

City of Malmö
Annual report and
statement of accounts 2011



TABLE OF CONTENTS

SUMMARY.....	1
A WORD FROM THE CITY EXECUTIVE BOARD’S CHAIRMAN.....	4
ADMINISTRATION REPORT.....	6
FINANCIAL OBJECTIVES.....	25
THE ACTIVITY’S OBJECTIVE.....	27
THE ACTIVITY.....	58
OVERVIEW OF BUDGET DISCREPANCIES.....	79
PROFIT & LOSS ACCOUNTS.....	81
BALANCE SHEET.....	82
FINANCING ANALYSIS.....	84
ACCOUNTING PRINCIPLES.....	86
NOTE.....	92
FINANCIAL ANALYSIS.....	110
FINANCIAL INSTRUMENTS.....	117

SUMMARY

FINANCIAL POSITION

The result for 2011 amounted to SEK 492 m compared with SEK 516 m the preceding year. The net costs of the activity increased somewhat more rapidly than income from taxes and general contributions.

Of the total result, SEK +333 m was attributable to activities, while SEK +159 m related to taxes, general contributions and net financial items. SEK 230 m of the activity's result was due to sales profits.

The profit & loss accounts constitute the basis for reconciliation with the Local Government Act's requirements of financial balance. It means that extraordinary items and sales profits shall be deducted from the year's result. Also excluded from the year's result are the effects of the lowered discount rate for the calculation of pension liabilities. The result for 2011, adjusted in accordance with the Local Government Act's requirements, show that the municipality exceeds the requirement of financial balance by SEK 344 m.

The financial results over the last few years have shown that the municipality meets the set targets for a good economic development. The target for good economic householding for the years 2008 – 2011 amount to around SEK 400 m. This target has been exceeded by SEK 1.6 billion. It can thus be established that Malmö has enjoyed a good economic development in accordance with the definition laid down by the city council.

The year's investments amounted to SEK 1 180 m which was SEK 543 m lower than during the preceding year. The investment volume measured as a proportion of the net costs amounted to 9 % which was lower than during previous years.

With the help of the surplus of SEK 492 m and depreciation amounting to SEK 651 m it was possible to finance 97 % of the investments during the year by funds deriving from the ongoing activity.

During the year the average number of employees amounted to 20 901, representing an increase of 679 compared with the preceding year.

ACTIVITY

An investigation was set up at the end of 2011 which, among other things, was required to show, from a control and management perspective, how a more appropriate school organisation might be established. The background to this is, on the one hand, the decision and supervision report by the school inspectorate regarding Malmö's schools and, on the other hand, the ambition regarding children and young people as expressed in the City of Malmö's governing documents such as the budget document. The investigation is also based on, and takes into consideration, the new Education Act which came into effect on 1 July 2010 and started to be implemented on 1 July 2011.

During the year there has been a development of systematic quality work including the implementation of new school administration systems within all types of schools. In addition

there has been a survey made of teachers' competences and teacher certification. The new education legislation, new Education Act, school decrees, curricula and new grades scale started to be applied on 1 July.

The extension of nursery schools continued during 2011. The number of children attending nursery schools increased by 900. Despite the sharp increase in the number of children the nursery schools have been able to offer places within the statutory time. The requirement cover amounted to 98.5 % during the year.

The nursery schools' opening hours were regulated from 1 September. It then became possible to obtain childcare for nursery children at night-time too.

During the autumn a progressive charge model was introduced for nursery schools and youth recreation centres which involved lower charges for low-income earners.

The number of students at comprehensive schools was 120 more than the preceding year. It was primarily the 6-year olds who increased. The increase in the number of children in the nursery school class has mainly occurred within the municipal activity. For pupils in year classes 1-9 there has been some shifting from the municipal to the independent sector.

The demand for schoolchildren care has continued to grow. In 2011 the number of children in schoolchildren care increased by 700 compared with the preceding year.

The educational result within the upper secondary school sector is, as a whole, virtually unchanged. The proportion of students at Malmö's municipal upper secondary schools that complete their upper secondary school education within four years, with final grades from a national programme, is 83.3 %, representing a decrease of 0.5 % since 2010.

Autumn 2001 saw the first students starting at the new upper secondary school – GY11. The previous programmes were replaced by six university college-preparation programmes, twelve trade programmes and five introduction programmes.

The total number of young people in Malmö attending an upper secondary school (excluding follow-up students) fell by 600 students between 2010 and 2011. The decrease occurred in the municipal upper secondary schools.

The number of students in Malmö's municipal upper secondary schools fell by nearly 900 compared with the preceding year. As in previous years the number of students in the independent upper secondary schools increased with a current share now amounting to 34 %.

The annual survey of homeless in October showed that the number of homeless totalled 1 039 adults, which is 139 more than in the preceding year. The number of homeless children increased by 44 to 224 which is the highest number throughout the years during which the annual homeless calculations have been made. The total net cost of accommodation for the homeless amounted to SEK 153 m, an increase of 14 % compared with 2010.

The last seven years has seen the proportion of the population over 65 years in receipt of contributions increase from 16 % to over 20 % in recent years. During 2011 an average of 9 200 persons were covered by care for the elderly, the same level as in 2010.

The high demand for LSS (Support and Service for Persons with Certain Functional Impairments) housing remains and a high rate of development remains a matter of priority.

During 2011 the number of apartment allocations increased by 65 % compared with the preceding year. In December 2011 there were 39 people in the queue for LSS housing, of which 22 had waited for longer than three months.

