200 candidates were enrolled with Jobbtorg Stockholm, which is a decrease compared with 2015. The reason for the decrease is primarily deemed to be the low unemployment in the region and the lesser need for financial assistance. Even if youth unemployment decreases in Stockholm, the percentage of young jobseekers who attend the Jobbtorg programmes has increased. The City's special youth square provides individually adapted support and guidance on the road to a job or studies.

### More ways into employment

Opening more paths to work was a prioritised objective during the year. Through the investment in the Stockholmsjobb programme (previously temporary municipal employment), the City's administrations have offered temporary employment to people outside the labour market with the aim of improving conditions to go from assistance to self sufficiency in the long term. In total, 894 people had a Stockholm job employment in the City in 2016. During the year, the Stockholmsjobb initiative was evaluated with good results.

The City also offers PSE employment (publicly sheltered employment) that aims to provide persons with disabilities and dimin-



# 8,196

young people worked at holiday jobs with the City during the summer months.

# 6,200

jobseekers were registered with Jobbtorg Stockholm during the year.

ished working capacity the possibility of employment with elements of rehabilitation. On the long term, the employment shall lead to a position in the regular labour market. Another prioritised group is women with a weak position in the labour market. During the year, the City has worked with outreach to reach groups to provide information about the City's operations and offer study and vocational guidance. The City's work with the Romani to become established in the labour market was strengthened during the year through the possibility of participating in skills development efforts and Stockholmsjobb.

### More summer jobs for Stockholm young people

The City of Stockholm offers holiday jobs for young people ages 16-19. The objective of the effort is to offer young people a meaningful occupation and incite their interest to eventually work in the municipal operations. In 2016, 8,156 young people received holiday jobs in the City during the summer months, and a number of holiday jobs were also offered during the autumn and Christmas holidays. Young people are offered jobs in various operations, including elderly care, pre-school activities or the maintenance of the outdoor environment.

One group of young people had the opportunity to learn more about entrepreneurship in the Summer Business Challenge initiative, while others received communication assignments through the Stockholm Open effort, which was conducted together with a number of communication agencies. Some 50 newly arrived young people were given the opportunity of having a summer job with extra language support before, during and after work

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage of people receiving financial assistance in relation to the population as a whole	1.9%	1.6%	1.6%	1.6%	Met in full	
Percentage of adults with long-term financial assistance in relation to the adult population as a whole	1.2%	1.1%	1.1%	1.0%	Met in full	
Number of jobseekers who received municipal temporary employment	750 pcs.	943 pcs.	460 pcs.	479 pcs.	Met in full	
Number of places provided for municipal temporary employment	800 pcs.	1,013 pcs.	-	-	Met in full	
Number of young people who obtained summer work arranged by the City	8,000 pcs.	8,156 pcs.	4,065 pcs.	4,091 pcs.	Met in full	Young people were also employed during the Christmas and autumn breaks.
Number of places provided for holiday jobs	10,000 pcs.	9,328 pcs.	-	-	Met in part	The goal of providing places is achieved in part. However, the target for the number of young people who received a job is achieved in full.
Number of placement opportunities carried out in the City's operations by the candidates matched by Jobbtorg Stockholm	500 pcs.	514 pcs.	-	-	Met in full	
Percentage of jobseekers who concluded 12 months after entering the Jobbtorg Stockholm programme, excluding those readmitted	75%	78%	74%	81%	Met in full	
Percentage of jobseekers who are self-supporting six months after leaving the Jobbtorg Stockholm programme	81%	79%	78%	80%	Met in part	A number of jobseekers received activity compensation to be able to participate in projects, which affects the statistics.
Percentage of jobseekers up to age 29 who are self-supporting six months after leaving the Jobbtorg Stockholm programme	87%	83%	81%	85%	Met in part	The percentage who are self-supporting decreased compared with earlier years.
Average registration time for the target group of people with financial assistance longer than ten months who received work/studies through Jobbtorg Stockholm	10 months	8.4%	10.1%	6.4%	Met in full	
Average registration time for the target group of young people (aged 16-24) who received work/studies through Jobbtorg Stockholm	5 months	4.5%	4.2%	4.7%	Met in full	
Percentage of young people offered a job, education or a trainee position within 90 days	100%	65%	70%	63%	Not met	New indicator. Preparation time for sustainable efforts that were not discontinued is often longer than 90 days. The measurement method is adjusted for 2017.



# Training throughout life

Training is the most important factor to be able to enter and remain in the labour market. The City Council's goal means that significantly more students will be able to complete compulsory school and more Stockholmers will be given the opportunity to study at university. Investments in adult education are crucial for reducing unemployment and improving matching in the labour market.

## More students in adult education

The City has a broad range of educational programmes, many of which can lead directly to work. The programmes are offered daytime, evenings or at a distance. During the year, the number of students in adult education increased. In total, 31,300 school students studied at a basic level, upper-secondary theoretical courses and/or vocational courses. A majority (63 percent) of the students were women. The City conducted active outreach work and motivation efforts to encourage people far from the labour market to choose studies.

Grade results in municipal adult education are about at the same level as the preceding year. Within basic adult education,

84 percent pass. The corresponding percentage at the upper-secondary level was 82 percent. Results in mathematics, where grade results were previously weak, improved somewhat compared with 2015. The user surveys also show that the school students in adult education and Swedish for immigrants are satisfied with both their programmes and schools.

## More ways into studies

Education is a key to being able to enter and remain in the labour market, and the City has actively worked to encourage people to study, especially those with little education, a weak standing in the labour market and who want to supplement their studies to qualify for university. At the Jobbtor-



## Goal for the operational area

In Stockholm, it is easy to acquire education throughout life.

## Goal attainment for the year

The annual targets for one out of four of the City Council's indicators were achieved in full and three were achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in part in 2016.



PHOTO: FREDRIK SANDIN CARLSON



gen programmes, jobseekers are offered guidance, coaching and other support to be encouraged to choose studies to strengthen their position in the labour market. For many jobseekers, finances are an obstacle during the period of study. During the year, the City therefore introduced the possibility of try-out studies, where people with little educational backgrounds can receive financial support to try studying for a period of time. School students also received greater opportunities for individualised studies and possibilities to attend studies in parallel with work, placement or other training.

### Swedish for immigrants (SFI)

The number of students in SFI decreased during the year. In total, 19,793 people attended SFI during the year, of which a majority (55 percent) were women. This is a decrease of around 500 people compared with 2015. In the latter part of the autumn, the number of visitors to SFI centres increased, however, in part due to the refugee influx, and many applied for SFI studies for spring 2017.

The results in Swedish for Immigrants are good and have improved compared with previous years. Of those who did the national test in SFI, 95 percent passed. The City has actively worked to identify students with slow progression and strengthen the support to students with post-traumatic stress disorder. The City has actively worked to identify students with slow progression and strengthen the support to students with post-traumatic stress disorder.

People who are interested in SFI studies can turn to the SFI centres to get information and do a test of their current level of Swedish prior to their studies. During the year, SFI centres employed two new student and vocational counsellors to improve the advice to everyone applying to SFI.

To facilitate the entrance to the labour market, those born abroad who have a professional degree from their home country can



PHOTO: FREDRIK PERSSON

study Swedish for the professionally trained (SFX). The instruction is done in collaboration with other municipalities in the county. In Stockholm, there is a possibility of studying professionally adapted Swedish for teachers, economists, lawyers and other social scientists, as well as engineers and architects. The students who participated in the Public Employment Service's fast track for teachers were also offered Swedish instruction under the direction of the City.

### Social orientation

Through social orientation, newly arrived

immigrants can get a basic understanding of the Swedish society and a foundation for continued learning. Social orientation is offered through the Centre for Introduction to Swedish Society, a county-wide coordination office. In total, 1,025 participants from Stockholm participated in social orientation during the year. Since 2015, the City has worked on the implementation of a county-wide project on health communication where the social orientation is supplemented with a special block focused on health issues. The project was evaluated in 2016 with good results.

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage of course participants in SFI with passing marks after completion of the course	94%	97%	97%	97%	Met in full	
Percentage of passing SFI students after 600 hours	68%	62%	58%	68%	Met in part	The percentage passing decreased compared with earlier years. The participants generally need more time to pass.
Percentage of course participants in basic adult education with passing marks after completion of the course	85%	84%	85%	83%	Met in part	The percentage passing is at the same level as earlier years.
Percentage of course participants in upper secondary adult education with passing marks after completion of the course	87%	82%	84%	80%	Met in part	The percentage passing is at the same level as earlier years.





PHOTO: LENNART JOHANSSON

# Long-term sustainable finances

Sound public finances are a prerequisite for being able to strengthen welfare and the City of Stockholm shall therefore have a budget in sound financial balance. Basic targets for the equity/assets ratio and investment costs guarantee long-term sustainability. The City's operations shall be cost-effective and administrative costs shall be kept down.

## Budget discipline in Stockholm is good

The committees and District Councils generally have sound budget discipline and present a total surplus, after surplus transfers, of SEK 740 million (519), of which SEK 135 million relates to the District Councils and SEK 605 million to the specialist committees.

All District Councils present a surplus. The largest surpluses among the District Councils are in Östermalm, Kungsholmen, Skärholmen, Rinkeby-Kista, Normalm and Södermalm.

Among the specialist committees, deficits are reported by the Real Estate Committee and the Chief Guardian Committee, while the other committees report surpluses. The Real Estate Committee's deficit amounted to SEK 45 million and is mainly due to the committee having expensed accrued investigation and development expenditures for two unsuccessful projects, the committee not having achieved the set efficiency improvement requirements and unforeseen costs of various types. The Chief Guardian Committee's deficit amounted to SEK 4 million and is mainly due



## Goal for the operational area

The City of Stockholm's finances are sustainable on the long term.

## Goal attainment for the year

The financial statements for 2016 show a surplus of SEK 4,643 million. The City meets all financial targets and the committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



to a large number of unaccompanied refugee minors moving from other municipalities to Stockholm, the City having had to pay fees from earlier periods in other municipalities and it having taken longer for the Swedish Migration Board to decide on permanent residence permits for unaccompanied refugee minors.

### Skills development, digital tools and collaboration improve efficiency in the City

During the year, the City continued to work to develop the operations and create conditions for long-term sustainable finances. Among other things, a prestudy was begun to investigate the conditions for a common budget tool in the City. The tool will improve the work on the budget, follow-up, analysis and forecasts, which can provide a better basis for decisions and an opportunity to act earlier upon negative deviations. The work of introducing the Group-wide accounting system continued according to plan and it was deployed at another eight of the Group's companies. Five companies remain before the system has been implemented in the entire Group. In addition, the City drafted a long-term skills development programme during the year for the City's economists and controllers with the aim of strengthening and deepening the knowledge of operational governance.

The City's collaboration is good both within the City and with other actors outside the City and lessons learned from each other have developed quality. Among other things, the city entered financial coordination with the Public Employment Service, Försäkringskassan and Stockholm County Council (FINSAM). This is to create structure so that coordinated support can be offered to people with financial assistance.

### Gender-equality-integrated budget process highlights differences

During the year, with the aim of integrating gender equality into the budget process, the



PHOTO: LIESELOTTE VAN DER MEIJIS

City developed the work of reporting on individually based indicators divided by gender. The gender-based statistics highlight any differences between men and women, boys and girls, which enables in-depth analyses and provides comprehensively illustrated decision input.

### The City of Stockholm is well equipped to meet future challenges

According to the international credit

rating institute Standard & Poor's, the City of Stockholm is well equipped to meet future challenges in the form of increasing expenses and investments, which is required due to a rapidly growing population. Thanks to the City's strong finances and financial control with extensive budget flexibility and low level of debt, the City kept the highest possible long- and short-term credit rating, AAA/A-1+ and K-1, respectively.

Indicator	Annual target	Outcome	Goal attainment	Comments
Municipal Group's equity/assets ratio including pension commitments on the short term	30%	53%	Met in full	
Municipal Group's equity/assets ratio including pension commitments on the long term	34%	53%	Met in full	
Committee's budget compliance after surplus transfers	100%	98%	Met in full	
Committee's budget compliance before surplus transfers	100%	98%	Met in full	
Committee's forecast reliability T2	+/- 1%	1%	Met in full	
City's surplus (minimum)	SEK 0.1 million	SEK 4,643 million	Met in full	
City's capital costs as a percentage of net operating costs (max)	7%	6%	Met in full	
City's net operating costs as a percentage of tax revenue (max)	100%	100%	Met in full	
City's equity/assets ratio including pension commitments on the short term	30%	36%	Met in full	
City's equity/assets ratio including pension commitments on the long term	34%	36%	Met in full	





PHOTO: LENA KAT  
JONSSON

# Democratically sustainable Stockholm

Democratically sustainable  
Stockholm

Stockholm shall strive to become a city permeated by gender equality, social equality and freedom from all forms of violence and discrimination and the City should strengthen the work for human rights.



# A city of equality where power and resources are distributed equally

Stockholm shall be a city of equality where power, opportunities and resources are distributed equally, regardless of gender. An equality perspective shall be integrated into all of the City's operations. All committees shall have statistics divided by gender and shall analyse the resource allocation based on gender. The City's own operations shall thereby contribute to greater gender equality.

During the year, the City began the long-term work of introducing a gender equality perspective in decision making and in ordinary governance, from planning to implementation and follow-up of the operations. Gender differences have been made visible and analyses have begun. The work has been carried out systematically by employees at various levels in the operations.

## A sustainable structure for the gender equality work

To highlight (in)equality, the City has developed the preparation of gender-based statistics and begun analyses of them. The statistics concern most of the areas of operation, which not least is apparent in the follow-up of the City Council's individually based indicators that began to be followed up during the year based on gender. Where differences have come forth, work on equality analyses was begun and approaches were further developed. For example, check lists in the exercise of authority and in work on communication were prepared to ensure a gender equal, norm critical and uniform approach. S:t Erik Försäkrings AB worked to introduce a new incident reporting system in the City during the year. In this, the company made it possible for the City's committees and company boards to extract gender-based statistics. Some of the City's committees prepared action plans and appointed support functions to drive the equality work forward. The City has also developed both internal and City-wide gender equality networks for experience and knowledge exchange in the organisation.

To shed light on issues that concern security

in the urban environment, the City prepared digital maps. The maps identify what inequality looks like in Stockholm and form the basis of on-going planning work and for area planning. Men's and women's participation in citizen dialogues is made visible.

» To highlight (in)equality, the City has developed the preparation of gender-based statistics and begun analyses of them.«

Another area where the equality perspective has been integrated is in the work with operational grants and arranger support, which several of the District Councils developed during the year. The Sports Committee prioritised areas where it is clearly possible to discern how resources are allocated based on gender, the association grant activity support and funds for investments. To get more girls involved in sports, the City is working along two parallel strategies, to meet girls' preferences and to get more girls to participate in forms of sports and exercise where boys are in the majority.

## Greater knowledge promotes equality

Managers, strategic support functions and employees have been trained in gender equality issues and how the work should be conducted. Courses have been held with a focus on national gender equality policy and the equality policy objectives, the chain of governance and the operation's core mission.



### Goal for the operational area

Stockholm is a city of equality where power and resources are distributed equally.

### Goal attainment for the year

The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

Other areas emphasised included equal and norm critical personal treatment, masculinity norms with ties to exercising violence and work on gender-based statistics and gender equality analyses. There is a greater awareness of the operations' gender equality challenges and what they entail and a more critical thinking based on gender equality, as well as other grounds of discrimination.

Employees in the pre-schools received greater awareness of how they assign stereotypical characteristics to boys and girls, which limit the children's room to act, an area of development that will be worked on further.

The game *Make a difference* was developed for managers and assistance administrators in elderly care. The game takes up issues of social equality, gender equality, discrimination, inclusion, and more.

The City collaborates with Södertörn University where students are conducting studies focused on a gender equal personal treatment. In pre-schools, 39 employees began training for a minimum of 7.5 higher education credits in LGBT, gender and human rights issues.







PHOTO: SARA MC KEY

# A good employer with good working conditions

The City of Stockholm needs to attract and retain a diversity of well-educated and competent employees and managers. As an employer, the City of Stockholm shall offer basic conditions, such as secure working conditions, skills development and a good and healthy work environment as a part of the best way to understand and see to the needs of all Stockholmers.

## Sustainable and equal opportunity working life

A working environment with good conditions that provide prerequisites and stimulate learning and development is crucial to both the operation's results and for employees' health, happiness and personal development. During the year, the City Council approved a revised HR policy. During the year, the new HR policy for the City aims to support an equal and sustainable working life and to provide the employees with a good basis to maintain a high level of quality in their work.

The City prepared an action plan for improving the work situation for social workers and assistance administrators. In 2016, the District Councils began the implementation of the various parts of the action plan with the goal of better being able to retain and recruit social workers and assistance administrators and ensure a legally assured operation of high quality.

The trend in sick leave in the City reflects the trend in the country in general, which means that the increasing trend has been



## Goal for the operational area

The City of Stockholm is a good employer with good working conditions.

## Goal attainment for the year

The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

broken. Committees and company boards continued to prioritise efforts to reduce sickness absence and the City's rehabilitation process forms the basis of this work. In addition, the committees conducted various efforts to strengthen the systematic work environment efforts.

### Sustainable management

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 employees have the 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. In addition, the "Manager in the City" introduction programme was held with around 120 participants during the year. As a part of the City's action plan to improve the work situation in social services, four management development programmes were conducted during the year where 45 managers at the unit and department level in social services/assistance administration participated. The third round of the City's trainee programme for university graduates, with 15 participants, was concluded in June 2016. During the spring, the City's management day was held when all managers were invited for a whole day on the theme *Leading towards a Stockholm for everyone*. The autumn's management seminar, which was held on three different occasions, focused on digitisation and what it means to the operations.

### Good development opportunities

Skilled and committed employees are a prerequisite for the City to be able to carry out its tasks in an efficient and professional manner. A special effort on skills development is being carried out to increase the level of education in the welfare services in the long



During the year, the new HR policy for the City aims to support an equal and sustainable working life and to provide the employees with a good basis to maintain a high level of quality in their work.

# 88%

of the City's employees work full time.

term and to develop the quality and ensure the skills supply. In 2016, the committees were granted funding for basic education of child minders, introduction for social workers working with children and young people, training in meeting unaccompanied refugee minors and quality marking in dementia.

### Good working conditions

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 2016 and now totals 88.4 percent. In 2016, the City signed a collective agreement on the possibility for employees to exchange the holiday supplement for extra days off.

