



Year-end
Report
2015

Year-end Report 2015

One fifth of Sweden's population live in the Stockholm region and the county is continuing to grow strongly. The primary task of the County Council is to make sure that county residents have access to high-quality healthcare and a well-functioning public transport system, now and in the future.

Health and medical care should have short waiting times, be highly accessible and maintain a high level of quality. Public transport should be punctual, reliable and of good quality. All of this should be achieved with as little environmental impact as possible.

Surplus/deficit

There was a surplus of SEK 343 million for the full year 2015 before conversion expenses, which was SEK 207 million higher than the previous year. Stockholm County Council has reported an annual surplus for the past nine years. Balanced finances are the foundation of long-term sustainable development and provide scope for prioritised, necessary investments. *

Cost development

Operating expenses totalled SEK 80,189 million. This is an increase of 3.3 per cent, corresponding to SEK 2,528 million. The rate of cost development is slightly higher

than the budgeted 2.9 per cent, but half the rate of cost development during 2014, which was at 6.6 per cent. Many of the County Council's departments, especially in the area of healthcare, have reported a high cost development in recent years. The causes of the cost increases within the various departments varied, and during 2015 a number of measures were taken to reduce the cost development. This work will continue with undiminished vigour.**

Tax revenues

Total tax revenues increased in 2015 by SEK 3,293 million to SEK 67,264 million, an increase of 5.1 per cent compared with the previous year. The outcome for the year was SEK 197 million above budget.

Balance Sheet

Total assets increased and amounted to SEK 105,250 million at year-end. Financial room to manoeuvre over the long term, the equity/assets ratio, was 7.1 per

cent, which is a decrease of 0.2 percentage points compared with the year before.

Pensions vested in 1998 or later are recognised as a liability on the balance sheet while those vested before 1998 are recognised as a contingent liability. The total pension commitment amounts to SEK 49,182 million.

Future health and medical care

In order to meet future needs for health and medical care in a growing population with changed needs and preferences, healthcare needs to be developed and adapted. The future plan for health and medical care should, among other things, provide capacity for more healthcare, better facilities and new work methods.

Transport systems for a growing region

At the beginning of February 2014, the County Council Assembly took a historic

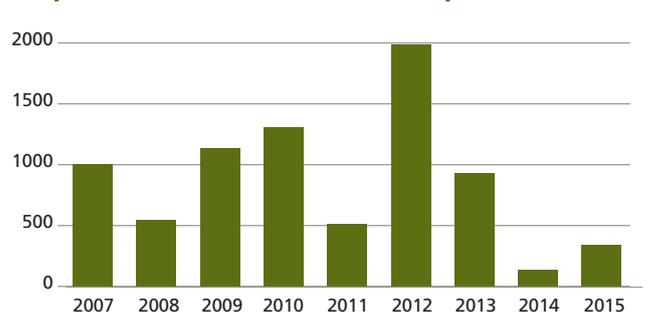
Income Statement

SEK million	Outcome 2015	Outcome 2014	Change %
Operating revenues	19,416	18,507	4.9%
Operating expenses	-80,189	-77,661	3.3%
Depreciation/amortisation	-4,202	-3,817	10.1%
Net expenses	-64,976	-62,971	3.2%
Tax revenues, etc.	67,264	63,971	5.1%
Net financial items	-1,945	-864	125.1%
Surplus/deficit before conversion expenses	343	136	
Conversion expenses	-358	-	
Surplus/deficit after conversion expenses	-15	136	

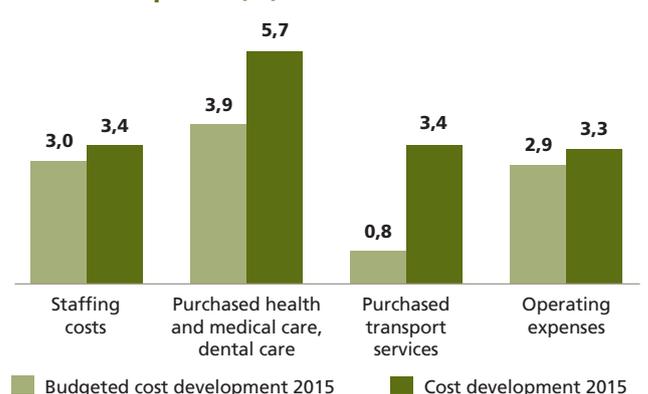
Total tax revenues

SEK million	Outcome 2015	Outcome 2014	Change %
Tax revenues	62,990	59,612	5.7%
General government grant	5,128	4,678	-
Equalisation system	-855	-319	-
Total tax revenues	67,264	63,971	5.1%