The costs of financial assistance increased for the fourth year in succession and ended up at SEK 815 m.

The work on the Area Programme for a socially sustainable Malmö continues and, during the year, the work has been extended with a fifth area – Segevång in the Kirseberg district. During 2011 a long range of efforts representing considerable variety has been carried out; the scale runs from operational impact to comprehensive strategic works. Efforts focusing on learning and work have dominated during 2011.

THE DEVELOPMENT IN BRIEF

	2011	2010	2009	2008	2007
Population 31/12		298 963	293 909	286 535	280 801
Municipal tax, SEK	20.84	20.84	20.84	20.84	20.84
County Council tax, SEK	10.39	10.39	10.39	10.39	10.39
Average number of employees in the municipality	20 901	20 225	19 929	20 062	20 324
Net costs of the activity, SEK m.	-13 138	-12 719	-11 882	-11 688	-11 009
Profit before extraordinary items, SEK m.	492	516	594	424	418
Year's profit, SEK m.	492	516	594	424	418
Investments, SEK m.	1 180	1 723	1 824	1 102	1 238
Liquidity, SEK m.	719	1 100	2 070	2 365	2 476
Solidity, %	65	67	67	67	63

A WORD FROM THE CITY EXECUTIVE BOARD'S CHAIRMAN

2011 was the year when the focus in Malmö was placed on education and work. It was the year when a first step was taken towards establishing a new school organisation in order to meet the challenges. The focus for the school of the future was to be placed on clarity and objectives, and all students were to have the opportunity of achieving their knowledge targets in order, in the end, to realise their dreams in terms of achievement. Special input programs, computers and books have been purchased in order to assist students with literacy difficulties and libraries have been equipped in order to stimulate the students' interest in reading and literature.

It was also the year in which the important work of combating youth unemployment continued. SEF Unga's activity became permanent, as did Praktik Unga. The summer holidays initiative The Young in Summer [Ung i Sommar] received increased funding. These efforts have given many young people in Malmö valuable qualifications, experience and employment. The municipality also presented an alternative to the government's ill-fated Phase 3, called To Work [Till Arbete] in order to give more unemployed job opportunities.

The number of newly registered businesses in Malmö increased by 13 per cent during the first three quarters of 2011 and, in Norra Hamnen, the biggest harbour investment made in Sweden in recent decades, was initiated. This involves the taking of a major step towards creating a 1.5 million square metres efficient and sustainable transport hub and even more jobs.

Malmö is a popular place in which to meet. In 2011 there were 42 major congresses held here, generating a turnover of over SEK 75 million for the hotel, restaurant, transport and commercial sector. Tourism represents a billion kronor industry and last year saw more overnight stays at hotels than ever before, with more than a million. The number of guest nights increased by 170 per cent. Tourism is also incredibly important for employment in the city and a job in the service sector is the first step for many young people in the labour market.

Another thing on the increase is Malmö's population, for the 27th year in succession. The number of births was the second highest ever recorded, only slightly below the record set in 2010.

Malmö's economic development has also been good over a sustained period. Last year the municipality exceeded the requirement of a financial balance by SEK 344 m. This is reassuring ahead of the next few years which are predicted to be economically tough ones.

Malmö is well on the way to becoming an economically, ecologically and socially sustainable city. All the city's distinctions relating to ecological sustainability show that we have come a long way. During the year the city was awarded a prize by the Norwegian foundation Idébanken for its long-term work aimed at sustainable development. The continuity that exists in Malmö and which is so successful, is not to be found in many other cities. The important work aimed at making the city socially sustainable continues, for example through the work accomplished by the Commission for a socially sustainable Malmö. Countering exposure, insecurity, unemployment and widening social divides are prioritised matters, not least of all in Kirseberg which, last year, became the fifth city district to be brought within the Area Programme.

As a reception municipality for refugee children arriving on their own Malmö has had to assume an unreasonably heavy responsibility. However we were able to note a reduction in the number of asylum-seeking children arriving on their own during the second half of the year while, at the

same time, more children were referred to other municipalities. In calling for a national solution for these children the Minister of Migration, Tobias Billström, is to be congratulated. The hard work involved in finding LSS housing has produced results and the waiting list was halved in 2011.

An equal community is one in which everyone is given the same opportunities. During the year work started on producing gender apportioned statistics in order to draw attention to inequalities between women and men and to do something about them. Association contributions and training times are to be divided equally between boys and girls.

Last, but by no means least, I would like to thank all the City of Malmö employees for their considerable efforts during the year. It is thanks to our many creative and skilful colleagues that Malmö has been so successful. It also lays the foundations for new successes during 2012.

Ilmar Reepalu

ADMINISTRATION REPORT

THE ECONOMY

In its report from December 2011 the National Institute of Economic Research [Konjunkturinstitutet] made the following assessment of the economic situation.

The GNP growth in Sweden was temporarily strong during the third quarter of 2011. The European debt crisis had a clear impact on the growth of demand and the economic trend is now moving down towards growing unemployment as a consequence. It is most probable that the acute debt crisis will calm down during the first half of 2012 and that confidence will then return. The Swedish central bank [Riksbanken] lowers the repo rate to below 1 per cent during 2012. The financial policy is expected to be mildly expansive in 2012 but no further expansive financial policy is predicted thereafter in order to ameliorate the recession.