In December, a total of 42,660 people were employed by the City of Stockholm. Of these, 39,868 worked in the City's District Councils and 2,715 were employed in the City's companies.



PHOTO: LENNART JOHANSSON

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Active co-creation index	83	-	-	-	No measurement done	Based on results from the employee survey not done in 2016.
Percentage of employees who do not feel discriminated at their workplace	100%	-	-	-	No measurement done	Based on results from the employee survey not done in 2016.
Index Good employer		-	-	-	No measurement done	Based on results from the employee survey not done in 2016.
Index Psychosocial work environment		-	-	-	No measurement done	Based on results from the employee survey not done in 2016.





# A city that lives up to human rights and is free from discrimination

Stockholm should protect and promote human rights in its own operations. An important part of the rights work is to expose the existence of discrimination. The work against discrimination shall be systematic. To achieve this, the City needs to better map and analyse the operations.

The City Council's indicators for the operational area goal were new for the year. The committees' outcome is good and the City Council's annual target is therefore deemed to be fully achieved.

There are certain differences in the gender-based statistics on some indicators for the goal that have been called into attention and will be followed up in the City's operations.

## Rights in focus

The City's work on skills improvement efforts was strengthened during the year. Seminars, conferences and courses were held for managers and employees in issues that concern the work against discrimination and on various rights areas, including a diploma course for an LGBT- and norm-aware personal treatment. During three lecture days, issues were brought

up concerning LGBT rights, social equality, gender equality and norm creative work in pre-schools. In total, around 900 people from municipal and independent pre-schools participated in these training sessions. Meeting places for young LGBT individuals have been opened and one of the City's youth counselling centres started a group for trans-individuals.

More operations in the City were LGBT certified. One measure that was identified in the operational analyses during the year was the introduction of gender neutral changing rooms, known as flexrooms.

The City invited the public to a public seminar with representatives from the academic community, the media and civil society on the international day against racism at Kulturhuset. The event was a part of the



## Goal for the operational area

Stockholm is a city that lives up to human rights and is free from discrimination.

## Goal attainment for the year

The annual targets for all five of the City Council's indicators are achieved in full. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



PHOTO: YANAN LI

City's commitments in the action plan of the European Coalition of Cities Against Racism (ECCAR) network.

The first annual Katarina Taikon Prize was awarded in City Hall to call attention to and reward human rights champions who protect human rights in Stockholm. The City of Stockholm was granted government funding to develop the City's work with the Romani, including with a focus on the areas of education, labour market, social services, democracy and civil society's organisation.

During the year, the companies adopted operations-specific CSR strategies. CSR – Corporate Social Responsibility is a company's responsibility to society. The CSR strategies are based on the perspectives of the customer, society and the employee and aim to provide a clear direction for the companies' continued work for a socially sustainable development of Stockholm, for example by contributing to reducing unemployment in groups far from the labour market and setting social requirements in procurements.

### Collaboration across boundaries

The City developed collaboration with NGOs to engage newly arrived young people in association life and for better possibilities for employment. Many District Councils collaborated on minority group rights, such as the offer of various forums, where Finnish-speaking elderly were able to meet other Finnish-speakers at open cafés and lectures.

During the Eurovision week, the City of Stockholm was certified as Sweden's 76th Fairtrade City. A steering committee that consists of elected representatives and representatives from enterprise and civil society was chosen to lead the work for a more just trade and ethical consumption in the City.

### Young people's organisation

The endeavour with young people's organisation resulted in multiple activities and initiatives. One example is the City-wide



Hans Caldaras and representatives from the association Doctors of the World Sweden – winners of the Katarina Taikon Prize 2016.

summer job project Rättighetsjakten (Rights Hunt), where young Stockholmers prepared educational materials on racism and sexism. The materials have been used at several of the City's courses and conferences.

The Local organisers project was initiated by young Stockholmers who started study circles where they discussed such issues as racism and sexism and arranged various local initiatives for and with other young

people. Around 100 young people from seven District Councils in the suburbs participated in the project.

Unaccompanied refugee minors participated during the year in leisure activities with the help of youth recreation leaders with the right language skills who arranged activities where unaccompanied minors and other young people met, which contributed to new contact points.

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage users in day activities for elderly who do not feel discriminated against	Increase	95%	95%	95%	Met in full	1% experienced discrimination. 4% do not want to answer.
Percentage users in care for people with disabilities who do not feel discriminated against	Increase	87%	83%	89%	Met in full	5% experienced discrimination. 8% do not want to answer.
Percentage users in social psychiatry who do not feel discriminated against	Increase	88%	88%	88%	Met in full	7% experienced discrimination. 5% do not want to answer.
Percentage of users who do not feel discriminated in pre-school and family day homes	Increase	96%	96%	96%	Met in full	2% experienced discrimination, 2% do not want to answer. Gender distribution based on the child's gender, not the parents'
Percentage of rental tenants who do not feel discriminated in the City's housing companies	Increase	84%	-	-	Met in full	4% experienced discrimination. 12% does not know.





PHOTO: MATTIAS PROKHOROV DAHLQVIST

# Respect for children's rights

Children's rights shall be central too all areas of policy and permeate the City's operations. To ensure the children's rights perspective, a Child Ombudsman was established. During the year, a programme for children's rights will be decided on and implemented. All children regardless of social background or legal status shall have the right to attend school and pre-school. In operations targeted at children and young people, skills in gender, norm criticism and antiracist perspectives shall increase.

## Committees with special reporting responsibility

The City's committees conducted a number of different activities during the year that contribute to goal attainment. The committees with special reporting responsibility are presented here. The City Executive Board held seminars, lectures and courses in the City to raise awareness of children's rights. The Development Committee contributed to preparing guidelines for how the child impact analysis can be used in development. The Sports Committee prepared a check list

and conducted child impact analyses. In addition, work was done to create meaningful sports and exercise activities in the suburbs and on collaboration with Save the Children in the project *Ung på väg* (Young people on the way) that provides unaccompanied minors the possibility to become a leader in sports. The Social Services Committee conducted a number of measures during the year. Here are two examples. The committee collaborated with the Child Ombudsman to develop the child perspective in connection with the drafting and revision of



## Goal for the operational area

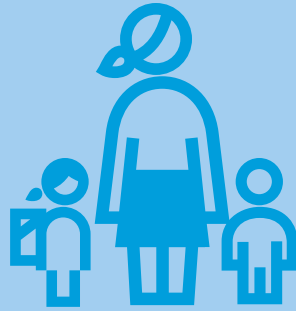
Stockholm is a city that respects and lives up to children's rights in accordance with the UN Convention on the Rights of the Child.

## Goal attainment for the year

The outcome of all six of the City Council's indicators is new and there are no annual targets to relate to from before. However, the outcomes are good and the indicators are deemed to have been achieved in full. The committees have generally conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

# 81%

of the school students in year 5 are aware of their rights in accordance with the UN Convention on the Rights of the Child.



guidelines. The social services inspectors conducted a review regarding children of parents with substance abuse and noted that the child perspective should be clarified in the matters. The City Planning Committee implemented a children and youth advisory board in connection with the consultation on an updated comprehensive plan during the year. This is the first time children's and young people's views have been given the same space as other residents. The Education Committee developed the schools' prevention and health-promoting student health work. All schools prepared school health plans to clarify the school health team's organisation and mission. A three-year plan was prepared for the compulsory school work with student health. The committee will develop its own annual targets on the indicators based on the user survey presented below by 2017.

## District Councils

The District Councils have deepened their analyses on the children's rights perspective and child participation in several areas. In the social services, the child perspective was strengthened by calling attention to the situation of children when adults seek support. The majority of the District Councils say that they have developed the work on the child impact analyses and are continuing the work of increasing knowledge of children's rights among children and employees.



PHOTO: STEFAN EK

Indicator	Annual target	Outcome			Goal attainment	Comments
		Total	Women	Men		
Percentage of school students in year 2 of upper-secondary school who have not been subjected to abusive treatment or harassment	Increase	87%	-	-	Met in full	
Percentage of school students in year 2 who have not been subjected to abusive treatment or harassment	Increase	64%	-	-	Met in full	
Percentage of school students in year 5 who know their rights in accordance with the UN Convention on the Rights of the Child	Increase	81%	-	-	Met in full	
Percentage of school students in year 5 who have not been subjected to abusive treatment or harassment	Increase	72%	-	-	Met in full	
Percentage of school students in year 8 who know their rights in accordance with the UN Convention on the Rights of the Child	Increase	47%	-	-	Met in full	
Percentage of school students in year 8 who have not been subjected to abusive treatment or harassment	Increase	76%	-	-	Met in full	





# A city where nobody fears violence

The City shall strengthen its work to achieve the goal of a city where nobody needs to fear violence. Protection and support shall be given to the victims of violence and their children, and intervention shall be made for perpetrators of violence. Prevention efforts will be strengthened by increasing knowledge about gender, norm criticism and anti-racism. The City aims to strengthen the support of women's crisis centres and develop the work of addressing the source of violence.

## Focus on prevention and early intervention

The City continued to work on developing routines and methods to identify early signs of victimisation to violence through, among other things, the standardised assessment and investigation instrument with support in research and tested methods. This work needs

and social intervention teams have constituted important efforts in the prevention work. Cooperation between schools, youth counselling centres and social services has been key to goal attainment.

## Support and protection of victims of violence

The City prioritised and conducted a number of measures to develop the work against violence in close relationships. A new City-wide programme against violence in close relationships and honour-related violence and oppression was developed, which was approved by the Social Services Committee in August 2016.

A large part of the City's work against violence in close relationships takes place in the City's relationship violence team (RVT), which offers support and treatment interventions to victims and perpetrators of violence and works preventively and with outreach. Employees, authorities and cooperative partners are continuously trained to be able to discover and talk about violence. It is clear that the District Councils with established relationship violence teams and that work with knowledge dissemination internally and externally also identify victims and perpetrators of violence to a greater extent. The work of offering equal support regardless of where in the City the individual lives needs to continue to be developed. The City sees a higher number of cases and a higher number of residents who come into contact with the social services based on their victimisation to violence, which contributes to the goal that a larger proportion of people subjected to violence in close relationships shall be known to the social services.

The Origo Resource Centre constitutes a



## Goal for the operational area

Stockholm is a city where nobody needs to fear violence.

## Goal attainment for the year

The committees have mainly conducted the activities they had undertaken in their operational plans, but it will take time before the measures achieve full effect and the work towards a Stockholm where nobody needs to be afraid of violence shall be considered a long-term effort. The operational goal is judged to have been achieved in part in 2016.

support in the City's work against honour-related violence and oppression and the cooperation with the District Councils was strengthened during the year. The outreach and prevention work is conducted through lectures and information distribution and through advice and support.

## A clear children's perspective

In the event of suspicions that a child has witnessed or been subjected to violence, an investigation shall always be initiated to ensure the child's protection from violence. Children's rights receive more attention in investigations of adults subjected to violence or adults who commit violence. The City's social services continued to implement the method Signs of Safety to be able to do risk and safety assessments in a clear and structured way for children subjected to, witnessing or at risk of being subjected to violence. Barnahus Stockholm's activities are based on authority cooperation between police, social services, paediatricians and children and youth psychiatric services, which together work with children who have been subjected to crime, violence or abuse. During the year, the treatment method KIBB (cognitive therapy in the event of child abuse) was used, which has good research results, and the development of more treatment models continued.

» During the year, the City focused on skills improvement in gender, norm criticism and changing norms concerning masculinity and violence among children and young people.«

to continue to be developed in all parts of the social services, elderly care and care for people with disabilities. Employees in all operating areas have been trained in how violence can be discovered and what steps should be taken.

The violence prevention work needs to continue to be developed from earlier universal interventions directed at all children, young people and adults before the violence has occurred, to interventions directed at perpetrators of violence. The work to motivate perpetrators of violence to accept intervention to change their behaviour and stop the violence needs to continue to be strengthened. During the year, the City focused on skills improvement in gender, norm criticism and changing norms concerning masculinity and violence among children and young people. The crime prevention and security creation work is strongly tied to social prevention efforts. Parental support programmes, training, outreach work by field assistants



PHOTO: LIESELOTTE VAN DER MEIJIS

# An accessible city for all

Stockholm should be an accessible city for all residents. Everyone, regardless of functional capacity, should have equal opportunity to full participation. Society's support for people with disabilities shall be shaped based on a foundation in antidiscrimination and equality so that the efforts will be able to lead to greater independence, participation, influence and better living conditions.

20 committees out of 32 assess that the target for their area of operations has been met in full. The ambition has been raised in the area of operations, which is reflected in the higher targets. During the year, relocations to the housing units has been extensive, and experience suggests some delay before satisfaction and contentment sets in. The outcomes of all seven indicators are close to full achievement.

## Freedom of choice in short-term supervision

On 1 July a freedom of choice system was introduced according to the Act on Systems of Choice in the Public Sector (LOV) for the intervention *Short-term supervision for school youth over the age of 12 outside the own home in connection with the school*

*day* and during breaks according to the Act concerning Support and Service for Persons with Certain Functional Impairments (LSS). The procurement according to LOV means a joint agreement between the District Council and providers that contains quality requirements and compensation levels with the aim of increasing quality and ensuring a more even price level for the effort. For the user, this shall lead to greater freedom of choice, diversity and quality. The City's own operations with short-term supervision and contracts are included in the system of choice without procurement. Through procurement according to LOV, the Social Services Committee has approved and signed agreements with nine providers under private direction since the system of choice was introduced. Information on the operations in the system



## Goal for the operational area

Stockholm is an accessible city for everyone.

## Goal attainment for the year

The annual targets for three out of seven of the City Council's indicators were achieved in full and four were achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



of choice is published continuously on “Find an compare service” on the City’s website.

### Technical modernisation of the social services

The City conducts technical development of e-services and modernisation of the social services. During the year, a prestudy was done to investigate how the existing e-service “Application for support and service” (ASoS) can be developed from an accessibility and participation perspective for users in the operational area of disabilities.

In another prestudy, the conditions have been mapped for developing a digital communication aid that can be used in investigation and follow-up talks with children and young people in the area of disabilities.

### Popular summer camp

The summer’s LSS camp activities have been appreciated by both participating girls/women and boys/men as well as relatives, at the eight private farms and the seven conducted under contract. During the year, a total of 600 people participated, of which 213 were girls/women and 387 were boys/men. Of the respondents to the user questionnaire, 99 percent were satisfied or very satisfied. All farms are located close to water so the participants have had the opportunity to swim, fish, hike, go on boat outings, canoe, and more. The activities are also shaped by some farms having access to a riding school or sports hall. The operations that have a larger share of boys/men than girls/women are mainly those with the target group autism spectrum disorder of the kind

previously known as Asperger’s syndrome. This agrees well with the gender distribution among the children and young people diagnosed with autism spectrum disorder.

### Coordinated skills development

Employees in the City continuously participate in skills development through Forum Carpe, which is an operation with the City as the principal and is financed by all of the municipalities in the County. Forum Carpe coordinates and contributes to skills development in the operational area of disability and is directed at employees at all levels at both municipal and private providers as well as authority bodies in all of the county’s municipalities. During the year, 3,770 people participated in Forum Carpe’s skills development efforts, of which 33 percent came from operations in the City of Stockholm. Participation from operations in the City increased during the year; the previous year participation was 29 percent. The operational idea is to coordinate activities to shed light on the area of disabilities, to conduct skills development and to distribute good examples.

The endeavour with an evidence-based practice (EBP) continued during the year on behalf of the Swedish Association of Local Authorities and Regions (SALAR). Prioritised areas in the effort were strengthened participation and influence for children and young people with disabilities, strengthened user participation, and initiating, implementing and developing systematic follow-up. The project has now been concluded and the effort is being compiled in a final report.

# 99%

of those who participated in the summer camp activities for the disabled were satisfied or very satisfied with their stay.

Indicator	Annual target	Outcome			Goal attainment	Comments
		Total	Women	Men		
Satisfied users – day activities (support and service for people with disabilities)	89%	88%	88%	88%	Met in part	Extensive relocation in generates lower results the first year.
Satisfied users – statutory accommodation, adults and children (support and service for people with disabilities)	89%	89%	88%	90%	Met in full	
Satisfied users – short-term housing (support and service for people with disabilities)	89%	89%	87%	89%	Met in full	
The users’ perception of security – statutory accommodation, adults and children (support and service for people with disabilities)	90%	89%	86%	91%	Met in part	Extensive relocation in generates lower results the first year.
Percentage of people with disabilities who feel that they can influence how the help is provided (support and service for people with disabilities)	76%	75%	75%	75%	Met in part	Extensive relocation in generates lower results the first year.
Percentage of people with disabilities who feel that they are well-treated by the City’s personnel (support and service for people with disabilities)	88%	87%	86%	88%	Met in part	Extensive relocation in generates lower results the first year.
Percentage of people who feel that they have been involved in the preparation of implementation plans (support and service for people with disabilities)	78%	79%	79%	79%	Met in full	



# Democracy and influence

Stockholmers should feel that they have the possibility to influence Stockholm's development. The City should take responsibility for increasing election participation in the parts of the City where it is low. The District Councils' influence shall be strengthened by areas of responsibility being added and by central committees collaborating better with the District Councils in accordance with guidelines for local development efforts.

The assessment of goal attainment is based on 17 out of 22 committees with special reporting responsibility achieving the City Council's annual target for the operational area and that seven committees also state that the operational goal was achieved in full.

## Local development programmes provide concrete detail to the City's vision

In 2016, all District Councils prepared local development programmes with goals and measures based on the councils' local condition and a dialogue with residents and civil society, among others. Local development programmes are a way to provide concrete detail to the City's vision of a sustainable city and make it relevant at a local level. They also aim to rally forces and guide resources to where they are most needed in the City. During

the spring, the District Councils worked to analyse the present situation and trends in their respective District Council areas. Based on the present situation analysis, they then identified geographic and/or thematic priorities for the respective programmes. Based on the priorities, programmes with long-term goals and measures were prepared based on a dialogue with the residents. The local development programmes are presented in the second four-month report and have constituted a basis for the operational plans for 2017.

## Participation and influence

The City has continued to develop the e-service "Tyck till" (Express your opinion) in part by beginning development of a function for feedback on fault reports. Campaigns have been conducted to increase awareness of the e-service and to get more



### Goal for the operational area

Stockholm is a democratic city where the citizens have influence.

### Goal attainment for the year

The annual targets for four out of six of the City Council's indicators were achieved in full and two were achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.