Surplus/deficit before conversion expenses (SEK million)



Cost development (%)



decision on the financing and co-financing of an expansion of the Metro and increased housing construction in Stockholm County according to the 2013 Stockholm Negotiations. The Metro will be extended as far as Nacka, Barkarby and Arenastaden. The expansion covers almost 20 kilometres of new track and ten new stations. The project is one of the largest infrastructure projects in the county since the construction of the existing Metro.

Investments in health and medical care

The total investment volume in 2015 amounted to SEK 14 billion, which was invested in a number of large objects, around half of them in the area of health and medical care.

Södertälje Hospital is being expanded and modernised to create more efficient premises. The hospital is the first in a series of County Council investments in healthcare properties that will be carried out according to the Plan for Future Health and Medical Care.

In Solna, development work continues on one of Europe's most modern university hospitals, New Karolinska Solna. This new university hospital will be a hub in the health and medical care of the future, and will be responsible for the highly specialised care of patients with the most serious

illnesses and injuries. The project is proceeding according to plan. The outcome is, however, SEK 813 lower than the budget for the year, primarily due to the deferral in respect of investments for medical equipment.

The hospital building and also the facade of the research building have now reached their full height with eleven floors. The hospital will be taken into operation in stages starting in 2016, and is planned to be fully operational in 2018.

Financing

Some of the investments for the year were financed by the County Council's own funds. The County Council's interest-bearing liabilities increased by SEK 9,006 million to SEK 41,938 million. Of the total liability, most is financed by borrowing on the Swedish and European capital market.

The remainder, comprising SEK 9,550 million, consists of financial leasing, primarily for SL's vehicles. Stockholm County Council was the first county council in Sweden to issue a green bond in 2013, since then it has issued two more green bonds. Green bonds are loans where the funds go to environmentally classified investments.

For comprehensive information please refer to the 2015 Annual Report, which will be published on 17 May 2016.

* Taking into account the restructuring costs as envisaged within the framework of the future health and medical care, the Stockholm County Council, SCC, has set aside funds in previous years to cover the planned and budgeted deficits. After Råd för kommunal redovisning's clarification on the reporting of balance requirements result, these funds are no longer included in the presentation of this year's balanced budget results. This means that the balanced budget outcome is negative for a number of years. According to the SCC this does not adequately reflect the economic situation in the SCC group. Stockholm County Council is budgeting for a positive outcome in the years 2015-2018, with these funds taken into account.

** Expenses for purchased services increased by 3.4 percent compared to the previous year due to increased costs of purchased replacement services during shutdowns of commuter services in connection with work on the City Line and Mälärbanan, but also due to a lesser degree of streamlining in the bus schedule. The slightly higher cost regarding purchased services and healthcare are compensated by the low cost development in other parts, not included in the chart.

Balance Sheet

SEK million	2015	2014
Assets		
Fixed assets	93,752	83,851
Current assets	11,498	6,582
Total assets	105,250	90,433
Equity, provisions and liabilities		
Equity	7,451	7,426
Provisions	24,902	22,884
Liabilities	72,898	60,123
Total equity, provisions and liabilities	105,250	90,433

Investments

SEK million	Outcome 2015	Budget 2015	Outcome 2014
Healthcare including properties (LFS)	3,407	3,503	2,836
New Karolinska Solna	3,494	4,307	3,639
Transport	6,393	6,404	7,873
Citybanan	310	389	376
Metro Expansion Administration	572	487	117
Other	110	136	147
Total investments, SCC Group	14,285	15,225	14,988

Financing

SEK million	2015	2014
Loan financing		
Long-term borrowing	30,688	18,627
Short-term borrowing	1,700	3,948
Total loan financing	32,388	22,575
Leasing financing	9,550	10,357
Total interest-bearing liabilities	41,938	32,932

Stockholm County Council's final 2015
Annual Report will be addressed at the
County Council Assembly on 17 May 2016.

Photography: Nikolaos Toumpelis