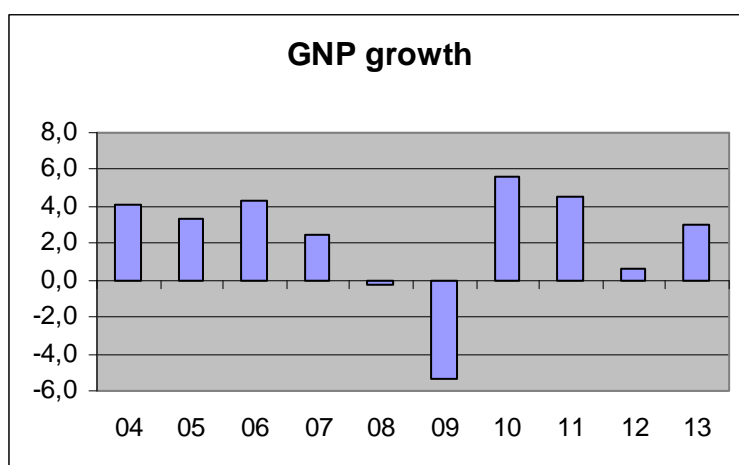


DIAGRAM: GNP growth nationally

The GNP growth in Sweden increased to 1.6 % in the third quarter of 2011 compared with the immediately preceding quarter. Despite the weak growth Europe exports developed strongly. This was, to a great extent, a consequence of strong exports to the growth economies (i.e. the countries outside the OECD area). Domestic consumption fell in comparison with the second quarter and the rate of increase in investment was checked in real terms.

Employment has also continued to increase which has offset unemployment somewhat further. But indicators such as businesses' recruitment plans on the Business Barometer have fallen sharply during the fourth quarter, indicating an early downwards turn on the labour market.

What is somewhat surprising then is the domestic demand which has thus far fallen off most since the state debt crisis in Europe became acute in the summer. This is largely due to the fact that households have gained an impression of both falling share prices and growing uncertainty about the development in Europe. Consumer confidence which has fallen in many parts of the world has fallen at least as much in Sweden. Where the weak development in the outside world now looks like continuing the increase in exports will also be falling off however. At the same time there are no signs of higher confidence among Swedish households and businesses on the Business Barometer. GNP is expected to fall in both the fourth quarter of 2011 and the first quarter of 2012.

THE POPULATION

At year-end 2011 Malmö's population numbered 302 835. The population increase during 2011 was 3 800. This is the 27th consecutive year in which Malmö's population has grown but, in comparison with the preceding year, the rate of increase has fallen by 1 200. Fewer newcomers, especially from abroad, and more people leaving, again primarily abroad, are the foremost reasons behind the lower population growth.

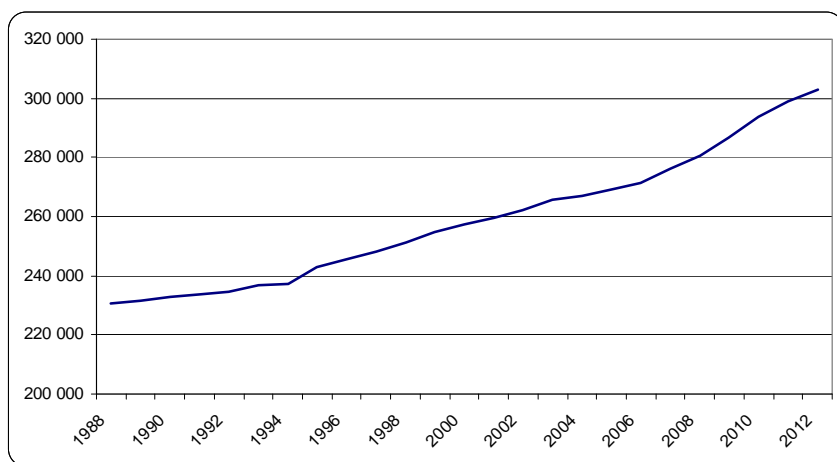


DIAGRAM: population as at 1 January

The City Centre district is the largest district in Malmö in terms of population with 45 300 inhabitants. The district which increased most in 2011 both numerically and in percentage terms, was Husie.

For the fifth year running immigration from Denmark fell and, for the second year running, emigration to Denmark is now greater than immigration.

The number of births in Malmö remains high. Provisional figures show over 5 000 children being born in 2011. The highest number of children, at over 900, were born in the City Centre district. The 1-5 years group increased by nearly 1 200 children, or 6 per cent, in Malmö during 2011. The age-group has grown in all the city's districts, with Fosie accounting for the biggest numerical increase.

The budget for 2011 has been based on a forecast average population during the year of 302 392 in all. The average population volume during the year was 300 899 inhabitants.

The table below shows the differences between the population forecast in the budget and the actual population.

	Population average 2011	Population budget 2011	Difference
0 years	4 900	5 029	-129
1-5 years	19 714	19 912	-198
6-15 years	27 453	27 537	-84
16-19 years	13 147	13 192	-45
20-64 years	188 868	190 085	-1 217
65-79 years	31 499	31 356	+143

80-84 years	7 242	7 271	-29
85-89 years	5 145	5 103	+42
90 years	2 934	2 907	+27
Total	300 899	302 392	-1 493

On the basis of allocated resources in the 2011 budget the effect of the lower population can be estimated as over SEK 20 m in lower costs.