PHOTO: LENNART JOHANSSON



people to use it. In 2016, consultations were held on the City's new comprehensive plan, both through a month-long tour in the City's 14 District Council areas and through a digital dialogue tool. According to estimates, 12,000 contacts were made during the tour and 800 written opinions were received in the digital dialogue in the same time.

In 2016, several District Councils began work on a citizens' budget and in one District Council, a citizens' budget was implemented where more than 200 people participated.

Through Enskede-Årsta-Vantör District Council, the City has regular contact with residents in Östberga with the area's security situation in focus. The residents have received knowledge about how they can influence the development of the area, which has meant that the residents feel that they are involved in improvement suggestions for the area and that they can influence the events through democratic structures.

» Local development programmes are a way to provide concrete detail to the City's vision of a sustainable city and make it relevant at a local level.«

The City's guidelines for bribery and representation were revised and approved by the company boards during the year. The guidelines apply to all elected representatives and employees in the City and in the City's companies and set out the norm that should apply to representation, receptions and gifts. The starting point is that the representation shall be characterised by moderation.

# 80%

of the users of the City's group homes feel that they have influence over the support they receive.



PHOTO: LENNART JOHANSSON

Indicator	Annual target	Total	Outcome Women	Men	Goal attainment	Comments
Percentage of users with housing support who feel that they have influence over the support they receive from their housing assistants	85%	85%	85%	84%	Met in full	
Percentage of users in the City's group homes who feel that they have influence over the support they receive	80%	80%	80%	80%	Met in full	
Percentage of school students in year 8 who feel they have influence in the school	64%	64%	67%	63%	Met in full	The differences between the genders should be taken into account in the Education Committee's continued work. The difference has increased since the study began in 2013.
Percentage of tenants in the City's housing companies who feel that they have influence over their housing	43%	43%	-	-	Met in full	44% of the respondents answered that they did not know. Gender statistics are unavailable.
Percentage of guardians of children in pre-school who feel that they have a possibility of participation and influence in the activities	82%	81%	81%	81%	Met in part	The outcome for the indicator is the same for 2014 and 2015. The District Councils' outcome has a relatively wide spread.
Percentage of elderly with home-help services who feel that the staff takes consideration of their opinions and wishes on how the help should be carried out.	86%	85%	85%	85%	Met in part	The outcome for the indicator is the same for 2014 and 2015. The District Councils' outcome has a relatively wide spread.



# Public procurement

Stockholm should use public procurement as a means of governance to drive development in a socially, economically and environmentally sustainable direction. The welfare operations should be characterised by high quality, openness and good working conditions.

## Programmes and instructions guide towards a sustainable development

During the year, the City's new programme for procurement and purchasing was adopted and application instructions have been prepared that develop how the goals in the programme for procurement and purchasing are to be achieved. The implementation of the programme and instructions in the City's operations was under way throughout the year. During the year, focus was also on educational efforts in the new legislation in the procurement field.

Through the "Vita jobb" (Above board jobs) project, the City has continued the work on special labour law conditions. In the procurement of personal transports, for example, labour law conditions were set regarding salaries, holiday and working hours. Collaboration with the City of Gothenburg and the City of Malmö was begun to identify common ways of working. Among other things, the cities have conducted dialogues with the central parties in the construction area with the aim of ensuring reasonable working conditions in the cities' building contract procurements.

## Procurement increases employment

In 2016, the City developed employment promotion requirements in the City's procurements. Among other things, instructions and special clauses linked to employment promotion requirements were developed. The objective is to clarify when and how the requirements will be set and even clarify the role of the Labour Market Committee. The City has also, together with four other municipalities, the Public Employment Service and the National Agency for Public Procurement, applied for funding from the European Social Fund with the intent of starting a joint project to exchange experiences and develop methods in the practical work with the new arrivals and social clauses in procurement.

## Early dialogue increases quality

In 2016, the City conducted a special effort to increase the use of early dialogues with the market's actors during the procurement process. Among other things, the method of external referrals has been used, meaning that the City publishes a preliminarily procurement document for opinions from the market's actors. The objective is to increase the quality of the procurement documents published. The method was applied to the procurement of sign language interpreters with good results. The City also participated in the procuring authority's advisory group to promote innovation through early dialogue.

## Greater control to ensure ethically produced goods

By setting clear requirements and then following them up in a systematic way, they contribute to the set requirements to improve working conditions in other parts of the world. To ensure that our suppliers of goods live up to the set requirements on ethical considerations, the City joined the so-called Hållbarhetskollen sustainability monitoring programme in 2016. Together with 89 other municipalities, regional confederations and companies, the City works to follow up and check that the goods delivered to the public sector meet set requirements. Checks are made on-site at the production facilities around the world.

## Greater quality and cost savings through development projects

In 2016, three City-wide development projects were under way to develop the City's purchasing operations. The objectives of the projects are higher quality in City operations, higher contractual compliance, cost savings, a more efficient and quality-assured purchasing process and improved possibilities for follow-up and analysis.

E-commerce has been introduced at 18 committees and large parts of the Education



### Goal for the operational area

The City develops public procurement in a sustainable direction.

### Goal attainment for the year

The annual targets for the City Council's compulsory committee indicator are achieved in part. The committees have conducted the activities they had undertaken in their operational plans. The operational goal was achieved in full in 2016.

» The goals are to achieve the right quality in the City's operations, a lower total cost for purchased goods and services, and that the City shall be an attractive contract partner.«

Committee through the project *Efficient purchasing*. The project contributed to strengthening competence as an orderer in the City in that around 3,200 managers and employees were trained in the procurement and purchasing process as well as applicable laws and rules. During the year, the projects *Purchasing close to operations* and *VINST* (purchasing tools in the City of Stockholm) were initiated to strengthen the City's procurement and purchasing organisation. The goals are to achieve the right quality in the City's operations, a lower total cost for purchased goods and services, and that the City shall be an attractive contract partner.





# 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 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 unifying function for most of the City's limited companies.

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](http://www.stadshusab.se) or read directly here.

# About the Municipal Group

## Profit/loss for the year

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. After eliminating intra-Group balances, including dividends, the profit for the Municipal Group after taxes and net financial items amounted to SEK 5,406 million (2,606).

Earnings for the Municipal Group, SEK million

2016	2015	2014	2013	2012
5,406	2,606	4,087	2,502	4,828

Earnings for the year after financial income/expense for the Stockholms Stadshus AB Group amounted to SEK 1,914 million (1,411). The Stockholms Stadshus AB Group's allocations and taxes amount to SEK 567 million (331) and earnings for the year amount to SEK 1,347 million (1,086).

## Depreciation/amortisation

Depreciation according to plan of property, plant and equipment increased by SEK 606 million in 2016 and amounted to SEK 4,457 million (3,851). 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 -526 million (-582). The financial income/expense was affected by the low interest rates.

## 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 5,365 million to total SEK 117,269 million (111,904). The change in equity is attributable to the earnings for the year of SEK 5,406 million and other changes of SEK -41 million. The balance sheet total amounts to SEK 187,424 million (177,424). This results in a SEK 10,000 million increase in the balance sheet total.

The Municipal Group's equity/assets ratio amounted to 53 percent including pension obligations (53). 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 2012-2016.

Equity/assets ratio for the Municipal Group (including pension commitments), percent

2016	2015	2014	2013	2012
53.3	53.0	55.2	54.2	54.9

## Investments

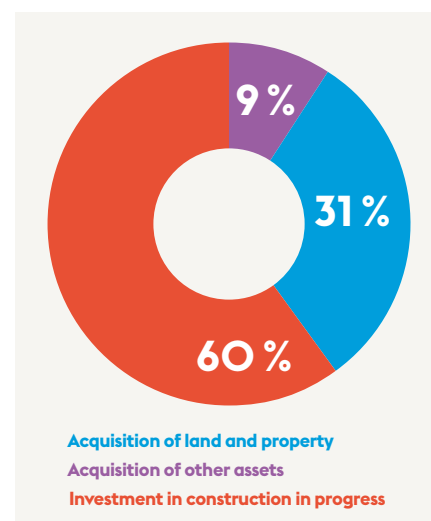
The Municipal Group's gross investments have remained at a high level and in 2016 amounted to SEK 15,595 million (15,525). The gross investments for the Stockholms Stadshus AB Group have also remained at a high level and in 2016 amounted to SEK 10,073 million (10,769).

Svenska Bostäder, Familjebostäder och Stockholms hem report a total investment volume of SEK 5.2 billion, which is around SEK 700 million lower than 2015. Svenska Bostäder's investment volume amounted to around SEK 2.5 billion, of which SEK 1 billion relates to new construction projects. In 2016, the housing companies began construction of nearly 1,100 apartments, which is lower than both the preceding year (1,580) and the target (1,500). Time delays in the new construction projects, due in part to appeals, have entailed delays in the number of apartments that commenced construction.

During the year, SISAB invested around SEK 1,760 million. The investments primarily pertain to the construction of Hågerstenhamns skola, and the renovation and extension of Lindeskolan, Kungsholmens grundskola, Långbrodalsskolan and Dalhagsskolan in Husby.

Stockholm Vatten och Avfall's investments totalled nearly SEK 1,390 million. Investments in pipeline networks in existing networks and development areas as well as water and sewage treatment plants amount to around SEK 1,010 million. Stockholm Vatten och Avfall is implementing the project *Stockholm's Future Wastewater Treatment* (SFA). The project is intended to give Stockholm one of the world's most modern treatment plants at Henriksdal and is expected to continue until 2024. The total cost forecast for the project amounts to SEK 9.2 billion, of which around SEK 320 million was used in 2016.

The diagram below provides an overview of how the Municipal Group's gross investments were allocated in 2016. 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.



## 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 internally before the City of Stockholm 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.



PHOTO: LENNART JOHANSSON

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 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 semi-annually and was confirmed on 18 November 2016. 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 at 31 December 2016, the City of Stockholm Municipal Group had an external debt portfolio amounting to SEK 36,308.3 million (33,335.8). The external debt portfolio increased by SEK 2,972.5 million since

year-end. The net debt portfolio, i.e. gross debt minus investments, was SEK 36,289.1 million (31,628.7) for the Group, which is an increase of SEK 4,660.4 million. The increase in the debt portfolio is due to a continued high level of investment within the Municipal Group. The investments consist mainly of construction of housing and schools, as well as infrastructure projects.

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.

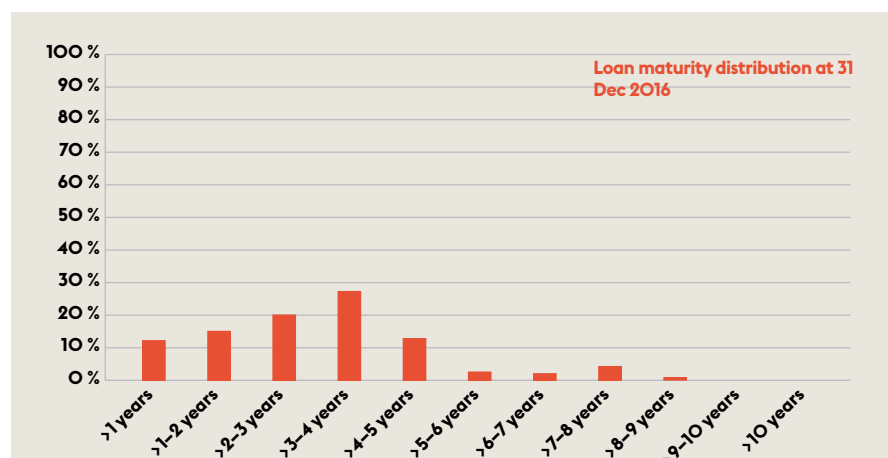
As at 31 December, currency and interest rate derivatives amounted to a total nominal gross amount of SEK 13,514.0 million

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 external debt portfolio in foreign currency, 19.4 percent, is converted to SEK 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 1.2 percent for 2016 and interest expenses for the year are SEK 402.6 million for the external debt portfolio. The average fixed-rate period for the external debt portfolio was 2.4 years (2.8) at 31 December.

The basis for sound loan planning is good forecasts of the Group's cash flows. The companies 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. In addition to loans via the market programmes, borrowing takes place from the European Investment Bank (EIB) and the Nordic Investment Bank (NIB). The utilised nominal amounts as at 31 December are set out in the table below.

The Municipal Group has extra financing backup in the form of an overdraft facility of SEK 4,000 million and a credit facility in the form of a SEK 5,000 million syndicated loan.

#### 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. 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 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	100	918
Medium term note, MTN, SEK million	10,000	1,200	1,200
Euro medium term note, EMTN, EUR million	8,000	2,899	26,600
<b>Other loan programmes</b>			
European Investment Bank, EIB, SEK million	5,700	4,749	4,749
Nordic Investment Bank, NIB, SEK million	3,000	2,000	2,000

# About the City

## Profit/loss for the year

Surplus as at 31 December, SEK million

	2016	2015	2014	2013	2012
Result of change in equity	4,643	1,924	3,450	3,444	3,037
Of which capital gains	4,426	1,426	1,912	987	768

The surplus for the year for the City amounted to SEK 4,643 million (1,924). Capital gains and sales of development properties constitute the largest part of the surplus, SEK 4,426 million. Sales of development properties took place primarily in Hagastaden, the Globen Area, Liljeholmen, Södermalm and Södra Hammarbyhamnen. A lower estimated tax base development provides a negative impact on the results for the final settlement in 2016. The general government grants the City received in 2015 for costs for refugee activities were period allocated to 2016 and affect the operating profit positively as do build bonuses received. The City's operations provide a surplus of more than SEK 700 million,

of which SEK 135 million pertains to the District Councils.

The surplus adjusted in accordance with the balanced budget requirement of the Local Government Act shows that the City meets the requirement as there is a surplus of SEK 4,225 million (1,560). According to the City's financing strategy, profits from the sale of development areas shall finance development activities. Profit for the year, when these gains are also deducted, amounted to SEK 217 million.

Of the budgeted dividend of SEK 1.0 billion in total from Stockholms Stadshus AB, SEK 500 million was repaid as per decision in the City Council.

## Reservation of equity

Surplus for the year amounted to SEK 4,643 million. There is a possibility to allocate part of the surplus without risking the City's long-term financial targets. The remaining reservation regarding IT investments is therefore extended from SEK 408.5 million to SEK 640 million in 2017. The IT investments have the character of a lasting value for the future. The reservation is distributed over the following projects:

IT investment	SEK million
Common IT platform (GSIT 2.0)	230
School platform	160
Group-wide accounting system (SUNE)	16
Upgrading e-service	15
Document management system E-dok	9
Free wifi network	5
Smart City	65
Social systems	40
Digital renewal	100
<b>Total</b>	<b>640</b>

## Operating income

Operating income amounts to SEK 11,977 million (10,271), an increase of SEK 1,707 million or 16.6 percent over the previous year. It is primarily the grants for refugee reception from the Swedish Migration Board that increased sharply by SEK 1,056 million. The government grants from the Swedish National Agency for Education have also increased; this applies to grants for the Teacher Salary Improvement and investments in after-school recreation centres and primary education. The revenues for the child care fees increased as the income ceiling for the maximum fee was indexed in 2016 while the government grant for the maximum fee as a result decreased. Parking fines decreased compared with the year-earlier period, while the income for parking and resident parking increased. Revenues for rents and site leaseholds increased by 1.9 percent during the year. It is the revenues for site leaseholds that have increased.

## Operating costs

Operating costs, excluding depreciation, amounted to SEK 51,887 million (48,350), an increase of SEK 3,537 million or 7.3 percent (5.9). The population increase slowed, but is still high, 12,103 people in the past year. Inflation has increased somewhat to 1.7 percent compared to December 2015, but is holding back cost increases. Some of the larger cost items are described below.

### Grants and transfers

The cost of grants and transfers amounts to SEK 2,249 million (2,193), an increase of 2.6 percent compared with the previous year. Financial assistance continues to drop and amounted to SEK 895 million (952). The number of households with financial assistance decreased by 3.0 percent in a 12-month perspective. Of the adult assistance recipients in December, 44 percent (44) were unemployed. Other grants have increased mainly due to grants for implementation of the Eurovision Song Contest.

### External providers

The cost of external providers amounts to SEK 18,733 billion (17,600), a cost increase of 6.4 percent (3.8 percent), meaning a higher rate of increase. In the operational area of care for the elderly and other education, 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, and infrastructure, half or more than half of the operations are placed with external contractors. In relation to the previous year, the percentage of operations done by external providers decreased for elderly care where operations were



PHOTO: LENNART JOHANSSON



City's equity/assets  
ratio amounted to

36%

Municipal Group's equity/assets  
ratio amounted to

53%

reincorporated. In individual and family care, an increase occurred in purchased operations. This is primarily related to the refugee activities. Children who choose to go to independent pre-schools and schools increased somewhat. More than a third of the City's total expenses are comprised of contractor expenses.

#### Consulting expenses

Expenses for consultants amounted to SEK 1,109 million (1,031), an increase of SEK 78 million or 7.6 percent (15.4). The rate of increase has slowed. The dominant consultant group is IT consultants. During the year, the City conducted several major digitisation projects, including a new procurement of joint IT services and an implementation of the school platform, an IT-based operating support in education and SUNE, introduction of a Group-wide accounting system.

#### Personnel costs

Personnel costs increased by 9.2 percent (6.3) in 2016. The number of full-time equivalents increased during the year by 2,052 or 5.0 percent. The major increase in full-time equivalents is attributable to operations reincorporated from external providers and increased operations as a result of a growing city. The average salary increase during the year amounted to 2.8 percent. The premium for the group sickness insurance agreement, which is included in personnel costs, was discontinued in 2016 as in 2015 due to positive returns on managed assets. The remaining decrease in the employer's contributions for young people was removed as of the month of June.

As a percentage, the operational area of individual and family care increased the most. The reception of refugees has entailed higher personnel costs, which were compensated with government grants. The elderly care operational area increased due to reincorporated operations from external providers. In the administration, personnel costs are increasing due in part to an effort in the chief guardian activities. In education, pre-school activities and school childcare,

the personnel costs increased as a result of a higher number of children.

Sick pay expenses increased by 12.7 percent (14.3) during the year. The increase was larger in the latter half of 2016. It is primarily the costs of long-term sickness absences that increase.

