



Year-End
Report
2014

Year-End Report 2014

One fifth of Sweden's population live in the Stockholm region and the county is continuing to grow by around 35,000 residents a year. The foremost task of the County Council is to ensure that county residents have access to high quality healthcare and well-functioning public transport.

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

Balanced finances are one of the County Council's long-term objectives and a key prerequisite for the major investments in both healthcare and public transport that will be made in the next few years. The surplus in 2014 totalled SEK 136 million and finances continued to be balanced. To maintain sound finances, it is important to continue to work for restraint and control over the cost development.

Surplus/deficit

There was a surplus of SEK 136 million for the full year of 2014, which was SEK

84 million higher than budgeted. Stockholm County Council has reported an annual surplus for the past eight years. However, the surplus decreased from the year before and steps to reduce the rate of cost increases will be necessary in future years. Balanced finances are the foundation of long-term sustainable development and provide room for prioritised investments.

Cost development

Operating expenses amounted to SEK 77,661 million. This is an increase of 6.6 per cent, or SEK 4,789 million. The rate of increase was higher than the budgeted 5.3 per cent. Several of the County Council's operations, especially healthcare, continue to show a high cost development. Above all, staffing costs and the costs of purchased health and medical care ser-

vices increased. The reasons for the cost increases at the various emergency hospitals vary and a number of steps to reduce cost increases are therefore being planned and implemented in dialogue with County Council management.

Tax revenues

In 2014, total tax revenues increased by SEK 2,169 million to SEK 63,971 million, which is an increase of 3.5 per cent over the year before. The outcome for the year was also SEK 115 million above budget.

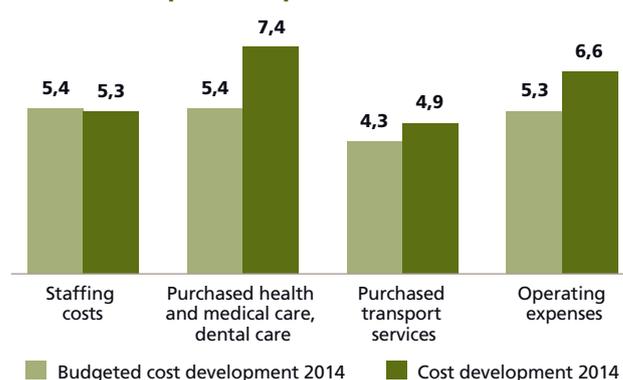
Balance sheet

Total assets increased and amounted to SEK 90,433 million at year-end. Financial room to manoeuvre over the long term, the equity/assets ratio, was 8.2 per cent, which is a decrease of 0.2 percentage points compared to the year before.

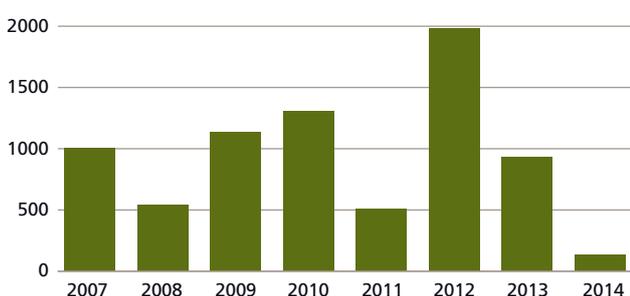
Income statement

SEK million	Outcome 2014	Outcome 2013	Change %
Operating revenues	18,507	18,406	0.5%
Operating expenses	-77,661	-72,872	6.6%
Depreciation/amortisation	-3,817	-3,589	6.3%
Net expenses	-62,971	-58,055	8.5%
Tax revenues, etc.	63,971	61,802	3.5%
Net financial items	-864	-2,813	-69.3%
Surplus/deficit	136	934	

Cost development in per cent



Earnings development (SEK million)



Total tax revenues

SEK million	Outcome 2014	Outcome 2013	Change %
Tax revenues	59,612	57,699	3.3%
General government grant	4,678	4,624	-
Equalisation system	-319	-521	-
Total tax revenues	63,971	61,802	3.5%

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 amounted to SEK 47,597 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 wishes, health-care needs to be adapted and developed. The Plan for Future Health and Medical Care (Framtidsplanen för hälso-och sjukvård) should provide capacity for more healthcare, better facilities and new ways of working. In total, capacity for around 47,000 more care episodes should be created.

Traffic systems for a growing region

At the beginning of February 2014, the County Council Assembly made the historic 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 out to Nacka, Barkarby and Arenastaden. The expansion covers

almost 20 kilometres of new track and nine completely new stations. The project is one of the largest infrastructure projects in the county since the construction of the existing Metro.

Investments

The 2014 investment volume amounted to SEK 15 billion, which was invested in multiple large objects.

Södertälje Hospital is being expanded and modernised to create more efficient premises. The hospital is the first in the series of County Council investments in healthcare properties that will be carried out according to the Plan for Future Health and Medical Care. The new section of the Light Rail, which extends to Solna Centrum, was opened for service in August. The expansion of the Roslagsbanan suburban railway aims to develop and strengthen the capacity of a line that is of major importance to the region.

New Karolinska Solna

In Solna, one of Europe's most modern university hospitals continues to grow forth. The new university hospital is becoming a hub in future health and medical care and will be responsible for

highly specialised care for the most severely ill and injured patients. The project is proceeding according to plan. The hospital building and the façade of the research building have reached their full 11-storey height. Hospital operations will be gradually introduced beginning in 2016 and are planned to be fully under way in 2018.

Financing

A large part of the year's investments were financed with the County Council's own funds. The County Council's interest-bearing liabilities increased by SEK 2,558 million to SEK 31,439 million. Of total liabilities, the majority is financed by borrowing on the Swedish and European capital market. The remainder, comprising SEK 8,864 million, consists of finance leases, primarily for SL's vehicles.

Stockholm County Council is the first county council in Sweden to issue a green bond. This is a loan where the funds go to environmentally classified investments, Södertälje Hospital and Roslagsbanan. The loan amount of SEK 1.1 billion corresponded to approximately 15 per cent of the County Council's credit requirements for 2014.

Balance sheet

SEK million	2014	2013
Assets		
Fixed assets	83,851	73,063
Current assets	6,582	8,269
Total assets	90,433	81,331
Equity, provisions and liabilities		
Equity	7,426	6,857
Provisions	22,884	21,433
Liabilities	60,123	53,042
Total equity, provisions and liabilities	90,433	81,331

Investments

SEK million	Outcome 2014	Budget 2014	Outcome 2013
Healthcare incl. properties	2,836	3,078	2,085
New Karolinska Solna	3,639	4,194	3,305
Transport	7,873	8,118	5,355
Citybanan	376	477	369
Metro Expansion Administration	117	449	–
Other	147	140	67
Total investments SCC Group	14,988	16,455	11,180

Investments New Karolinska Solna

SEK million	Accumulated through 2013	2014	Total
Construction	9,924	3,441	13,365
Art	6	5	11
Equipment	145	191	336
Total	10,075	3,637	13,712

Financing

SEK million	2014	2013
Loan financing		
Long-term borrowing	18,627	16,030
Short-term borrowing	3,948	2,050
Total loan financing	22,575	18,080
Leasing financing	8,864	10,801
Total interest-bearing liabilities	31,439	28,881

Stockholm County Council's final 2014
Annual Report will be addressed at the
County Council Assembly on 19 May 2015.