31 per cent or c.a. 93 000 Malmö inhabitants were born abroad. The increase during 2011 has continued at a reduced rate and was c.a. 1 900 people which may be compared with c.a. 2 800 people during 2010.

The number of newly constructed homes in Malmö was 997, with 758 in apartment blocks and 239 self-contained homes.

THE ECONOMY

Improved conditions

The economic development in Sweden during the spring and summer of 2011 was better than had been predicted when the budget was drawn up during the autumn of 2010. The tax base forecasts were adjusted upwards by SKL [The Swedish Association of Local Authorities and Regions]. During the late summer and autumn the concern regarding an escalating debt crisis on the -area increased. The year's last tax base forecast in December came in at the same level as the August forecast.

The improved tax base forecasts led to the city council being able, on two occasions, to allocate a total of SEK 89 m to various measures of a one-off nature in the activities.

The year's result

The result for 2011 amounted to SEK 492 m compared with SEK 516 m the preceding year.

Of the total result SEK +333 m was attributable to the activities while SEK +159 m related to taxes, general contributions and net financial items. Of the activity's result SEK 230 m derived from sales profits.

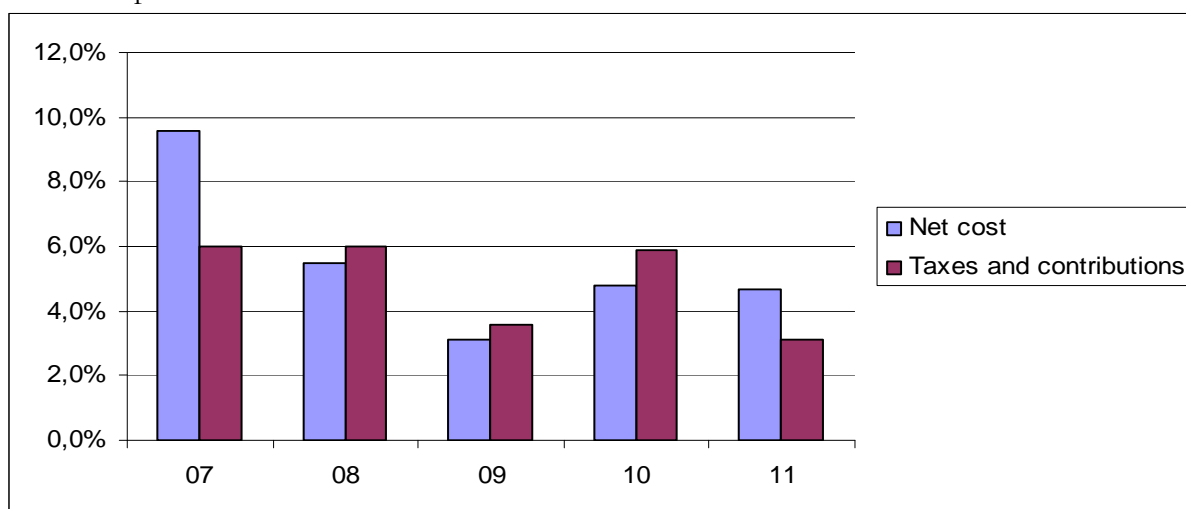


DIAGRAM: net cost increase five years (excluding sales profits) together with taxes and contributions

Net costs

The year's net cost increase was SEK 600 m or 4.7 % if the sales profits are excluded. The budget adopted by the city council in December 2010 for 2011 allowed for a net cost increase from 2010 of 4.8 % or SEK 614 m (excluding sales profits). After adjustments to budget frameworks during 2011 a net cost increase of 5.5 %, or SEK 703 m was allowed for.

There was a significant lowering of the net cost development during the end of the year. In the first four months the net costs, excluding sales profits, were 7 % higher than during the same period of the preceding year. The second third of the year saw the rate of increase staying at 7 %. The last four months of the year had the net costs only 1 % higher than during the same period in 2010.

Tax income and general contributions increased by 3.1 % between 2010 and 2011. The net cost increase has thus been greater than the increase in income.

Result factors

The overall budget discrepancy during the year was SEK 492 m. An overview of the budget discrepancies is provided on page 86. Shown below is a clear account of the major discrepancies.

City executive board

The overall result for the year amounted to SEK 49 m, of which the provision for the city executive board was SEK 43 m and the provision for the labour market and adult education committee was SEK 6 m. Within the result there is a deficit of SEK 7 m for disabled taxi services as a consequence of an increased number of journeys, an increased number of disabled taxi service permits and the fact of the index adjustment of the service being higher than allowed for in the budget.

Technical committee

The committee posted a surplus of over SEK 14 m. The surplus was explained by higher rent for leasehold sites and land grants, incidental operating income, lower capital costs as well as higher parking offences and street parking income. The surplus is offset to some extent by the non-financed costs of the station and cycle garage in Hyllie and the Triangeln station as well as higher costs of winter road maintenance.

Sales profit properties

Sales profits are accounted when the municipality sells land or facilities at a price higher than those entered in the books. The overall sales profit during the year amounted to SEK 230 m.

City planning committee

The committee reports a surplus of SEK 10 m. The city planning office, excluding BoPlats Syd as well as the housing adaptation contribution, shows a surplus of SEK 5.5 m which is, first and foremost, explained by higher income within both local plans and planning permission. This is due to the new PBL [Planning and Building Act] tax which came into effect during 2011, generating higher income. Both local plans and planning permission have, moreover, had a greater number of cases than budgeted for.