#### Items affecting comparability

The income affecting comparability amounted to SEK 4,902 million (1,874) and the costs affecting comparability amounted to SEK 1,050 million (377). The income pertains to sales, of which development revenues amounted to SEK 4,238 million and capital gains to SEK 418 million. In addition to this, there is SEK 246 million related to the dissolution of the provision for the Science for Life Laboratory, etc. The City's commitments are changing in the future which is why the provision is being dissolved. Costs affecting comparability consist of sold development properties' book value, which is expensed at sale, SEK 230 million (199). Consumption of a mortgage of equity made in the 2014 accounts, are recognised as items affecting comparability and total SEK 259 million. The funds have been used for IT costs including the development of the school platform.

A new provision is made in connection with the annual accounts. The provision related to the City's part in the construction of a new bus terminal at Slussen and amounted to SEK 533 million. The bus terminal will be owned by Stockholm County Council after completion.

The results from the burial activities of SEK 29 million were allocated to provisions.

#### Depreciation/amortisation

Depreciation for the year, including disposals, amounts to SEK 1,173 million (1,224), a decrease of SEK 51 million. Depreciation according to plan increased by 13 percent is due to a higher investment volume in recent years. In 2015, what was invested to-date in the Coordination Centre was disposed of, a

cost of SEK 157 million, which means that the depreciations in total decreased compared with the same period in 2015.

Implementation of component depreciation as of 2015 has meant that planned maintenance was moved from the income statement to the investing activities. Over time, this provides an increase in the depreciation, while the maintenance costs of 2015 decreased in the income statement.

#### Tax, government grants and equalisation compensation

Tax income for the year amounted to SEK 43,585 million (40,338), which is an increase of 8.0 percent. An increase of the tax rate by SEK 0.22 gave higher tax revenues in an amount of SEK 500 million. The final settlements for 2016 are forecast to be lower than budgeted due to a lower tax base growth and affect the outcome negatively in an amount of SEK 190 million.

The net for general government grants and equalisation amounted to SEK -2,375 million (-1,379) a cost increase of SEK 996 million. As of 2016, the equalisation ratio for income equalisation was raised from 60 to 85 percent of the county tax rate in the interval 115 to 125 percent of the average tax capacity, which sharply increased Stockholm's fee. The change is combined with an introduction grant to mitigate the effects of the change, SEK 344 percent in 2016. In 2015, a general government grant was paid for efforts for refugee reception. The grant was allocated to the period of 2016 and affects the year in an amount of SEK 336 million. Stockholm's government building bonus amounted to SEK 185 million.

#### 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 net financial income/expense amounted to SEK 662 million (772), of which a share dividend from dividends from Stockholms Stadshus AB amounted to SEK 500 million (500).

Net interest income for the City was positive, amounting to SEK 298 million (395). The City manages the Group's interest-based borrowing, including compensation for overheads. The low interest rates have entailed lower interest expenses despite higher borrowings. Since the companies' interest expense to the City follows the level of the interest expenses, the City's interest income has also decreased. The item financial income and expenses also presents the cost for hedging of the pension liability that amounts to SEK 122 million (79).





# 50%

Around half of the City's investment volume pertains to investments made with the aim of achieving the City Council goal of a high level of housing construction.

## Balance Sheet

The City's balance sheet total increased by SEK 5,307 million to SEK 138,734 million (133,427). The change is mainly from the City's investing activities, property, plant and equipment, and development properties increasing by SEK 4.2 billion, an increase that is self-financed and matched by an increase in equity. Borrowing and investment for the City's companies is administered by the City. The balance sheet total is normally mainly affected by changes in the companies lending. Net receivables from the companies increased by SEK 5.5 billion, but the largest change, SEK 3.7 billion, affects the city's debt side. In 2016, two of the City's companies borrowed from Stockholms Stadshus AB (SSAB) instead of directly from the City. The City's debt to SSAB is thereby decreased. The City replaces this with external loans and the balance sheet total is thereby not affected. Cash and cash equivalents of SEK 1,692 million were replaced by a bank overdraft facility of SEK 840 million.

## Assets

Non-current assets increased by SEK 3,837 million to total SEK 72,779 million (68,942). It is mainly property, plant and equipment that has increased, but purchases of tenant-owner apartments of SEK 95 million also increased the financial assets. Investments total SEK 5.8 billion, depreciation/amortisation and impairments to SEK 1.2 billion and the carrying amount for sales amounted to SEK 0.3 billion. The investment volume is more than SEK 800 million higher than the previous year. The dominant investment projects during the period on the infrastructure side were Slussen, the Värtapiren pier and the maintenance of square Sergels torg. In housing construction, Hagastaden took the most resources.

A SEK 419 million reclassification of development properties from non-current to 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. This investment income amounted to SEK 144 million (51).

## Current assets

Current assets increased by SEK 1,470 million to total SEK 65,955 million (64,485). The City's receivables from the Group increased by SEK 1,832 million. The City's bank balance at 31 December 2015 of SEK 1,692 million, was replaced in 2016 by a utilised bank overdraft facility. The cash and cash equivalents reduce the need for borrowing and the level is affected by the current interest rate. An increased receivable from the government of more than SEK 0.5 billion affects the increase of the current assets. It is mainly the receivable from the Swedish Migration Board that increased.

## Equity and liabilities

Equity increased by SEK 4,643 million to SEK 67,399 million (62,756). In the 2014 accounts, equity was mortgaged for future investments. Of the opening value of SEK 1,265 million, SEK 259 million was used during the year. The funds have been used for IT investments of which the largest amount is the school platform.

Non-current liabilities increased by SEK 4,343 million to SEK 32,019 million (27,676). Mainly promissory note 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 related to the City of Stockholm's commitment to the power supply project Stockholm Ström, were transferred to other provisions as there is uncertainty about the times of the disbursements.

Non-current liabilities decreased by SEK 5,380 million to SEK 25,051 million (30,431). The City's Group companies have bank overdraft facilities towards the City. As they have a positive balance, a current

liability arises for the City. This liability decreased by SEK 3,672 million during the period. The short-term certificate loans decreased while the City's bank overdraft facilities were utilised.

## 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. The equity/assets ratio was 36 percent (34). The change is affected by profits for the year. Equity amounted to SEK 677,399 million, equivalent to approximately SEK 72,125 per resident (SEK 53,518 including contingent liability).

## Pensions

Provisions for defined-benefit retirement pensions including special tax on pension costs are recognised in the balance sheet at a total of SEK 5,289 million. Pension provisions increased by SEK 354 million during the period. 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 pension provision earned up to and including 1997 constitutes a contingent liability and amounts to SEK 17,338 million (17,792), 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. The balance sheet therefore portrays a more positive picture of the financial position. In a calculation of the equity/assets ratio, this part of the liability is included, however. A continued decrease in the contingent liabilities according to the earlier trend is to be expected. Revised guidelines for the calculation of the pension liability were approved. They are applied as of 2017.

The accrued fees for defined-contribution retirement pensions and special tax on pension costs are recognised as current liabilities and amount to a total of SEK 867 million.

## Lease agreements

The value of the City's future commitments for operating leases amounts to SEK 6,418 million in the financial statements for 2016, of which 65 percent (SEK 4,179 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



PHOTO: SIMON GATE

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 normally 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 623 million in 2016.

## Sales

The City's sales income during the period amounted to SEK 4,752 million, which means a net gain for the City of SEK 4,426 million. The sales are mainly linked to development. The largest objects are in Hagastaden, the Globen area, Södermalm, Södra Hammarbyhamnen and Liljeholmen. Of the other property sales, a leasehold redemption in Riksby, land sale in Södra Hammarbyhamnen and a leasehold redemption of single-family homes pertain to the largest elements.

## Swedish Municipal Housing Companies Act

The Swedish Municipal Housing Companies Act 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 include measures that promote integration and social cohesion. During the years 2012-2014, the City received additional dividends totalling SEK 3,020 million for this purpose. The dividend was earmarked for projects in prioritised areas in the suburbs. During the year, SEK 192 million was utilised.

## Contingent liabilities and guarantees

The City's commitments regarding contingent liabilities and guarantees amount to SEK 428 million, a reduction of SEK 202 million. The decrease is mainly due to Stockholms Kooperativa Bostadsförening (SKB) redeeming its loans in April. The association chose a different financing form that does not use the City's guarantor commitment for loans. The guarantees refer partly to non-profit organisations, as well as foundations and companies. The City has also guaranteed a small part of 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.

## Cash-flow statement

Total cash flow is negative and amounts to SEK 2,533 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. At the end of the period, the City has utilised its bank overdraft facilities.

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 3,310 million (1,936). A high surplus in 2016 yields a higher cash flow from operations.

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 total change is negative, SEK -8,964 million, of which a higher net receivable from the companies accounts for SEK -5,503 million. The companies made major investments during the year, which increased the need for borrowing. Reduced short-term loans also affect the change.

Cash flow from the City's investing activities is negative, SEK 1,003 million, due to the increased investment volume of SEK 5.8 billion. Sales of development properties kept



the negative cash flow down. Payment of contributions to state infrastructure impacted the cash flow by SEK -224 million.

The City has increased its non-current liabilities to cover the companies' borrowing requirements, SEK 4,348 million net. The City's interest-bearing net assets increased by SEK 0.7 billion depending on the extensive sales during the year.

### Investments in the City

The City's investment expenses in 2016 amounted to SEK 5,759 million, which is SEK 836 million higher than the preceding year. Investment income for the year amounted to SEK 144 million (51). A number of major investment projects are under way, of which the largest during the year were Slussen, Hagastaden, Värtapiren and Sergels torg.

The City's investment in housing construction is continuing. Around half of the investment volume pertains to investments made with the aim of achieving the City Council goal of a high level of housing construction.

Around one third of the City's investment volume pertains to investments in infrastructure. The City's largest infrastructure project is the demolition and reconstruction of Slussen.

The renovation of Sergels torg's sealing layer and several reinvestment programmes are under way with the aim of ensuring the function of the City's infrastructure. Of the City's investment volume, just over half is comprised of reinvestments. In the scope of the City's cycling investments, known as the "Cycling Billion", infrastructure work is being done on the network of bicycle

Major projects with implementation decisions under way during the year (net expenses, SEK million)

Project name	Refers to	Total budget	Out-come to end of 2015	Budget 2016	Out-come 2016	Deviation 2016
Hagastaden	Housing	10,425.1	3,751.2	477.1	465.7	+11.4
Värtapiren	Housing	2,185.0	1,844.8	361.4	488.1	-126.7
Albano	Housing	168.0	67.5	70.8	62.7	+8.1
Hjorthagen, Brofästet	Housing	258.0	51.2	72.4	64.3	+8.1
Värtahamnen port entrance	Housing	890.0	19.3	66.0	44.5	+21.5
Rosenlundsparken	Housing	72.5	24.9	44.2	41.5	+2.7
Bryggvägen	Housing	48.0	9.1	43.3	43.1	+0.2
Hjorthagen, Västra	Housing	614.5	395.9	77.9	48.5	+29.4
Åkeshov swimming pool and sports hall	Sports	528.0	103.3	212.0	147.5	+64.5
Slussen	Infrastructure	9,930.6	1,964.2	725.0	671.5	+53.5
Sergels torg, sealing layer including Spårväg City	Infrastructure	1,488.0	501.7	257.0	259.4	-2.4
Västberga Allé, bridge replacement	Infrastructure	197.0	47.4	83.0	134.9	-51.9
Bicycle plan, expansion of commuter paths	Infrastructure	1,437.3	386.7	212.1	94.9	+117.2
Liljevalch's renovation/conversion	Culture	256.0	20.8	102.0	63.6	+38.4
Östermalmshallen upgrade	Commercial premises	635.0	181.9	130.2	157.5	-27.3
Gasverket	Commercial premises	605.0	176.7	139.2	100.4	+38.8

paths. The project comprises the prioritised measures on the commuter routes.

The table above presents a number of major projects with implementation decisions that have been under way during the year (net expenses, SEK million).

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. In a forecast deviation of more than 15 percent, a revised decision is necessary in accordance with the investment strategy.

### Co-financing

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. During



PHOTO: MAMMI LI





In order to make pressing investments in road and rail traffic in Stockholm, the City is a co-financier of a number of major state infrastructure projects, including the Citybanan commuter rail line and the expansion of the Metro.

the year, the City paid SEK 224 million in co-financing for the government infrastructure projects the Citybanan commuter rail line, the co-financing of the Metro expansion and measures in the National City Park. Of the disbursements, the majority, SEK 120 million, pertains to the Metro expansion. At present, new negotiations are under way for further infrastructure projects in the scope of the so-called Sweden Negotiations.

### 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.

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. All lending and borrowing to and by the City's companies take place through the City's internal bank. All companies are offered loans and investments on terms equivalent to the Municipal Group's external financing



PHOTO: LIESLOTTE VAN DER MEUS

cost with a margin for any compensation for overheads. No capital injections, straight loans or loss-covering grants are provided.

### Limited deductions for intra-Group interest

At the end of 2012, the Swedish Parliament decided on further restrictions to deductions for intra-Group interest payments for the main purpose of preventing capital flight abroad with tax planning. The Swedish Tax Agency subsequently issued written opinions with its assessment of the interpretation of these restrictions. Since the decision in 2012, the City of Stockholm and the Group have sought a decision on how the City's companies should relate to the Swedish Tax Agency's interpretation. In March 2015, the Swedish Tax Agency provided its answer regarding deductions of intra-Group loans for income year 2014 for two of the Group's companies. In its response, the Swedish Tax Agency believes that the City's companies are not entitled to tax deductions for interest expenses on loans from its owner the City of Stockholm.

In the Group's accounts for 2014 and 2015,

the interest expenses were deemed to be fully deductible. As in earlier years, the City's companies claimed the interest expenses in the earlier years' income tax returns that pertained to the income years 2014 and 2015. At the end of December, the Swedish Tax Agency made a final review decision for the 2014 income year. The decision means that a limited part of the external interest is considered to be deductible. Taken together, the Swedish Tax Agency's decision entails a higher tax expense for the Group of around SEK 150 million for the 2014 income year. The costs will be charged to the accounts for 2016. There is not yet any decision from the Swedish Tax Agency for the 2015 and 2016 income years. Affected companies will, however, reserve funds for the income years 2015 and 2016 in the 2016 accounts as per agreement with the auditors. For the Group, this means a combined tax expense of around SEK 350 million in the 2016 accounts.

Stockholms Stadshus AB wants to have a legal review of the Swedish Tax Agency's review decision for the 2014 income year and the decision will therefore be appealed.

# Annual Financial Statements

Income Statement		The City			Municipal Group	
SEK million	Note	31 Dec 2016	31 Dec 2015	2016 Budget	31 Dec 2016	31 Dec 2015
Operating income	1	11,977.5	10,270.7	7,440.4	22,954.2	21,706.5
Income affecting comparability	2	4,901.7	1,873.8	0.0	5,031.1	1,873.8
Operating costs	3	-51,886.7	-48,349.8	-48,342.3	-57,588.7	-54,931.1
Costs affecting comparability	4	-1,049.7	-377.0	0.0	-1,064.6	-430.3
Depreciation/amortisation	5	-1,172.9	-1,223.9	-1,063.6	-4,637.8	-4,095.9
<b>Net operating costs</b>		<b>-37,230.1</b>	<b>-37,806.2</b>	<b>-41,965.5</b>	<b>-35,305.8</b>	<b>-35,877.1</b>
Tax income	6	43,585.3	40,337.8	43,710.5	43,585.3	40,337.8
General government grants and equalisation	7	-2,374.6	-1,379.2	-2,836.6	-2,374.6	-1,379.2
Profit from participations in associated companies	8	-	-	-	595.4	437.9
Financial income	9	1,315.1	1,579.9	1,991.7	27.1	18.0
Financial expenses	10	-652.8	-808.4	-900.0	-553.0	-599.9
<b>Surplus after tax and net financial income/expense</b>		<b>4,642.9</b>	<b>1,924.0</b>	<b>0.1</b>	<b>5,974.4</b>	<b>2,937.5</b>
Tax	11	-	-	-	-566.7	-325.6
Non-controlling share in surplus for the year		-	-	-	-1.2	-5.6
<b>Surplus for the year</b>		<b>4,642.9</b>	<b>1,924.0</b>	<b>0.1</b>	<b>5,406.5</b>	<b>2,606.3</b>
Less income affecting comparability	12	-417.7	-364.1	0.0	-	-
<b>Surplus for the year after balance requirement adjustments</b>		<b>4,225.2</b>	<b>1,559.9</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
<b>Balance requirement result for the year</b>		<b>4,225.2</b>	<b>1,559.9</b>	<b>0.1</b>	<b>-</b>	<b>-</b>

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



## Balance Sheet

		The City		Municipal Group	
SEK million	Note	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>Assets</b>					
<b>Intangible assets</b>					
Intangible assets	13	-	-	84.1	78.0
<b>Total intangible assets</b>		-	-	<b>84.1</b>	<b>78.0</b>
<b>Property, plant and equipment</b>					
Land, buildings and plant	14	49,518.3	45,945.7	130,357.3	121,273.3
Machinery and equipment	15	686.0	581.4	7,879.3	7,209.4
Construction, extension and conversion work in progress	16	18,566.9	18,501.1	32,979.5	32,393.1
<b>Total property, plant and equipment</b>		<b>68,771.1</b>	<b>65,028.2</b>	<b>171,216.0</b>	<b>160,875.8</b>
<b>Financial assets</b>					
Shares and participations	17	3,989.5	3,894.8	2,734.4	2,637.7
Proportion of equity in associates	18	-	-	5,747.7	5,221.3
Non-current receivables	19	18.4	19.2	52.7	281.4
<b>Total financial assets</b>		<b>4,007.9</b>	<b>3,914.0</b>	<b>8,534.8</b>	<b>8,140.4</b>
<b>Total non-current assets</b>		<b>72,779.0</b>	<b>68,942.2</b>	<b>179,834.9</b>	<b>169,094.2</b>
<b>Current assets</b>					
Development properties	20	1,878.5	1,460.0	1,878.5	1,460.0
Inventories and work in progress	21	9.5	4.4	42.1	35.7
Current receivables	22	64,038.9	61,293.2	5,389.9	4,844.6
Investments in securities, etc.	23	22.6	28.9	205.2	28.9
Cash and bank balances	24	5.9	1,698.6	73.6	1,960.8
<b>Total current assets</b>		<b>65,955.5</b>	<b>64,485.0</b>	<b>7,589.3</b>	<b>8,329.8</b>
<b>Total assets</b>		<b>138,734.5</b>	<b>133,427.2</b>	<b>187,424.1</b>	<b>177,424.1</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	25, 26				
Surplus for the year as per the income statement		4,642.9	1,924.0	5,406.5	2,606.3
Adjustment equity		0.0	169.0	-41.3	151.4
Other equity		62,756.2	60,663.2	111,904.4	109,146.7
<b>Total equity</b>		<b>67,399.0</b>	<b>62,756.2</b>	<b>117,269.5</b>	<b>111,904.4</b>
<b>Provisions</b>					
Pensions and similar commitments	27	5,643.0	5,289.2	7,694.5	7,236.0
Deferred tax liabilities				1,410.8	1,896.6
Other provisions	28	8,622.4	7,275.2	8,745.9	7,466.0
<b>Total provisions</b>		<b>14,265.4</b>	<b>12,564.5</b>	<b>17,851.2</b>	<b>16,598.6</b>
<b>Non-controlling interest in equity</b>				<b>47.2</b>	<b>46.0</b>
<b>Other non-current liabilities</b>					
Bond loans	29	24,965.5	23,599.2	24,965.5	23,599.2
Promissory note loan	30	6,749.0	3,250.0	6,749.0	3,250.0
Other non-current liabilities	31	304.6	826.4	344.7	845.3
<b>Total non-current liabilities</b>		<b>32,019.1</b>	<b>27,675.6</b>	<b>32,059.2</b>	<b>27,694.5</b>
<b>Current liabilities</b>					
Current liabilities	32	20,212.4	23,695.8	15,358.4	14,445.4
Short-term loans	33	4,838.7	6,735.1	4,838.7	6,735.1
<b>Total current liabilities</b>		<b>25,051.0</b>	<b>30,430.9</b>	<b>20,197.0</b>	<b>21,180.5</b>
<b>Total equity and liabilities</b>		<b>138,734.5</b>	<b>133,427.2</b>	<b>187,424.1</b>	<b>177,424.1</b>
Contingent liabilities and guarantees	34	428.4	630.2	460.8	748.2
Pension liability, contingent liability, incl. salary tax	35	17,338.0	17,791.7	17,338.0	17,791.7
Derivative instruments; market value	36	-254.3	-510.0	-254.3	-510.0
Leases, operating leases, paid	37	6,418.2	6,588.0	4,159.1	2,613.5
Leases, operating leases, received	37	-	-	14,097.4	13,712.1
Additional dividend 2012, Section 5:1 Public Municipal Housing Companies Act remains	38	266.7	321.9		
Additional dividend 2013, Section 5:1 Public Municipal Housing Companies Act remains		1,540.2	1,661.9		
Additional dividend 2014, Section 5:1 Public Municipal Housing Companies Act remains		295.6	310.8		

Cash-flow statement		The City		Municipal Group	
SEK million	Note	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>Operating activities</b>					
Profit/loss for the year		4,642.9	1,924.0	5,406.5	2,606.3
Reversal of capital gains/losses	39	-4,425.9	-1,425.8	-4,381.5	-1,575.1
Adjustment for non-cash items	40	3,093.4	1,469.4	5,994.5	3,495.7
Decrease in provisions due to payments	41	0.0	-31.5	0.0	-31.5
<b>Funds from operations before change in working capital</b>		<b>3,310.4</b>	<b>1,936.1</b>	<b>7,019.4</b>	<b>4,495.5</b>
Increase/decrease in current receivables	42	-2,739.5	-7,577.1	-904.7	396.1
Increase/decrease in stocks and inventories		-5.1	2.8	-6.4	1.1
Increase/decrease in current liabilities	43	-6,219.9	2,169.5	-1,883.8	899.8
<b>Cash flow from operating activities</b>		<b>-5,654.0</b>	<b>-3,468.7</b>	<b>4,224.5</b>	<b>5,792.5</b>
<b>Payment of contributions to state infrastructure*</b>					
<b>Payment of contributions to state infrastructure</b>		<b>-224.2</b>	<b>-741.8</b>	<b>-224.2</b>	<b>-741.8</b>
<b>Investing activities</b>					
Investment in intangible assets	44	-	-	-23.7	-21.3
Investment in property, plant and equipment	45	-5,661.0	-4,917.6	-15,474.9	-15,456.6
Sale of property, plant and equipment	46	4,752.5	1,661.6	4,726.9	1,891.3
Investment in financial assets	47	-94.7	-14.1	-96.7	-47.4
Sale of financial assets	48	0.0	0.0	0.0	3.6
<b>Cash flow from investing activities</b>		<b>-1,003.2</b>	<b>-3,270.1</b>	<b>-10,868.4</b>	<b>-13,630.4</b>
<b>Financing activities</b>					
Newly raised loans		7,717.8	10,751.1	7,717.8	10,751.1
Repayment of non-current liabilities		-2,950.1	-4,119.1	-2,963.5	-4,119.1
Increase/decrease of non-current liabilities	49	-419.7	2,237.5	-420.3	2,963.3
Increase/decrease of non-current receivables		0.8	0.8	-193.1	413.4
<b>Cash flow from financing activities</b>		<b>4,348.8</b>	<b>8,870.3</b>	<b>4,140.9</b>	<b>10,008.7</b>
<b>Cash flow for the year</b>		<b>-2,532.6</b>	<b>1,389.7</b>	<b>-2,727.1</b>	<b>1,429.0</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,698.6</b>	<b>308.8</b>	<b>1,960.8</b>	<b>531.8</b>
<b>Cash and cash equivalents at period-end</b>	<b>50</b>	<b>-834.1</b>	<b>1,698.6</b>	<b>-766.4</b>	<b>1,960.8</b>
Interest-bearing net assets/liability		12,814.9	12,080.2	-29,324.8	-22,379.0
Interest-bearing net assets/liabilities at beginning of the year		12,080.2	13,197.1	-22,379.0	-16,121.8
Interest-bearing net assets/liabilities at period-end		12,814.9	12,080.2	-29,324.8	-22,379.0

\*See Note 41, grants for government infrastructure are broken out from the reduction of the provision and recognised separately.

# 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 land and art objects, for example, are written off without depreciation being carried out. Component depreciation is applied as of 2015. Component division is made in calculation and capitalisation. No requirements exist for component division during the construction period. Component division is done based on natural components where the replacement period/maintenance period is crucial to what is counted as natural. In the replacement of components, the earlier component is normally presumed to be finally depreciated and no disposal is made. Clear exceptions to the rule are, for example, the replacement of lifts. If the replacement of the component is done after a time interval that substantially differs from the useful life, disposal shall be applied. Once a year, zeroed and replaced components are disposed of. The City has obtained guidance from the RKR paper on impairment when it comes to assessing the useful life of assets.

## 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.

*The time of capitalisation for an asset.* An asset is normally capitalised and begins to depreciate when it is brought into use. Unless all expenses have been received or possible to estimate with reasonable certainty, the capitalisation period may be postponed by a maximum of six months.

*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 2016, 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. 13.2 2013, "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.

## 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 and 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 2016.

## 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. 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

Gains and losses and non-recurring items that are not part of the normal operation are recognised as items affecting comparability. This includes the sale of development properties, which as of the 2014 financial year are recognised gross according to applicable regulations, book value as cost and sales income as income. As per City Council decision in 2014, a mortgage was made of equity for various measures. The City has chosen to recognise the above items as items affecting comparability if they amount to at least SEK 0.1 million.

## 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. In the event of provisions, direct income recognition is applied. The items are recognised as items affecting comparability.



## 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 minor. Changes according to the recommendation on Separate collective agreement occupational pensions and temporary pensions are made and affect the contingent liabilities, but not liability. Commitments regarding latent survivor's pension are taken up in liabilities and contingent liabilities as of 2015.

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 and for affected age groups AKAP-KL.

## 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. As of 2016, two companies have their debt to Stockholms Stadshus AB instead of directly to the City.

## Consolidated accounting

### General information

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 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 recommen-

dations 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.

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, 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 the compiled accounting, there are jointly owned companies that are not consolidated proportionally, but rather consolidated with the equity method where AB Fortum Värme Holding co-owned with the City represents the largest value. The deviation from using the proportional consolidation method for Fortum is made in reference to it providing a more accurate picture of the holding since the City does not have a controlling influence and since the operations in the jointly owned company are of a commercial nature. For other companies, see Note 18, the justification is that the surplus and balance sheet total are not of a material size. The fact that the equity method is applied instead of proportional consolidation has no impact on the surplus for the year, but affects the operating income by SEK -3,734 million, operating costs by SEK 3,139 million and the balance sheet total by SEK -9,077 million.



PHOTO: LENNART JOHANSSON

# 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. Capitalised assets are only intended to be divested in exceptional cases. This affects construction, extension and conversion work in progress, which is not capitalised. The part of these developed assets, which is intended for sale, is booked

as a current asset at the end of the period. Upon sales, book value is recognised gross as a cost and the sales consideration.

## Investment income

RKR recommendation 18 regarding income from fees, grants and sales has been applied from 2010.

## 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 is used for supplementary investments where the supplementary investment is depreciated at the same date as the original investment. No depreciation is applied to land and art.
- ▶ **Provisions** are legal 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.
- ▶ **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. Section 4). 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.
- ▶ **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 only contain items external for the City.
- ▶ **Euro Commercial Paper (ECP)** are certificates with durations of up to one year and can be issued in several different currencies.
- ▶ **Euro Medium Term Notes (EMTN)** are promissory notes in the form of bonds with maturities over year. These notes can be issued in several different currencies.
- ▶ **Obligation** – a commitment originating from a contract, legislation or other legal basis.
- ▶ **The cash flow statement** shows inbound and outbound payments for the City's various operations. The sum of these payments 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.

# Notes to the income statement

INTERNAL ITEMS ARE ELIMINATED.

<b>NOTE 1 Operating income</b>		<b>The City</b>		<b>Municipal Group</b>	
SEK million		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Tariffs, fees, etc.		4,732.8	4,313.0	8,422.9	8,638.6
Rents, site leaseholds		4,061.0	3,986.0	11,293.2	11,031.7
Government grants		3,152.3	1,960.7	3,206.8	2,025.3
EU grants		31.3	11.0	31.3	11.0
<b>Total operating income</b>		<b>11,977.5</b>	<b>10,270.7</b>	<b>22,954.2</b>	<b>21,706.5</b>

<b>NOTE 2 Income affecting comparability</b>		<b>The City</b>		<b>Municipal Group</b>	
SEK million		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Refund of insurance agreement premiums 2004 (AGS-KL, AVBF-KL)		0.0	249.2	0.0	249.2
Capital gains from sales		417.7	114.9	388.2	114.9
Sale of development properties*		4,238.1	1,509.7	4,238.1	1,509.7
Adjustment in capital gains, preceding years		0.0	0.0	158.9	0.0
Released provision, SCILIFELAB, etc.		245.9	0.0	245.9	0.0
<b>Total income affecting comparability</b>		<b>4,901.7</b>	<b>1,873.8</b>	<b>5,031.1</b>	<b>1,873.8</b>

\* Sales of development properties are recognised gross.

<b>NOTE 3 Operating costs</b>		<b>The City</b>		<b>Municipal Group</b>	
SEK million		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Materials and services purchased, etc.		-9,230.0	-8,653.5	-12,726.7	-13,139.0
Housing allowance, financial assistance and other support		-2,249.1	-2,193.0	-2,249.1	-2,193.0
of which maintenance/income assistance		-895.4	-952.4	-895.4	-952.4
Contracts and purchase of operations		-18,732.6	-17,599.6	-18,732.6	-17,599.6
Salaries*		-14,769.7	-13,583.1	-16,194.9	-14,956.9
Employer contributions and insurance agreements		-4,578.3	-4,128.6	-5,037.3	-4,624.9
Pension expenses**		-2,174.2	-2,040.2	-2,402.4	-2,197.2
of which payment of pensions		-858.3	-844.8	-	-
of which pension fees		-697.5	-650.3	-	-
of which occupational pension insurance fees		-8.0	-0.7	-	-
of which special employer's contribution		-379.0	-384.7	-	-
of which changes in pension provision incl. employer's contribution		-231.5	-159.6	-	-
Other personnel costs		-152.8	-151.8	-245.9	-220.5
<b>Total operating costs</b>		<b>-51,886.7</b>	<b>-48,349.8</b>	<b>-57,588.7</b>	<b>-54,931.1</b>

\* 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.



<b>NOTE 4 Costs affecting comparability</b>				
	<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Book value, sale of development properties****	-229.9	-198.7	-229.9	-198.7
Capital losses from sales	0.0	-0.1	-14.9	-53.5
Provision made for infrastructure and burial operations*****	-561.0	-10.2	-561.0	-10.2
<b>Notations claimed according to the 2014 accounts.</b>				
<b>Other notations reversed in 2014</b>				
Järva improvement, Söderort vision, Hässelby-Vällingby***	0.0	-8.8	0.0	-8.8
IT costs*	-258.8	-97.8	-258.8	-97.8
of which procurement of a new accounting system (SUNE)*	-26.8	-44.7	-26.8	-44.7
of which school platform*	-159.5	0.0	-159.5	0.0
of which digital renewal and e-services*	0.0	-45.4	0.0	-45.4
of which eDoc project*	-24.1	-7.6	-24.1	-7.6
of which GS-IT*	-48.4	0.0	-48.4	0.0
Stimulus grant**	0.0	-61.3	0.0	-61.3
of which expansion for childcare**	0.0	-52.8	0.0	-52.8
of which expansion for disabled**	0.0	-8.5	0.0	-8.5
<b>Total costs affecting comparability</b>	<b>-1,049.7</b>	<b>-377.0</b>	<b>-1,064.6</b>	<b>-430.3</b>

\* All mortgages in equity are eliminated in the 2014 accounts and replaced by new.  
\*\* Provisions for stimulus grants were reversed in the 2014 accounts and replaced by a mortgage of equity in 2015 to be resolved in the 2015 financial statements.  
\*\*\* Notation regarding the Järva Improvement, Söderort Vision Hässelby-Vällingby dissolved in 2015 accounts.  
\*\*\*\* Sales of development properties are recognised gross as of 2014.  
\*\*\*\*\* The Slussen bus terminal SEK 532.5 million; Burial operations SEK 28.5 million

<b>NOTE 5 Depreciation/amortisation*</b>				
	<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Amortisation, tenancy rights and intangible assets (20-33%)	-	-	-18.2	-19.3
Depreciation, buildings and plant (1.4-33%)	-997.3	-876.9	-3,899.1	-3,311.1
Depreciation, machinery and equipment (2-33%)	-168.5	-155.1	-539.6	-521.0
<b>Total depreciation/amortisation according to plan</b>	<b>-1,165.8</b>	<b>-1,032.1</b>	<b>-4,456.9</b>	<b>-3,851.4</b>
Impairment losses	0.0	0.0	-137.9	0.0
Provision for future impairment requirements	0.0	0.0	-55.0	-60.0
Impairment reversal	0.0	0.0	25.0	7.3
Disposals**	-7.1	-191.8	-13.0	-191.8
<b>Total depreciation/amortisation</b>	<b>-1,172.9</b>	<b>-1,223.9</b>	<b>-4,637.8</b>	<b>-4,095.9</b>

\* Component depreciation is done as of 2015 for all assets.  
\*\* Year 2015: SEK 157.4 million pertains to the disposal of expenses paid on Park 1, Coordination Centre.

<b>NOTE 6 Tax income</b>				
	<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Preliminary tax income for the year	43,547.9	40,182.4	43,547.9	40,182.4
Adjustment of forecast final tax settlement for 2014/2013	3.3	1.9	3.3	1.9
Adjustment of forecast final tax settlement for 2015/2014	38.3	-69.0	38.3	-69.0
Forecast final tax settlement for 2016/2015	-190.2	39.2	-190.2	39.2
Burial fees	186.1	172.5	186.1	172.5
Inter-municipal cost equalisation	0.0	10.8	0.0	10.8
<b>Total tax receipts</b>	<b>43,585.3</b>	<b>40,337.8</b>	<b>43,585.3</b>	<b>40,337.8</b>

**NOTE 7 General government grants and equalisation****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Introduction grant	344.3	180.7	344.3	180.7
General government grants*	520.6	96.7	520.6	96.7
Municipal property fee	1,122.6	1,098.1	1,122.6	1,098.1
<b>Total general government grants and equalisation</b>	<b>1,987.5</b>	<b>1,375.5</b>	<b>1,987.5</b>	<b>1,375.5</b>
<b>Fees in the equalisation system</b>				
Income equalisation fee	-2,961.5	-1,608.6	-2,961.5	-1,608.6
Settlement fee	-31.6	-35.3	-31.6	-35.3
Cost equalisation fee	-299.1	-115.0	-299.1	-115.0
LSS equalisation fee	-1,069.9	-995.8	-1,069.9	-995.8
<b>Total fees in equalisation system</b>	<b>-4,362.1</b>	<b>-2,754.7</b>	<b>-4,362.1</b>	<b>-2,754.7</b>
<b>Total general government grants and equalisation</b>	<b>-2,374.6</b>	<b>-1,379.2</b>	<b>-2,374.6</b>	<b>-1,379.2</b>

\* Of which stimulus for new construction SEK 185 million, Government grants refugee reception from 2015, SEK 335.6 million

**NOTE 8 Profit/loss from participations in associated companies****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015
<b>Profit/loss from participations in associated companies is included in the Municipal Group as follows:</b>		
AB Fortum Värme Holding samägt med Stockholms stad	579.7	435.5
Mässfastigheter i Stockholm AB	15.5	1.9
Sydvästra Stockholmsregionens VA-verks AB, SYVAB	0.2	0.5
<b>Total Profit/loss from participations in associated companies</b>	<b>595.4</b>	<b>437.9</b>
<b>As AB Fortum Värme Holding represents the largest value of the proportion of equity, the associated company's income statement is presented in abbreviated form below*</b>		
Income statement Fortum Värme Holding AB		
Revenues	6,703.4	6,275.8
Costs	-5,126.9	-4,636.2
Financial income	2.4	1.6
Financial expenses	-110.5	-518.9
Tax	-309.6	-254.6
Minority interest in the period's earnings	0.7	3.3
<b>Profit/loss for the year</b>	<b>1,159.5</b>	<b>871.0</b>

\* The income statement above is prepared according to the K3 regulations while the official report the company presents is prepared according to IFRS.