The costs of BoPlats Syd were c.a. SEK 0.5 m higher than budgeted.

The costs of housing adaptation contribution were over SEK 5 m lower than budgeted.

Social resources committee

The committee reports a deficit of SEK 5 m. The deficit is explained by under-budgeted costs of assistance payments (previously the Personal Assistance Act LASS) that represent a charge on the result of SEK 15 m. There is also a deficit included resulting from a cost-entered liability regarding the activity for children arriving by themselves, at SEK 5 m. The deficit has been reduced somewhat by surpluses from other activities.

The city districts

All the city district council, with the exception of the South inner city, Fosie and Oxie, report deficits. The deficit in six of the city district councils is, for the most part, explained by higher costs than budgeted with regard to homelessness. Under a special decision by the city council only 25 % of the deficit attributable to homelessness needs to be covered by the city district council's budget. The Kirseberg city district council has, in addition to deficit with regard to homelessness, a major deficit attributable to the school activities, including school care, individual and family care as well as healthcare.

The overall deficit for all the city district councils amounts to SEK 31 m or 0,4 % of the municipal contribution provided. In relation to the city districts' internal budget the deficit has primarily arisen within the areas of activity of family and individual and healthcare. Individual and family includes homelessness which registers a deficit of SEK 65 m. The activity relating to children and young people posts a total deficit of SEK 2 m. The deficit within the school sector is almost counterbalanced by the surplus within nursery school and leisure time activity.

Financial assistance

Financial assistance, which consists of maintenance support and introduction payments, shows a deficit in relation to the budget. The deficit amounted to SEK 67 m.

Financing

Finance administration, harbour facilities and the Citytunnel reported a budget surplus of SEK 288 m in total.

Taxes and general state contributions provided an overall surplus in relation to budget of SEK 116 m. During the year the improved tax base forecasts have been employed in financing extra investments during the year. By means of supplementary resolutions the net costs and tax income have been budgeted upwards by SEK 89 m.

Personnel costs and pensions resulted in a surplus of SEK 54 m in relation to the budget. The surplus is largely explained by lowered contractual employers charges as well as lower pension costs.

The provision placed at the disposal of the city executive board originally amounted to SEK 136 m. During the year SEK 126 m of this has been re-budgeted for the activities, which is why SEK 10 m remained at the end of the year.

The final statement of accounts for the Citytunnel investment was made during 2011. Of the allocations that had been made to cover index changes during the project period, SEK 55 m was able to be transferred back during the year.

The port facilities have posted a surplus in relation to budget of almost SEK 20 m as a consequence of a one-off payment from Malmö Hamn AB in connection with the running down of the company.

The external net financial items was SEK +58 m, which was SEK 43 m higher than budgeted. The budget disparity is primarily explained by higher interest income, higher one-off dividend from Malmö Hamn AB as well as non-budgeted letters of credit interest relating to ongoing investment activity. The financial cost of the pension liability was higher than budgeted as a result of lowered internal rate of return. The internal interest income from the activities was lower than budgeted whereby the result in the "Internal Bank" was SEK +4 m in total.

Taxes, general state contributions and equalization

During the year tax income amounted to SEK 9 619 m and general state contributions and equalization amounted to SEK 3 953 m. The overall rate of increase amounted to 3.1 %.

The rapid recovery of Sweden’s economy which took place during the spring of 2011 has meant that the tax base forecasts were adjusted upwards at a rapid rate during the start of 2011. Following growing unrest in the economic development in Europe the forecast adjustments ceased.

The budget for 2011 was based on the Swedish Association of Local Authorities and Regions’ tax forecast from October 2010 and the final accounts for 2011 have been based on their forecast from December 2011. The forecasts for budget, interim reports and final accounts are shown in the following table:

Tax base annual percentage change

	2009	2010	2011	nov-09
Forecast October 2010	1.5	1.8	1.6	5
Forecast May 2011	1.3	2.1	2.8	6.3
Forecast August 2011	1.3	2.1	2.8	6.3
Forecast December 2011	1.3	2.2	2.9	6.5

In the budget adopted in December 2010 the forecast income was SEK 13 367 m. After the income forecasts were adjusted upwards during the year the budget was adjusted upwards, in two stages, to SEK 13 456 m.

The municipalities’ tax base developed primarily in line with the number of hours worked in the community and the wage per hour worked. The diagram below illustrates the dramatic development that occurred in respect of the number of hours worked.