**NOTE 9 Financial income\*****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Interest	802.7	1,073.1	13.4	11.0
Other financial income	12.3	6.7	13.6	7.0
Share dividend	500.1	500.1	0.0	0.0
of which Stockholm Stadshus AB	500.0	500.0	-	-
of which Söderhalls renhållningsverk AB	0.1	0.1	-	-
<b>Total financial income</b>	<b>1,315.1</b>	<b>1,579.9</b>	<b>27.1</b>	<b>18.0</b>

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

<b>NOTE 10 Financial expenses</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Interest rates, cash and cash equivalents and investments*		-505.1	-678.6	-404.6	-469.4
Interest component pension provision change		-122.3	-78.8	-122.3	-78.8
Other financial expenses		-25.4	-51.0	-26.1	-51.8
<b>Total financial expenses</b>		<b>-652.8</b>	<b>-808.4</b>	<b>-553.0</b>	<b>-599.9</b>
<b>Average interest rate</b>					
Average interest rate of external debt portfolio with derivatives (%)		1.19	1.77	1.19	1.77
Average interest rate of external debt portfolio without derivatives (%)		0.97	1.41	0.97	1.41
<b>Average fixed-rate period</b>					
Average fixed-rate period of external debt portfolio with derivatives, years		2.60	2.80	2.60	2.80
Average fixed-rate period of external debt portfolio without derivatives, years		1.80	1.70	1.80	1.70

\* Interest expenses are recognised including net interest and currency swaps, in accordance with RKR21. Also see Note 36 Derivative instruments.

The interest expense for the year for the external debt portfolio (excluding the Group and SSBF) is SEK 402.6 million including derivatives, and SEK 336.3 million excluding derivatives.

<b>NOTE 11 Tax</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Current tax		-	-	-468.0	-398.8
Deferred tax		-	-	224.2	73.3
Tax attributable to interest deduction limitation		-	-	-322.9	0.0
<b>Total tax</b>		<b>-</b>	<b>-</b>	<b>-566.7</b>	<b>-325.5</b>

<b>NOTE 12 Income affecting comparability deducted in the balance requirement investigation</b>		<b>The City</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Refund of insurance agreement premiums 2004 (AGS-KL, AVBF-KL)			-249.2
Capital gains		-417.7	-114.9
<b>Total income affecting comparability deducted</b>		<b>-417.7</b>	<b>-364.1</b>

## Notes to the balance sheet

INTERNAL ITEMS ARE ELIMINATED.

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

<b>NOTE 13 Intangible assets</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Opening intangible assets, 1 January		-	-	236.5	217.7
New investments for the year		-	-	23.7	21.3
Sales		-	-	0.0	-2.5
Reclassification		-	-	1.5	0.0
Disposals		-	-	-24.3	0.0
<b>Total cost, intangible assets</b>		<b>-</b>	<b>-</b>	<b>237.4</b>	<b>236.5</b>
Opening depreciation, 1 January		-	-	-157.4	-140.6
Depreciation for the year		-	-	-18.2	-19.3
Impairment losses for the year		-	-	0.0	2.5
Reclassification		-	-	-1.0	0.0
Disposals		-	-	24.3	0.0
<b>Total amortisation, intangible assets</b>		<b>-</b>	<b>-</b>	<b>-152.2</b>	<b>-157.4</b>
Opening impairment losses, 1 January		-	-	-1.1	-1.1
Impairment losses for the year		-	-	0.0	0.0
Total closing impairment losses		-	-	-1.1	-1.1
<b>Total intangible assets</b>		<b>-</b>	<b>-</b>	<b>84.1</b>	<b>78.0</b>
<b>Depreciation periods</b>				<b>3-10 years</b>	<b>3-10 years</b>



**NOTE 14 Land, buildings and plant**

	<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Opening cost land, buildings and plant, 1 January	53,861.2	61,681.1	165,369.4	166,411.1
Acquisitions for the year	4,681.9	4,549.9	4,899.8	5,880.5
Sales for the year	-101.7	-62.4	-136.6	-216.3
Disposals for the year, cost	-30.9	-219.4	-91.3	-219.4
Correction MFO / Effect of change of accounting principle*	-	169.0	0.0	169.0
Reversals for the year from construction, extension and conversion work**	0.0	-12,256.9	0.0	0.0
Reclassification	0.0	0.0	8,107.6	0.0
Reversal for year to current assets/reclassifications	-8.5	0.0	-8.5	-6,655.5
Expensed investments for the year	0.0	0.0	-0.2	0.0
Adjustments to cost attributable to sales in preceding years	0.0	0.0	158.9	0.0
<b>Total closing cost</b>	<b>58,402.0</b>	<b>53,861.2</b>	<b>178,299.0</b>	<b>165,369.4</b>
Opening depreciation	-7,915.6	-7,074.1	-36,553.1	-32,888.9
Depreciation/amortisation for the year according to plan	-997.3	-876.9	-3,899.1	-3,502.9
Acquired accumulated depreciation/amortisation for the year	0.0	0.0	0.0	-233.6
Depreciation for the year, sales	5.1	7.8	34.9	102.2
Depreciation for the year, disposals	24.0	27.6	83.6	27.6
Reclassification	0.0	0.0	-3.8	-57.5
<b>Total closing depreciation/amortisation</b>	<b>-8,883.7</b>	<b>-7,915.6</b>	<b>-40,337.5</b>	<b>-36,553.1</b>
Opening impairment losses	0.0	0.0	-7,543.0	-7,550.3
Impairment losses for the year	0.0	0.0	-102.9	-16.0
Reversed impairment losses for the year	0.0	0.0	25.0	23.3
Reclassification	0.0	0.0	16.7	0.0
<b>Total closing impairment losses</b>	<b>0.0</b>	<b>0.0</b>	<b>-7,604.2</b>	<b>-7,543.0</b>
<b>Total land, buildings and plant</b>	<b>49,518.3</b>	<b>45,945.7</b>	<b>130,357.3</b>	<b>121,273.3</b>
Depreciation periods	3-70 years	3-70 years	3-70 years	3-70 years

*Investment; One price base amount, useful life 3 years or more. RKR recommendation 19 regarding impairments has been applied As of 2015, component division and component depreciation are applied to the City's investments.*

\* A correction was made by a crediting of the City's assets in connection with the incorporation of MFO in 2000. The correction has come forth in a total review of the fixed asset subledger in the transition to a new fixed asset module.

\*\* SEK 10.5 billion was moved from the non-current asset account to construction, conversion and extension in 2015 in connection with the Development Committee's fixed asset register ALF being moved to the new fixed asset module in the financial system Agresso. Standard capitalisations were previously applied in the transfer of value for assets from ALF to the general ledger. The change means that the general ledger continues to reflect the fixed asset subledger.

**NOTE 15 Machinery and equipment**

	<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Opening machinery and equipment, 1 January	1,439.8	1,376.4	13,295.1	12,835.9
New investments for the year	273.3	186.5	1,203.4	458.3
Sales for the year, cost	-3.3	-0.1	-44.6	-125.7
Disposals for the year, cost	-39.8	0.0	-144.2	0.0
Reversal for year from land, buildings, plant/reclassifications	0.0	0.0	-156.0	115.8
Capitalised leases	0.0	0.0	33.0	10.9
<b>Total closing cost, machinery and equipment</b>	<b>1,670.0</b>	<b>1,562.9</b>	<b>14,186.8</b>	<b>13,295.1</b>
Opening depreciation	-858.4	-826.3	-5,994.5	-5,588.6
Depreciation/amortisation for the year according to plan	-168.5	-155.1	-539.6	-521.0
Depreciation/amortisation for the year, sales	3.2	0.0	30.8	122.7
Depreciation/amortisation for the year, disposals	39.6	0.0	133.0	0.0
Reclassification	0.0	0.0	148.4	-7.6
<b>Total closing depreciation/amortisation</b>	<b>-984.0</b>	<b>-981.4</b>	<b>-6,221.9</b>	<b>-5,994.5</b>
Opening impairment losses	0.0	0.0	-91.2	-91.2
Impairment losses for the year	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	5.6	0.0
<b>Total closing impairment losses</b>	<b>0.0</b>	<b>0.0</b>	<b>-85.6</b>	<b>-91.2</b>
<b>Total machinery and equipment*</b>	<b>686.0</b>	<b>581.4</b>	<b>7,879.3</b>	<b>7,209.4</b>
Depreciation periods (straight-line depreciation)	3-20 years	3-20 years	3-20 years	3-20 years

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

\* Finance leases are included in the amount for machinery and equipment; see Note 37 for specification.

## NOTE 16 Construction, extension and conversion work in progress

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening construction, extension and conversion work in progress, 1 January	18,501.1	6,611.2	32,415.7	16,684.6
New investments for the year	705.7	181.2	9,577.7	9,728.9
Sales	-229.9	-181.2	-229.9	-10.4
Expensed investments	0.0	0.0	-203.8	-226.3
Reclassification, development properties to sales**	-410.0	-367.0	-410.0	-367.0
Reclassification from/to land, buildings and plant*	0.0	12,256.9	-8,112.6	6,605.9
<b>Total closing cost, construction, extension and conversion work in progress</b>	<b>18,566.9</b>	<b>18,501.1</b>	<b>33,037.1</b>	<b>32,415.7</b>
Opening impairment losses, 1 January	0.0	0.0	-22.6	-22.6
Impairment losses for the year	0.0	0.0	-35.0	0.0
<b>Total closing impairment losses</b>	<b>0.0</b>	<b>0.0</b>	<b>-57.6</b>	<b>-22.6</b>
<b>Total construction, extension and conversion work in progress</b>	<b>18,566.9</b>	<b>18,501.1</b>	<b>32,979.5</b>	<b>32,393.1</b>

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

\* SEK 10.5 billion was moved from the non-current asset account to construction, conversion and extension in 2015 in connection with the Development Committee's fixed asset register ALF being moved to the new fixed asset module in the financial system Agresso. Standard capitalisations were previously applied in the transfer of value for assets from ALF to the general ledger. The change means that the general ledger continues to reflect the fixed asset subledger.

\*\* Transfers of development properties intended for sale are also moved from construction, extension and conversion work in progress to current assets as of 2015.

## NOTE 17 Shares and participations

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening shares and participations, 1 January	3,894.8	3,880.7	2,637.7	2,590.7
Purchase of tenant-owner apartments	94.7	14.1	94.7	14.1
Purchase of shares, participations and securities	0.0	0.0	1.9	33.3
Sale of tenant-owner apartments	0.0	0.0	0.0	-0.4
<b>Total shares and participations</b>	<b>3,989.5</b>	<b>3,894.8</b>	<b>2,734.4</b>	<b>2,637.7</b>

## City's shares in municipal companies, etc. on 31 Dec. 2016

Companies	Share capital (SEK 000s)	Participating interest (%)	Book value (SEK 000s), 31 Dec. 2016*
Stockholms Stadshus AB*	2,850,001.0	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
<b>Total shares in subsidiaries/Group companies</b>			<b>3,487,758.0</b>
<b>Shares in other companies</b>			
SÖRAB	12,000.0	5.0	400.0
AB Servi-Data (deposit certificate)			0.1
<b>Total shares in other companies</b>			<b>400.1</b>
Participations in Greater Stockholm Fire Brigade			27,831.4
<b>Total participations in statutory joint authorities</b>			<b>27,831.4</b>
Participations in tenant-owner apartments			473,472.5
<b>Total participations in tenant-owner apartments</b>			<b>473,472.5</b>
<b>Total shares and participations, City</b>			<b>3,989,462.0</b>

\* Correction of share capital as per register with Swedish Companies Registration Office

**NOTE 18 Proportion of equity in associates****Municipal Group**

SEK million		31 Dec 2016	31 Dec 2015
Opening cost		5,221.3	5,016.3
Sales/disposals		595.4	437.9
Dividend		-203.0	-203.0
Adjustments attributable to preceding years		137.2	0.0
Other		-3.2	-29.8
<b>Closing net value</b>		<b>5,747.7</b>	<b>5,221.3</b>

	Proportion of equity	Corp. ID no.	Domicile
Sydvästra Stockholmsregionens VA-verks AB, SYVAB	33.0%	556050-5728	Stockholm
Nynäshamns Mark AB	50.0%	556314-3113	Stockholm
Mässfästigheter i Stockholm AB	50.4%	556094-5627	Stockholm
AB Fortum Värme Holding samägt med Stockholms stad	50.0%	556040-6034	Stockholm
<b>As AB Fortum Värme Holding represents the largest value in the proportion of equity, the company's balance sheet is presented in abbreviated form below.*</b>			

Balance sheet AB Fortum Värme Holding		31 Dec 2016	31 Dec 2015
Intangible assets		33.5	58.0
Property, plant and equipment		25,663.2	25,462.3
Financial assets		8.9	11.6
Current assets		2,566.5	2,656.5
<b>Total assets</b>		<b>28,272.0</b>	<b>28,188.5</b>
Equity including minority interest		11,578.3	10,825.7
Provisions		3,304.2	3,300.4
Other non-current liabilities		10,565.7	11,479.4
Current liabilities		2,823.8	2,583.0
<b>Total equity, provisions and liabilities</b>		<b>28,272.0</b>	<b>28,188.5</b>

\* The balance sheet above is prepared according to the K3 regulations while the official report the company presents is prepared according to IFRS.

**NOTE 19 Non-current receivables\*****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening non-current receivables, 1 January	19.2	20.0	281.4	342.2
Repayments	-0.8	-0.8	-0.8	-0.8
Change in deferred tax assets	-	-	-245.5	-14.4
Change in other non-current receivables	0.0	0.0	17.6	-45.6
<b>Total non-current receivables</b>	<b>18.4</b>	<b>19.2</b>	<b>52.7</b>	<b>281.4</b>
<b>Combined non-current receivables</b>				
Borrowers, other	18.4	19.2	52.7	35.9
Deferred tax assets	-	-	0.0	245.5
<b>Total non-current receivables</b>	<b>18.4</b>	<b>19.2</b>	<b>52.7</b>	<b>281.4</b>

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

**NOTE 20 Development properties****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening development properties	1,460.0	1,093.0	1,460.0	1,093.0
Reclassification, land, buildings and plant	8.5	0.0	8.5	0.0
Reclassification, work in progress	410.0	367.0	410.0	367.0
<b>Total development properties</b>	<b>1,878.5</b>	<b>1,460.0</b>	<b>1,878.5</b>	<b>1,460.0</b>

**NOTE 21 Inventories and work in progress****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Inventories	3.5	3.3	32.6	30.9
Work in progress	6.0	1.1	9.5	4.8
<b>Total inventories and work in progress</b>	<b>9.5</b>	<b>4.4</b>	<b>42.1</b>	<b>35.7</b>

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



**NOTE 22 Current receivables – other**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Tax assets	0.0	0.0	0.0	187.6
VAT receivables	840.2	791.6	1,006.6	0.0
Government grant receivables	940.8	470.4	940.8	470.4
Current receivables from the City's Group companies*	58,878.1	57,046.3	0.0	0.0
Other current receivables**	24.2	18.7	11.8	353.4
Prepaid expenses and accrued income	2,605.5	2,315.1	2,179.5	2,686.9
Accounts receivable - trade	750.2	650.9	1,251.2	1,146.2
<b>Total current receivables - other</b>	<b>64,038.9</b>	<b>61,293.2</b>	<b>5,389.9</b>	<b>4,844.6</b>

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

\*\* For Group 31 December 2015, VAT receivables are included in the item other receivables

**NOTE 23 Investments in securities, etc.**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Skills credit account	21.9	28.1	21.9	28.1
Current portion of long-term lending*	0.8	0.8	0.8	0.8
Other investments in securities, etc.	0.0	0.0	182.5	
<b>Total investments in securities, etc.</b>	<b>22.6</b>	<b>28.9</b>	<b>205.2</b>	<b>28.9</b>

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

**NOTE 24 Cash and cash equivalents**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Imprest cash, etc.	5.9	6.5	5.9	6.5
Cash and cash equivalents (bank, etc.)*	0.0	1,692.1	67.7	1,954.3
<b>Total cash and cash equivalents</b>	<b>5.9</b>	<b>1,698.6</b>	<b>73.6</b>	<b>1,960.8</b>

\*At the balance sheet date, 31 December 2016, the City's bank overdraft facilities had been utilised

**NOTE 25 Equity**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening equity, 1 January	62,756.2	60,663.2	111,904.4	109,146.7
of which allocation 2014 change/earlier years*	-258.8	-167.9	-	-
Change in equity as per income statement	4,642.9	1,924.0	5,406.5	2,606.3
Change in equity not via profit/loss**	0.0	169.0	-41.3	151.4
<b>Total equity</b>	<b>67,399.0</b>	<b>62,756.2</b>	<b>117,269.5</b>	<b>111,904.4</b>

\* Allocation for 2002, 2006, 2010, 2011 was reversed in the 2014 accounts and replaced by a new allocation of SEK 1,489.5 million. Disposition regarding stimulus grants and Järva improvement, etc. were dissolved in 2015 accounts.

\*\* In 2015, a correction for MFO 2000 was zeroed due to a review of all assets in the introduction of a new fixed asset module in 2015.

**NOTE 26 Total allocation equity\***

	The City			
SEK million	Opening balance 2015	Less to-date	Less 31 Dec. 2016	Closing balance 31 Dec 2016
<b>IT costs**</b>	<b>765.0</b>	<b>-97.8</b>	<b>-258.8</b>	<b>408.5</b>
of which procurement of a new accounting system (SUNE)	0.0	-44.7	-26.8	-71.5
of which school platform*	0.0	0.0	-159.5	-159.5
of which digital renewal including e-services	0.0	-45.4	0.0	-45.4
of which GS-IT	0.0	0.0	-48.4	-48.4
of which eDoc project	0.0	-7.6	-24.1	-31.7
<b>Social investment fund</b>	<b>300.0</b>	<b>0.0</b>	<b>0.0</b>	<b>300.0</b>
<b>Funds for skills development</b>	<b>200.0</b>	<b>0.0</b>	<b>0.0</b>	<b>200.0</b>
<b>Total allocation remaining from 2014 allocation</b>	<b>1,265.0</b>	<b>-97.8</b>	<b>-258.8</b>	<b>908.5</b>

\* Notation regarding the Järva Improvement, Söderort Vision, Håsselby-Vällingby and notation regarding stimulus grants was dissolved in 2015 accounts. These measures continue to be financed with grants and are not included in the above reporting

\*\* The remaining disposition regarding IT costs of SEK 408.5 million is decided in 2016 accounts to be increased to SEK 640 million to be disposed over in 2017.

**NOTE 27 Pensions and similar obligations**

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening pension provision, 1 January	5,289.2	5,050.5	7,236.0	6,846.8
New earning and debt change employees and pensioners*	393.2	331.1	503.7	290.5
Interest-rate and basic-amount indexation	98.4	63.4	176.8	125.8
Pension payments for the year	-206.9	-202.4	-295.5	-291.6
Change in salary tax	69.1	46.6	69.1	46.6
Guarantee and collective agreement pensions	-	-	4.5	217.9
Of which liability change, defined-contribution management pension	14.1	-12.0	14.3	12.2
Of which liability change in time-limited and retirement pensions for elected representatives, severance pay	36.1	3.9	36.1	3.9
Of which liability change regarding Skafab	-3.3	2.4	-3.3	2.4
<b>Total pension provision</b>	<b>5,643.0</b>	<b>5,289.2</b>	<b>7,694.5</b>	<b>7,236.0</b>
Of which defined-contribution pensions for managers	176.5	159.0	177.8	160.1
Of which pension payments for elected representatives incl. employer's contribution**	254.5	209.6	254.5	209.6
Update rate (%)	71.3%	81.4%	71.3%	81.4%
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	0.0	0
The liability has been reduced by insurance via occupational pension insurance incl. administration managers and others with special agreements. (SEK million)	8.8	0.7	-	-

\* As of 2015, the liability also comprises commitments for latent survivor's pension.

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

**NOTE 28 Other provisions**

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>Burial fees</b>				
Opening balance, 1 January	68.1	57.8	68.1	57.8
Utilised	0.0	0.0	0.0	0.0
Annual provision	28.5	10.2	28.5	10.2
<b>Closing balance</b>	<b>96.6</b>	<b>68.1</b>	<b>96.6</b>	<b>68.1</b>
<b>Stockholms Ström, etc.*</b>				
Opening balance, 1 January	0.0	0.0	0.0	0.0
Transferred from liabilities	1,256.2	0.0	1,256.2	0.0
Utilised	0.0	0.0	0.0	0.0
Annual provision	0.0	0.0	0.0	0.0
<b>Closing balance</b>	<b>1,256.2</b>	<b>0.0</b>	<b>1,256.2</b>	<b>0.0</b>
<b>Infrastructure grants**</b>				
Opening balance, 1 January	6,961.2	7,703.0	6,961.2	7,703.0
Utilised	-224.2	-741.8	-224.2	-741.8
Annual provision, Slussen bus terminal	532.5	0.0	532.5	0.0
<b>Closing balance</b>	<b>7,269.6</b>	<b>6,961.2</b>	<b>7,269.6</b>	<b>6,961.2</b>
<b>Science for Life Laboratory***</b>				
Opening balance, 1 January	245.9	277.4	245.9	277.4
Released provision/utilised provision	-245.9	-31.5	-245.9	-31.5
Annual provision	0.0	0.0	0.0	0.0
<b>Closing balance</b>	<b>0.0</b>	<b>245.9</b>	<b>0.0</b>	<b>245.9</b>
<b>Other provisions, companies</b>				
Opening balance, 1 January	-	-	190.7	54.5
Utilised	-	-	-141.6	-1.1
Annual provision	-	-	74.5	137.3
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>123.5</b>	<b>190.7</b>
<b>Total opening balance</b>	<b>7,275.2</b>	<b>8,038.3</b>	<b>7,466.0</b>	<b>8,092.8</b>
<b>Total utilised</b>	<b>-224.2</b>	<b>-773.3</b>	<b>-365.9</b>	<b>-774.3</b>
<b>Total released provision</b>	<b>-245.9</b>	<b>0.0</b>	<b>-245.9</b>	<b>0.0</b>
<b>Total transferred from liabilities</b>	<b>1,256.2</b>	<b>0.0</b>	<b>1,256.2</b>	<b>0.0</b>
<b>Total provisions for the year</b>	<b>561.0</b>	<b>10.2</b>	<b>635.5</b>	<b>147.6</b>
<b>Total closing balance</b>	<b>8,622.4</b>	<b>7,275.2</b>	<b>8,745.9</b>	<b>7,466.0</b>

\* Provisions for Stockholms Ström, etc. are estimated to be paid in an amount of SEK 0.1 million in 2017, SEK 0.3 million in 2019, SEK 0.2 million in 2024 and otherwise SEK 0.7 million after 2020.

\*\* Provision for Norra länken, Citybanan, Light Rail, Metro expansion, other rail connections, Slussen bus terminal and the Royal National City Park, etc. Uncertain if the amount exists. 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 a further SEK 235 million in 2017, SEK 275 million in 2018, SEK 290 million in 2019, SEK 420 million in 2020 and SEK 6.1 billion after 2020.

\*\*\* Provision for Science for Life Laboratory was dissolved as future commitments are considered to be regular operating costs, which shall be budgeted.

**NOTE 29 Bond loans**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening bond loan liability	23,599.2	16,853.1	23,599.2	16,853.1
New borrowing	4,218.8	9,701.1	4,218.8	9,701.1
Period allocation of premiums and discounts	-0.1	-5.0	-0.1	-5.0
Reversal of previous year's reclassification	2,950.0	4,119.0	2,950.0	4,119.0
Repayments	-2,950.0	-4,119.0	-2,950.0	-4,119.0
Current portion of long-term loans*	-2,852.5	-2,950.0	-2,852.5	-2,950.0
<b>Total bond loans</b>	<b>24,965.5</b>	<b>23,599.2</b>	<b>24,965.5</b>	<b>23,599.2</b>
Foreign bond loans	23,765.5	22,399.2	23,765.5	22,399.2
Swedish bond loans	1,200.0	1,200.0	1,200.0	1,200.0
<b>Total bond loans</b>	<b>24,965.5</b>	<b>23,599.2</b>	<b>24,965.5</b>	<b>23,599.2</b>

\* 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 30 Promissory note loans**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening promissory note loan liability	3,250.0	1,200.0	3,250.0	1,200.0
New borrowing	3,499.0	1,050.0	3,499.0	1,050.0
Reversal of previous year's reclassification	230.0	1,230.0	230.0	1,230.0
Current portion of long-term loans*	-230.0	-230.0	-230.0	-230.0
<b>Total promissory note loans</b>	<b>6,749.0</b>	<b>3,250.0</b>	<b>6,749.0</b>	<b>3,250.0</b>
Foreign promissory note loans	6,749.0	3,250.0	6,749.0	3,250.0
Swedish promissory note loans	0.0	0.0	0.0	0.0
Borrowing from majority-owned companies	0.0	0.0	0.0	0.0
<b>Total promissory note loans</b>	<b>6,749.0</b>	<b>3,250.0</b>	<b>6,749.0</b>	<b>3,250.0</b>

\* 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 31 Other non-current liabilities**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Opening borrowing, leases	0.2	0.4	17.9	18.5
New borrowing, leases	0.0	0.0	33.0	10.9
Reversal and reclassification	0.0	0.2	0.0	0.0
Repayments	-0.1	-0.1	-11.2	-11.3
Reclassification	0.0	-0.2	-0.1	-0.2
<b>Total non-current liabilities, leases</b>	<b>0.1</b>	<b>0.2</b>	<b>39.6</b>	<b>17.9</b>
Funds negotiated and liability funds	25.5	30.5	25.5	30.5
Period-allocated investment income*	279.0	139.4	279.0	139.4
of which investment income investments in progress	185.6	59.9	185.6	59.9
of which investment grants	104.0	85.6	104.0	85.6
of which reversed investment grants	-14.1	-9.7	-14.1	-9.7
of which street cost reimbursements	4.1	4.1	4.1	4.1
of which reversed street cost reimbursements	-0.7	-0.5	-0.7	-0.5
Depreciation periods (straight-line depreciation)	3-70 years	3-70 years	3-70 years	3-70 years
Other non-current liabilities**	0.0	656.2	0.6	657.5
<b>Total other non-current liabilities</b>	<b>304.6</b>	<b>826.4</b>	<b>344.7</b>	<b>845.3</b>

\* Investment grants are allocated to the corresponding asset. No relocation to current liabilities occurs as the investment income does not affect cash flow.

\*\* Agreement with the public service company, Svenska Kraftnät (Swedish National Grid), regarding Stockholms Ström is booked in 2016 as a provision.



**NOTE 32 Current liabilities**

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Accrued expenses and deferred income	3,638.5	3,988.9	6,908.8	7,077.3
Income Tax Liability	190.2	62.8	390.5	141.6
VAT*	54.9	33.3	105.4	33.3
Accounts payable	4,162.8	3,683.3	5,757.6	4,944.0
Funds negotiated, deposited funds, liability funds	14.9	12.6	14.9	12.7
Employee taxes	304.7	279.0	332.6	288.6
Holiday pay liability including employer's contributions	799.4	779.6	998.4	1,013.0
Uncompensated overtime including employer's contributions	58.0	56.5	58.0	56.5
Current liabilities to Group companies**	10,150.1	13,821.8	0.0	0.0
Other	839.0	978.0	792.2	878.5
<b>Total current liabilities</b>	<b>20,212.4</b>	<b>23,695.8</b>	<b>15,358.4</b>	<b>14,445.4</b>

\* For Group 31 December 2015, VAT receivables are included in the item other current receivables

\*\* The City administers borrowing for the City's companies. The companies borrow from the City when required. In 2016, two of the City's companies transferred their loans to SSAB instead of borrowing directly from the City. This means that the City has a correspondingly lower liability to SSAB.

**NOTE 33 Short-term loans**

SEK million	The City		Municipal Group	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Unused bank overdraft facilities*	839.9	0.0	839.9	0.0
Swedish certificate loans	0.0	2,127.1	0.0	2,127.1
Foreign certificate loans	916.2	1,428.1	916.2	1,428.1
Current portion of long-term loans**	3,082.5	3,180.0	3,082.5	3,180.0
of which borrowing from majority-owned companies	0.0	0.0	0.0	0.0
<b>Total short-term loans</b>	<b>4,838.7</b>	<b>6,735.1</b>	<b>4,838.7</b>	<b>6,735.1</b>

\* As of the balance-sheet date 31 December 2016, the City has a utilised bank overdraft facility.

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

**NOTE 34 Contingent liabilities and guarantees**

SEK million	The City	
	31 Dec 2016	31 Dec 2015
<b>City's majority-owned companies' pension commitments</b>	<b>47.6</b>	<b>42.6</b>
Stockholms Stadshus AB	7.3	6.6
Stockholms Parkering	4.0	5.1
Stockholms Hamnar	5.1	6.3
S:t Erik Markutveckling	1.9	1.7
Stockholm Business Region	4.9	5.0
Bostadsförmedlingen i Stockholm AB	2.8	2.6
AB Svenska Bostäder	2.2	2.4
Micasa Fastigheter i Stockholm AB	2.6	2.4
SISAB	2.8	2.6
Stockholm Vatten Holding AB	7.4	6.4
Stockholm Globe Arena Fastigheter	1.3	0.6
AB STOKAB	3.1	
AB Familjebostäder	0.9	
S:t Erik Livförsäkring AB	1.3	0.9
<b>Total contingent liabilities and guarantees for majority-owned companies</b>	<b>47.6</b>	<b>42.6</b>
<b>Other legal entities/private individuals</b>		
Loan guarantees	325.7	527.9
of which		
Stiftelsen Stockholms Studentbostäder	64.1	64.6
Stockholms Kooperativa Bostadsförening	0.0	195.8
Fortum	0.0	0.0
Stockholms Stadsmission	74.6	76.6
SYVAB	169.6	169.6
other legal entities	17.3	21.2
Pension commitments	54.5	58.7
Municipal loss liability for small houses	0.6	1.1
<b>Total</b>	<b>380.8</b>	<b>587.6</b>
<b>Total contingent liabilities and guarantees</b>	<b>428.4</b>	<b>630.2</b>

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

**NOTE 35 Pension provision, contingent liability****The City**

SEK million	31 Dec 2016	31 Dec 2015
Opening pension provision, 1 January	14,318.1	14,309.6
Interest-rate and basic-amount indexation	351.6	267.6
Pension payments for the year	-651.4	-642.5
Other items	-65.3	61.2
Commitments for latent survivor's pension added in the liability	-	322.2
<b>Total pension provision, contingent liability</b>	<b>13,953.0</b>	<b>14,318.1</b>
Plus employer's contribution	3,385.0	3,473.6
<b>Total pension provision contingent liability including employer's contribution</b>	<b>17,338.0</b>	<b>17,791.7</b>
Pension commitments regarding temporary pension that has not yet begun to be paid out, which shall be recognised as a contingent liability according to the changed recommendation in 2015.		
Update rate (%)	71.3	81.4

**NOTE 36 Derivative instruments****The City**

Type of derivative, SEK million	Nominal amount	Hedged volume	Market value
<b>31 Dec 2016</b>			
Currency/exchange rate swaps*	7,034.0	7,034.0	-27.5
Interest swaps	6,480.0	6,480.0	-226.8
<b>Total</b>	<b>13,514.0</b>	<b>13,514.0</b>	<b>-254.3</b>
<b>31 Dec 2015</b>			
Currency/exchange rate swaps*	5,426.2	5,426.2	-438.1
Interest swaps	6,930.0	6,930.0	-71.9
<b>Total</b>	<b>12,356.2</b>	<b>12,356.2</b>	<b>-510.0</b>

\* 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 402.6 million including derivatives, and SEK 336.3 million excluding derivatives. The average interest rate for the external debt portfolio including derivatives is 1.19% (1.77%), and excluding derivatives 0.97% (1.41%). The average duration of the external debt portfolio including derivatives is 2.4 years (2.8 years), and 1.6 years (1.7 years) excluding derivatives. In accordance with the Finance Policy, the average duration will be 3.0 years with a deviation interval of +/- 1.5 years.

**NOTE 37 Leasing****The City****Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>Finance leases*</b>				
Machinery and equipment				
Carrying amount	0.3	0.4	39.6	18.1
Present-valued minimum leasing fees	0.2	0.4	40.1	19.3
of which due within 1 year	0.2	0.2	14.1	9.7
of which due after more than 1 year, but less than 5 years	0.1	0.2	26.0	9.5
of which due after more than 5 years	0.0	0.0	0.0	
<b>Operating leases*, paid</b>				
Minimum Leasing Fees	6,418.2	6,588.0	4,159.1	2,613.5
of which due within 1 year	874.2	814.2	699.0	638.9
of which due after more than 1 year, but less than 5 years	2,554.3	2,538.8	1,840.9	1,502.4
of which due after more than 5 years	2,989.7	3,235.0	1,619.2	472.2
of which intra-Group leases	4,178.7	4,412.3		
due within 1 year	356.5	348.6		
due after more than 1 year, but less than 5 years	1,248.8	1,257.0		
due after more than 5 years	2,573.3	2,806.7		
<b>Operating leases, received</b>				
Minimum Leasing Fees	-	-	14,097.4	13,712.1
of which due within 1 year	-	-	5,814.4	5,731.6
of which due after more than 1 year, but less than 5 years	-	-	3,334.0	2,590.8
of which due after more than 5 years	-	-	4,949.0	5,389.7

\* For the City's part, only included agreements in excess of 3 years.

Leases that meet the conditions for operating leases are included. 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 included in the report for the City. However, in the Group these limits are not applied. It is only estimated to have a marginal effect which is why no conversion has been done.

Financial leases are included on the asset side of the balance sheet under "machinery and equipment" and under both current and non-current liabilities. No agreements on financial leases include contingent rent.

The City's IT operations are leased as of 1 April 2016 by HCL Technologies. The company took over the City's agreement 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 2016 amounts to SEK 623.1 million (587.4).

**NOTE 38 Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act**

**The City**

SEK million	31 Dec 2016	31 Dec 2015
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2012	670.0	670.0
Expended	-403.3	-348.1
<b>Total remaining</b>	<b>266.7</b>	<b>321.9</b>
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2013	1,900.00	1,900.0
Expended	-359.8	-238.1
<b>Total remaining</b>	<b>1,540.2</b>	<b>1,661.9</b>
Additional dividend as per Section 5:1 of the Public Municipal Housing Companies Act 2014	450.0	450.0
Expended	-154.4	-139.2
<b>Total remaining</b>	<b>295.6</b>	<b>310.8</b>

## Notes to the cash flow statement

INTERNAL ITEMS ARE ELIMINATED.

**NOTE 39 Reversal of capital gains/losses**

**The City**

**Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>Reversal of capital gains/losses</b>	<b>-4,425.9</b>	<b>-1,425.8</b>	<b>-4,381.5</b>	<b>-1,575.1</b>

*A reversal of capital gains/losses is carried out so that the actual sales value is included under investing activities.*

**NOTE 40 Non-cash items**

**The City**

**Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Adjustment to depreciation/amortisation and impairments	1,172.9	1,223.9	4,583.1	4,035.9
Adjustments for provisions made	914.8	249.0	1,951.8	-357.7
Adjustments for transferred provision from loans	1,256.2	0.0	0.0	0.0
Adjustments for reversed income	-4.6	-3.4	0.0	0.0
Adjustments for released provision	-245.9	0.0	0.0	0.0
Income tax paid	-	-	5.7	195.6
Non-cash component of rental property acquisitions	-	-	0.0	-149.0
Adjustment in capital gains attributable to preceding years	-	-	-158.9	0.0
Participations in associated company earnings	-	-	-392.4	-234.9
Other	-	-	5.0	5.8
<b>Total non-cash items</b>	<b>3,093.4</b>	<b>1,469.4</b>	<b>5,994.5</b>	<b>3,495.7</b>

**NOTE 41 Decrease in provisions due to payments**

**The City**

**Municipal Group**

SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Provisions utilised	-224.2	-773.3	-224.2	-773.3
Less infrastructural contributions, recognised separately	224.2	741.8	224.2	741.8
<b>Total decrease in provisions due to payments</b>	<b>0.0</b>	<b>-31.5</b>	<b>0.0</b>	<b>-31.5</b>

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



**NOTE 42 Increase/decrease in current receivables**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Current receivables	-2,745.8	-7,581.5	-727.7	183.8
Investments in securities, etc.	6.3	4.4	-177.0	212.3
<b>Total increase/decrease in current receivables</b>	<b>-2,739.5</b>	<b>-7,577.1</b>	<b>-904.7</b>	<b>396.1</b>

**NOTE 43 Increase/decrease in current liabilities, etc.**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Changes in current liabilities	-3,483.5	783.4	12.7	-486.3
Change in short-term loans excl. change in utilised overdraft facility	-2,736.4	1,386.1	-1,896.5	1,386.1
<b>Total increase/decrease in current liabilities, etc.</b>	<b>-6,219.9</b>	<b>2,169.5</b>	<b>-1,883.8</b>	<b>899.8</b>

**NOTE 44 Investment in intangible assets**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Capitalised development costs			-23.7	-21.3
<b>Total investment intangible assets</b>	<b>0.0</b>	<b>0.0</b>	<b>-23.7</b>	<b>-21.3</b>

**NOTE 45 Investment in property, plant and equipment**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Of which land, buildings and plant	-4,681.9	7,707.0	-4,899.8	-5,495.8
Of which machinery and equipment	-273.3	-186.5	-1,201.3	-458.3
Of which construction, extension and conversion work in progress	-705.7	-12,438.1	-9,373.8	-9,502.5
<b>Total investment in property, plant and equipment*</b>	<b>-5,661.0</b>	<b>-4,917.6</b>	<b>-15,474.9</b>	<b>-15,456.6</b>

\* Of the period's new investments, SEK 3.8 million was recognised under development properties.