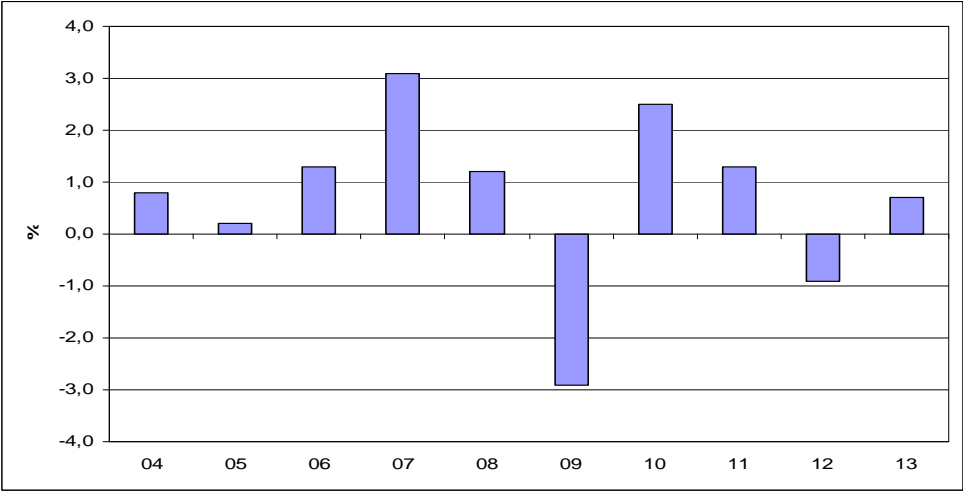


DIAGRAM: Number of hours worked

The 1991-2010 income years have seen the tax base per Malmö inhabitant growing more slowly than nationally for eighteen of the twenty years. Measured as a proportion of the average tax power, Malmö's tax power in the 2010 income year amounted to 85.6 % of the national tax power which was 1.4 percentage points lower than the preceding year. By means of the income equalization the municipality was compensated for the lower tax power.

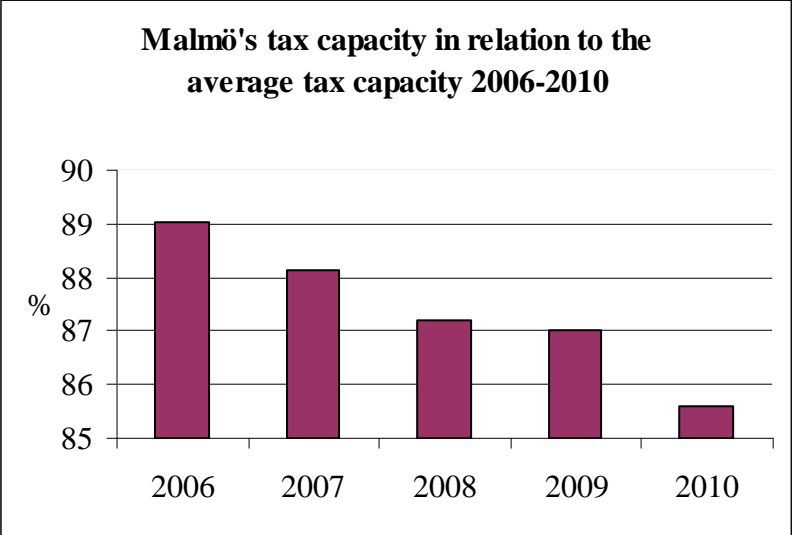


DIAGRAM: Tax capacity

Net financial items

During the year the administered liquidity amounted to an average of SEK 0.4 billion. The yield on the liquidity amounted to 2.34 % which was 1.54 percentage points higher than the preceding year. The yield has exceeded our comparative interest for 3-month treasury bill by 0.82 percentage points.

In the net financial items for 2011 there were included, as one-off items, a dividend from Malmö Hamn AB of SEK +54 m as well as lowered discount interest for allocated pension obligations of SEK -82 million. From and including 2011 ongoing letter of credit interest investments were activated during the construction time, improving the net financial items by SEK +31 m.

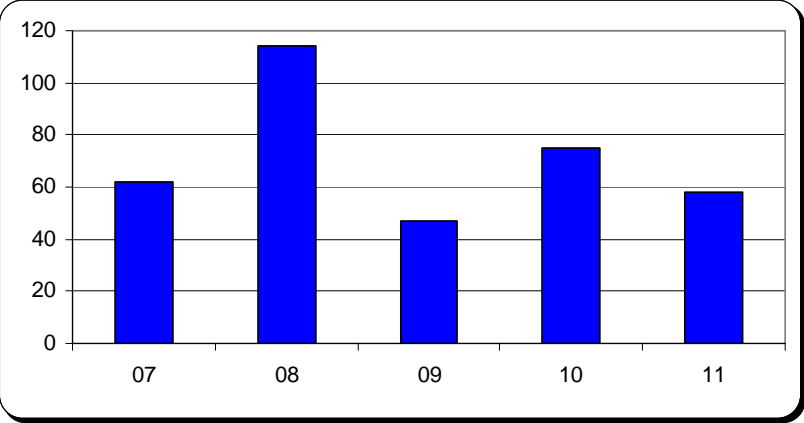


DIAGRAM: net financial items, SEK m.

Investments

The year's investments amounted to SEK 1 180 m which was SEK 543 m lower than during the preceding year. The investment volume measured as a proportion of the net costs amounted to 9 %, which was lower than during previous years.

With the aid of the result of SEK 492 m and depreciation of SEK 651 m, it was possible to finance 97 % of the investments during the year from funds derived from the ongoing activity.

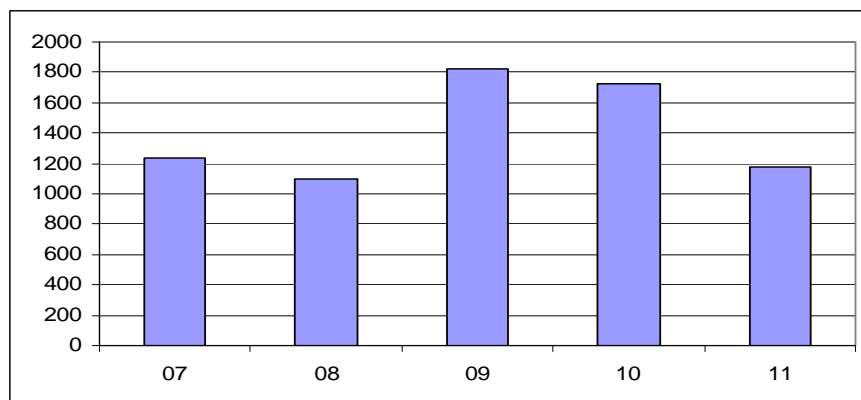


DIAGRAM: Investments, SEK m

Interest accruing net assets

The interest-accruing assets fell during the year by SEK 677 m to SEK 1 636 m.

Administration of pension assets

The total pension obligation amounted at year-end to SEK 7 390 m of which SEK 6 128 m was accounted as a contingent liability. The entire obligation has been loaned back and no part has been insured away. During the year the total obligation grew by SEK 786 m. Of the year's increase SEK 514 m has come about through the decision to lower the discount rate by 0.75 percentage points.

Reserving of equity capital for social investments

Of the year's result a total of SEK 50 m was reserved for social investments. In a separate matter for the city council it is explained how measures aimed at lower future costs within social services will be able to be financed through these reserved funds and then transferred back in line with the lowering of the costs.

Other information

Accounting principles

During 2011 lending in the form of cheque credits as well as next year's amortisation to VISAB, Malmö Kommuns Parkerings AB as well as the municipal association VA Syd, were reclassified from long-term to short-term receivables.

From 2011 sales within the exploitation activity were entered in the profit & loss accounts at the time of taking possession.

During 2011 ongoing investment projects with a term exceeding six months had letter of credit interest charged.

Otherwise the same accounting principles were applied as during 2010.

THE STAFF

The City of Malmö is one of the biggest employers in Scania. A task common to all activities is that of providing the people of Malmö with a good service. It is important for the City of Malmö to be seen as an attractive employer that can recruit, retain and develop its staff with the right qualifications for securing the future supply of personnel in an expansive region. The staff's commitment, competence and responsibility contribute towards the task being discharged with high quality.

The City of Malmö's joint staff survey was conducted at the start of the year as a web-based survey. The aim of the survey was to obtain a basis for the development of the activities, the working environment, staff and management as well as reinforce Malmö as an attractive employer. The response frequency was 83 %, an increase of four percentage points compared with the preceding survey.

The work aimed at developing a common, standardised, quality-assured way of working within the HR sector has continued in 2011. During the year the last stage of the City of Malmö's new HR system was completed. Work aimed at change has also been carried out with regard to the organisation relating to HR as well as the development of HR roles and HR competence.

During the year work has been undertaken in conjunction with the union parties aimed at producing a new cooperation agreement to take the place of Cooperation City of Malmö from 1996. The agreement shall reflect a common view of cooperation and how an efficient activity can be allied with a long-term sustainable working life.

Number of employees

During the year the average number of employees, including fixed-term employees with an hourly wage, was 20 901. The number of employees has increased by 679 compared with 2010.

	2011	2010	2009	2008	2007
Average number of employees incl. fixed-term employees with hourly wage, converted to full-time	20 901	20 222	19 929	20 059	20 324

On 31 December 2011 there were 20 521 staff who were employed on a monthly basis, an increase of 545 compared with the preceding year. The increase was due, in part, to the further development of nursery schooling. Of all those employed on a monthly basis, 18 203 were permanently employed, comprising 88.7 %. The number of permanent employees increased by 522 during 2011. The average age was 44.5 years which meant that the average age fell by 0.1 year compared with the preceding year. During the year the proportion of women fell by 0.1 percentage points to 77.2 %.

The City of Malmö possesses a great diversity of competences. There are c. 400 different occupations distributed among various occupational groups in the city's various areas of activity. The ten largest occupational groups accounted for 55.6 % (11 417) of the employees.

Ten largest occupational groups	Number of monthly employed	% women	% men
Staff nurses care of the elderly	2597	91.50%	8.50%
Child nurses	1968	91.10%	8.90%
Nursery teachers	1717	93.90%	6.10%
Carers for group residents	1058	76.60%	23.40%
Comprehensive school teachers, junior years	967	82.60%	17.40%
Care assistance care of the elderly	706	84.00%	16.00%
Social secretaries	703	86.60%	13.40%
Comprehensive school teachers senior years	631	68.30%	31.70%
Upper secondary school teachers, general subjects	566	58.80%	41.20%
Officials dealing with overall activity planning	504	66.10%	33.90%

Personnel costs

The wage overview for 2011 was conducted with all the organisations and the average wage outcome was 2.11 %.

The average wage for all monthly employed amounted to SEK 24 678 per month, an increase of 1.85 % compared with the preceding year. Women's average wage increased by 1.85 % to SEK 24 349 and men's average wage increased by 1.83 % to SEK 25 793.

Personnel costs accounted for over 54 % of the activity's costs. The personnel costs' distribution is shown in the table below. The table's pension costs also include interest on allocated pension assets.

Personnel costs, SEK m

	2011	2010	2009	2008	2007
Wage and personnel social costs	6239	5942	5 701	5 527	5 311
Social charges	1830	1761	1 687	1 814	1 781
Pension costs	880	685	687	643	658
Total	8949	8 388	8 075	7 984	7 750

Absence through illness

In this section absence through illness for 2011 is reported without any comparison with the preceding year since the absence through illness statistics could not be fully quality assured due to a change to the HR system this year. It is important to note that a large proportion of the City of Malmö's employees are healthy. During 2011 35.4 % of the employees had no absence through illness. The total sick pay costs during 2011 amounted to SEK 111.6 m. The costs of the short absence through illness (day 1-14) corresponded to c. SEK 103 m, i.e. c.a. 92 % of the total sick pay costs.