Finance leases are included in the total for machinery and equipment. See Note 37 for specification.

**NOTE 46 Sale of property, plant and equipment**

	The City		Municipal Group	
SEK million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Book value land, buildings and plant	326.5	235.7	101.8	305.9
Book value machinery and equipment	0.1	0.1	13.8	13.4
Book value, construction, extension and conversion work in progress	0.0	0.0	229.9	0.0
Capital gains/losses	4,425.9	1,425.8	4,381.5	1,572.0
<b>Total sale of property, plant and equipment</b>	<b>4,752.5</b>	<b>1,661.6</b>	<b>4,726.9</b>	<b>1,891.3</b>

<b>NOTE 47 Investment in financial assets</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Purchase of shares and participations		0.0	0.0	-2.0	-33.3
Purchase of tenant-owner apartments		-94.7	-14.1	-94.7	-14.1
<b>Total investment in financial assets</b>		<b>-94.7</b>	<b>-14.1</b>	<b>-96.7</b>	<b>-47.4</b>

<b>NOTE 48 Sale of financial assets</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Book value financial assets		0.0	0.0	0.0	0.4
Capital gains/losses		0.0	0.0	0.0	3.2
<b>Total sale of financial assets</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>

<b>NOTE 49 Increase/decrease of non-current liabilities</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Reclassifications to current liabilities		-3,082.5	-3,180.0	-3,083.1	-3,180.0
Reversal of reclassification of non-current borrowing to current		3,180.0	5,349.0	3,180.0	5,349.0
Period allocation of premiums and discounts		-0.1	-5.0	-0.1	-5.0
Other changes in non-current liabilities		-521.7	70.0	-521.7	795.9
Item recognised under non-cash items		4.6	3.4	4.6	3.4
<b>Total increase/decrease of non-current liabilities</b>		<b>-419.7</b>	<b>2,237.5</b>	<b>-420.3</b>	<b>2,963.3</b>

<b>NOTE 50 Cash and cash equivalents at period-end</b>		<b>The City</b>		<b>Municipal Group</b>	
<b>SEK million</b>		<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Imprest cash, etc.		5.9	6.5	5.9	6.5
Cash and cash equivalents (bank, etc.)		0.0	1,692.1	67.7	1,954.3
Unused bank overdraft facilities		-839.9	0.0	-839.9	0.0
<b>Total cash and cash equivalents at period-end</b>		<b>-834.1</b>	<b>1,698.6</b>	<b>-766.4</b>	<b>1,960.8</b>

# Audit Report for the City Executive Board in 2016

As the auditors appointed by the City Council, we have audited the City Executive Board's activities during 2016.

The City Executive Board is responsible for leading and coordinating the City's operations and monitoring other committees and companies. The Board is responsible for ensuring that operations are conducted in accordance with the City Council's objectives, decisions and guidelines and applicable laws and regulations. The Board is responsible for follow-up and reporting being made to the City Council. The City Executive Board is also responsible for preparing an annual report that provides a true and fair view of the financial position and performance.

Our responsibility is to review operations, internal control and accounts and determine if operations were conducted according to the City Council's objectives, decisions and guidelines as well as the laws and regulations that apply to the operations. We shall also assess whether the annual accounts are consistent with the financial targets and operating objectives decided on by the Assembly.

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. We are appending a summary report of the results of our audit.

The appointed lay auditors of the City's companies – Stockholms Stadshus AB and subsidiaries – have audited the operations of these companies during 2016.

The financial results for 2016 achieve the results requirement decided by the City Council. We assess that the annual report provides a true and fair view of the year's financial position and performance and that the City Council's financial targets have been achieved.

In addition, we have examined if the operating results are in agreement with the City Council's goals for sound financial management. We assess that the orientation goals of *An eco-smart Stockholm* and *A financially sustainable Stockholm* have been achieved.

The orientation goals *A Stockholm that stands united* and *A democratically sustainable Stockholm* are achieved in part.

*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. Furthermore, we assess that the internal control has generally been adequate.*

*We recommend that the City's annual report for 2016 is approved.*

*We recommend that the City Council grant discharge from liability to the members of the City Executive Board and its individual members.*

*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, 23 March 2017

Bosse Ringholm  
Ulf Bourker Jacobsson  
Håkan Apelkrona  
Andreas Bjerke  
Barbro Ernemo

Carolina Gomez Lagerlöf  
Birgitta Guntzsch  
Susann Jensen-Engström  
Katarzyna Konkol Gullberg\*  
Bengt Lagerstedt

Sven Lindeberg  
Ulla-Britt Ling-Vannerus  
Eva Lundberg  
Inge-Britt Lundin  
Amanj Mala-Ali

Lars Riddervik  
Gun Risberg  
Michael Santesson  
David Winks  
Gunnar Ägren

\* Katarzyna Konkol Gullberg served from 13 June 2016 and replaced Kajsa Fogelberg.

## The following appendices are included in the auditor's report

- ▶ Auditors' annual report 2016
- ▶ Expert advisers' annual reports 2016 by committee (nos. 1–32 2017)
- ▶ Expert advisers' audit memorandum 2016 by company (nos. 1–17, 2017)
- ▶ Expert advisers' project reports (nos. 6–11, 2016 and nos. 1–5, 2017)
- ▶ Review reports from lay auditors and auditor's reports from the company's authorised public accountants:  
*Stockholms Stadshus AB, AB Svenska Bostäder, AB Stadsholmen AB, IT-BO i Stockholm AB, Svenska Bostäder L-Bolag I AB, Fastighets AB Centrumhuset i Vällingby, AB Familjebostäder, AB Familjebostäder Fastighetsnät, Hemmahamnen Kontor AB, Gyllene Ratten Ny AB, AB Stockholmskem, AB Stockholmskem Fastighetsnät, Bostads AB Hammarbygård, Västertorp Energi AB, Anser AB, Skolfastigheter i Stockholm AB (SISAB), Bostadsförmedlingen i Stockholm AB, Stockholm Vatten och Avfall AB, Stockholm Vatten Avfall AB, Stockholm Vatten AB, Stockholm Vatten VA AB, Stockholms Hamn AB, Nynäshamns Hamn AB, Stockholms Stads Parkerings AB, Stokab, S:t Erik Kommunikation AB, S:t Erik Fiber AB, Stockholms Stadsteater AB, Stockholm Globe Arena Fastigheter AB, Stockholm Entertainment District AB, Södra Byggrätten Globen AB, Arena 9 Norra Fastigheten AB, Stockholms Business Region AB, Visit Stockholm AB, Invest Stockholm Business Region 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, Norra Station AB, Fastighets AB Langobardia, Fastighets AB Gavia, Fastighets AB Godsfin-kan, Fastighets AB Grosshandlarvägen, S:t Erik Livförsäkring AB, S:t Erik Försäkrings AB.*



# Committees, companies and foundations

## Specialist committees

SEK million	Number employees	Budget net costs	Net outcome excl. surplus reserves	Change income fund	Deviation outcome 2016	Outcome net investments
City Executive Board	404	-1,502	-1,407	0	95	-1
Audit Board	18	-27	-25	0	2	0
Service Committee	341	-2	0	1	3	-1
Election Committee	0	-3	-3	0	0	0
District Councils	18,877	-20,126	-19,976	-16	135	-292
Labour Market Committee	773	-851	-822	0	30	-5
Development Committee	216	1,151	1226	0	75	-2,953
Real Estate Committee	166	212	167	0	-45	-1,157
Sports Committee	430	-619	-610	0	8	-39
Culture Committee: Culture Administration	963	-889	-884	0	5	-14
Culture Committee: City Archives	78	-50	-49	0	0	-1
Cemeteries Committee	114	-172	-158	0	14	-41
Environment and Health Committee	253	-112	-103	0	9	-2
Social Services Committee	1,113	-980	-925	0	56	-3
City Planning Committee	379	-166	-165	0	0	-1
Traffic Committee	376	-754	-667	0	87	-973
Education Committee	15,203	-16,986	-16,670	-47	269	-127
Elderly Services Committee	123	-169	-168	0	1	-4
Public Trustees Committee	41	-70	-74	0	-4	0
<b>Total committees</b>	<b>39,868</b>	<b>-42,115</b>	<b>-41,313</b>	<b>-62</b>	<b>740</b>	<b>-5,615</b>

The number of employees refers to all salaried employees as at 31 December 2016.

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

SEK million	Number employees	Budget net costs	Net outcome excl. surplus reserves	Change income fund	Deviation outcome 2016	Outcome net investments
Rinkeby-Kista District Council	1,257	-1,484	-1,471	-1	13	-6
Spånga-Tensta District Council	926	-1,092	-1,087	-4	0	-7
Hässelby-Vällingby District Council	1,613	-1,794	-1,794	0	1	-38
Bromma District Council	1,635	-1,433	-1,437	4	0	-26
Kungsholmen District Council	1,182	-1,143	-1,106	-4	33	-19
Norrmalm District Council	838	-1,095	-1,084	2	13	-17
Östermalm District Council	959	-1,317	-1,274	0	43	-17
Södermalm District Council	1,725	-2,222	-2,209	-2	12	-28
Enskede-Arsta-Vantör District Council	2,648	-2,288	-2,276	-9	3	-41
Skarpnäck District Council	804	-1,104	-1,104	1	1	-22
Farsta District Council	1,219	-1,543	-1,546	3	0	-24
Älvsjö District Council	685	-589	-589	0	0	-5
Hägersten-Liljeholmen District Council	2,301	-1,844	-1,837	-6	2	-30
Skärholmen District Council	1,085	-1,177	-1,162	0	14	-13
<b>Total district councils</b>	<b>18,877</b>	<b>-20,126</b>	<b>-19,976</b>	<b>-16</b>	<b>135</b>	<b>-292</b>

## District Councils' operational areas

SEK million	Budget net costs	Net outcome excl. surplus reserves	Change income fund	Deviation outcome 2016
Committee and management administration	-631	-570	0	62
Individual and family care	-2,047	-2,150	-1	-105
of which social psychiatry	-485	-471	-1	13
City environment activities	-212	-226	0	-14
depreciation/amortisation	-113	-102	0	11
internal rates	-17	-17	0	0
Pre-school activities	-4,688	-4,630	-11	47
Care for the elderly	-7,069	-7,083	2	-11
Support and services for people with disabilities	-3,615	-3,602	-6	8
Cultural and association activities	-347	-315	0	31
Labour market measures	-195	-198	0	-3
Financial assistance	-1,132	-1,092	0	40
of which administrators	-260	-310	0	-50
Other operations	-60	9	0	69
<b>Total activities</b>	<b>-20,126</b>	<b>-19,976</b>	<b>-16</b>	<b>135</b>

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

## Foundations and statutory joint authorities

SEK million	Average number of employees	OPERATING INCOME			Other income/ expenses net incl. depreciation,	Surplus for the year after appropriations	Total assets
		City's contribution	Other operating income	Operating expenses			
<b>Foundations*</b>							
Stiftelsen Barnens Dag	71.6		53.3	-51.3	-1.6	0.4	65.6
Stiftelsen Hotellhem i Stockholm	164	31.8	249.2	-282.0	0.1	-0.6	103.0
Stiftelsen Stockholm Water Foundation	2	0.0	2.9	-4.2	2.1	-0.3	40.5
Stiftelsen Strindbergsmuseet	11	5.5	3.3	-8.7	0.0	0.2	6.7
<b>Total foundations</b>	<b>248.6</b>	<b>37.3</b>	<b>308.7</b>	<b>-346.2</b>	<b>0.6</b>	<b>-0.3</b>	<b>215.8</b>
<b>Association of local authorities</b>							
Greater Stockholm Fire Brigade	732	380.8	268.7	-591.4	-20.5	37.6	890.4

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

## Limited companies

SEK million	Number of employees	Turnover	Profit after net financial items	Total assets	Equity <sup>1</sup>	Interest capital employed <sup>2</sup> , %	Equity/assets ratio <sup>3</sup> , %	Investments
<b>Stockholms Stadshus AB (Group)</b>								
Stockholms Stadshus AB, Parent Company	7	31.0	336.0	27,771.0	27,241.0	15,999.9	98.1	0.0
AB Svenska Bostäder, Group	307	2,653.0	101.0	23,775.0	11,419.9	1.8	54.1	2,548.0
AB Familjebostäder, Group	292	1,797.0	352.0	14,338.0	8,162.9	6.6	63.6	929.0
AB Stockholmshem, Group	307	2,283.0	377.0	20,584.0	8,116.8	3.7	44.3	1,682.0
Micasa Fastigheter i Stockholm AB	75	1,081.0	116.0	7,278.0	483.1	2.2	5.6	228.0
Bostadsförmedlingen i Stockholm AB	95	104.0	8.0	85.0	15.5	3,797.5	21.5	0.0
Skolfastigheter i Stockholm AB, SISAB	182	2,184.0	15.0	13,301.0	167.7	1.1	2.4	1,885.0
Stockholm Vatten AB, Group	507	2,078.0	98.0	11,890.0	116.7	1.8	2.0	1,389.0
Stockholm Hamn AB, Group	166	797.0	112.0	4,125.0	660.6	4.2	18.9	882.0
AB Stokab	94	757.0	234.0	1,934.0	622.0	32.1	37.7	214.0
Stockholms stads Parkerings AB, Group	69	571.0	143.0	1,163.0	83.8	17.9	9.4	290.0
Stockholms Stadsteater AB	462	148.0	-349.0	438.0	0.9	Neg	0.5	16.0
Stockholm Globe Arena Fastigheter AB, Group	17	92.0	-119.0	3,730.0	84.9	Neg	12.2	51.0
S:t Erik Försäkrings AB	7	133.0	48.0	394.0	78.5	0.0	38.5	0.0
S:t Erik Livförsäkring AB	3	70.0	99.0	2,482.0	552.5	neg	26.3	167.0
Stockholm Business Region AB, Group	65	247.0	5.0	189.0	20.1	286.1	15.5	2.0
S:t Erik Markutveckling AB, Group	4	296.0	-48.0	3,436.0	-228.9	neg	0.1	63.0
Other companies, Associates SSAB				13.6	13.6			
Mässfastigheter i Stockholm AB, Group*	236	658.0	40.0	1,007.0	362.2	4.8	36.0	28.0
Fortum Värme Holding AB*	724	6,703.4	1,468.4	28,271.9	11,577.7	5.6	41.0	1,247.3
<b>Total limited companies**</b>	<b>3,619</b>	<b>22,683.4</b>	<b>3,036.4</b>	<b>166,205.5</b>	<b>69,551.5</b>			<b>11,621.3</b>

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

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

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 summary

General information	2012	2013	2014	2015	2016
Population	881,235	897,700	911,989	923,516	935,619
national share, %	9.2	9.3	9.4	9.4	9.4
percentage of entire population	55.0	56.0	56.1	56.0	56.3
percentage of population aged 15-74	72.3	73.6	73.6	73.4	73.9
Unemployment rate, percentage of workforce aged 15-74	6.7	6.6	7.1	6.9	6.1
Taxable income, SEK million*	191,258	201,165	210,351	220,055	233,635
per resident, SEK**	217,034	224,089	234,322	241,292	252,985
national average for the same, SEK	178,652	184,123	190,264	194,220	201,878
Stockholm, SEK	29.65	29.50	29.50	29.86	30.06
of which the City	17.48	17.33	17.33	17.68	17.90
of which County Council	12.10	12.10	12.10	12.10	12.08
of which Burial fee	0.065	0.065	0.065	0.075	0.075
Total municipal tax rate, national, SEK	31.60	31.73	31.86	31.99	32.1
Consumer price index, annual national average (1980=100)	314.20	314.06	313.42	313.35	316.43
Inflation (annual average), %	0.9	0.0	-0.2	0.0	1.0
The City's operations	2012	2013	2014	2015	2016
Change in equity for the year, SEK million	3,037	3,444	3,450	1,924	4,643
Surplus for the year in accordance with balanced-budget requirement, SEK million	2,318	2,286	2,729	1,560	4,225
Operating costs, SEK million	43,276	44,502	45,916	48,350	51,887
Operating revenues, incl. taxes and general government grants, SEK million	44,503	45,674	46,702	49,229	53,188
Assets, SEK million	103,256	112,809	120,823	133,427	138,735
per resident, SEK	117,335	125,841	132,483	144,477	148,282
Liabilities, SEK million	50,067	56,176	60,160	70,671	71,336
of which provisions	12,852	13,695	13,089	12,565	14,265
liabilities per resident, SEK	53,310	62,666	65,966	76,524	76,245
Equity, SEK million	53,188	56,633	60,663	62,756	67,399
per resident, SEK	60,440	63,176	66,517	67,953	72,037
Equity/assets ratio including pension liability, %	35	34	36	34	36
Number of employees, approx.	36,530	36,280	36,473	38,325	39,868
full-time equivalents, approx.	34,775	34,644	35,069	36,765	38,267
Salaries and related expenses, SEK million	16,052	16,313	16,809	17,864	19,501
Majority-owned limited companies' operations***	2012	2013	2014	2015	2016
Number includes companies/groups	19	18	18	18	18
Balance sheet total, SEK million	101,053	108,108	123,542	122,325	137,934
Revenues, SEK million	13,564	13,874	14,678	15,214	15,980
Profit after tax, SEK million	2,519	1,040	733	1,086	1,347
Equity, SEK million	53,725	52,939	59,814	60,704	57,974
Investments (gross), SEK million	9,489	8,279	10,621	10,936	10,374
Number of employees, converted to full-time equivalents	2,507	2,564	2,741	2,817	2,895
Salaries, SEK million	1,197	1,238	1,309	1,374	1,437

\* 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.