The absence through illness volume for all the monthly employed during the period 2007 – 2011 has developed in the following manner:

	2011	2010	2009	2008	2007
Absence through illness	4.48	-	4.68	5.41	6.12

Absence through illness in the statutory absence through illness accounting, which is calculated on a specially prescribed calculation basis, fell in 2011 in relation to 2009 by 1.3 percentage points.

Absence through illness during 2011 is shown below:

Total absence through illness time in relation to overall ordinary working hours	4.
- of which time with long-term absence through illness (over 60 days) in relation to total absence through illness	31.8
Absence through illness time for women in relation to overall ordinary working hours for women	5.2
Absence through illness time for men in relation to overall ordinary working hours for men	3.5
Absence through illness in the age group -29 years in relation to the group's overall ordinary working hours	3.4
Absence through illness in the age group 30-49 years in relation to the group's overall ordinary working hours	4.3
Absence through illness in the age group 50- years in relation to the group's overall ordinary working hours	5.9

Personnel supply

During 2011 extensive recruitment work was carried out. The access to applicants was good even if it was difficult to recruit individual occupational groups. A total of 1444 advertisements were published, resulting in 103 465 applications. Efforts aimed at securing the long-term personnel and competence supply were primarily carried out in the nursery school, school and healthcare sectors.

Diversity

In order to provide the people of Malmö a good service it is important for there to be equality and diversity in the City of Malmö's activities. For example Malmö has a goal whereby the population composition shall be reflected in the personnel breakdown. The proportion of citizens in Malmö was 41% while the proportion of employees with a foreign background amounted to 28.1 %, an increase of 0.7 percentage points.

Leadership

An efficient leadership is essential for being able to create a working climate where all employees feel motivation, commitment and involvement. At the end of the year there were, in the City of Malmö, 1 063 managers with personnel and activity responsibilities. The city's management centre, as in previous years, carried out and started a number of management development programmes aimed at various management levels.

Future retirements with a pension

During the forthcoming decade it is estimated that 3 682 permanent employees, i.e. 20.2 % of the staff, will reach the pensionable age (67 years). During 2011 299 employees retired on reaching the pensionable age.

MUNICIPAL BUSINESSES

A municipal business is defined, according to the council for municipal reporting, as a "company which is wholly owned by legal entities other than the municipality and to which the municipality

has assigned the care of a municipal concern”. According to the definition the following criteria shall also be met in order for a municipal business to be deemed to exist:

There exists an agreement between the municipality and the producer that the latter shall conduct municipal activity or sub-activity of a significant extent. The municipality has a principal responsibility for the services being offered to the municipality’s citizens. The activity would otherwise have been carried out under the municipality’s own aegis. Free schools are not regarded as municipal businesses as they come about through agreement with the state.

Within the City of Malmö there are municipal businesses primarily within the healthcare, individual and family care sectors. The number of places within the respective areas are shown below:

Within the healthcare sector the city has bought in 730 places in short-term, care and group housing, through framework agreements and individual placement agreements.

Within the individual and family care sector there are 409 bought-in places in respect of e.g. homeless and refugee children arriving on their own.

In addition there are price agreements concluded with companies, primarily relating to group accommodation for persons suffering dementia as well as users within BoLSS. Upon placement there is an individual agreement made for each user.

Agreement parties

Presented below are agreement parties within the respective area. In addition to these there are also the agreement parties where individual agreements are concluded for each individual user.

Short-term housing, care housing, group housing

Attendo Care AB
Carema Care AB
Förenade Care AB
Hyllie Park Äldreboende AB
AB Sjöstjärnan
Kosmo AB
Villa Vånga Vårdhem AB

Housing/shelter for the homeless

Förenade Care AB
Malmö kyrkliga stadsmission
Comintegra Boende AB

Transit housing for refugee children arriving on their own

Attendo Individ och Familj AB
Av Egen Kraft
Aleris Omsorg AB
VoB Syd AB

Municipal businesses within other sectors

Operation and maintenance work, roads, parks

Skanska Sverige AB
Svevia AB
Peab Sverige AB
Green Landscaping AB
ONE Nordic AB
Svevia Trafikteknik AB
Infranord AB
Prenad AB
Reinertsen Sverige AB

Snow-clearing

Agroprenad
Sydschakt
Hedegårdens entreprenad AB
A Nordbecks Entreprenad AB

Energy advice

Energikontoret Skåne

THE MUNICIPALITY'S COMPANIES

In the accounts' consolidated statement of accounts the municipality and its companies have been entered together in a manner equating with group accounting. The consolidated statement of accounts includes the legal entities in which the municipality has a significant influence. Significant influence is understood to mean a voting share of at least 20 %. Companies of lesser economic importance are not included even if the voting shares exceed 20 %. With this definition a total of 10 companies with 2 sub-group constellations are included in 2011. Of these companies 8 are joint-stock companies and 2 are municipal associations.

In addition to companies included in the consolidated statement of accounts the City of Malmö has, by means of ownership or seats on the board, influence in a number of other joint-stock companies and foundations. In 2011 these companies were:

AB Folkets Park	Fastighets AB Härfågeln
Kommunaktiebolaget	Kungsparken AB
Kommunassurans Syd Försäkrings AB	Stadsberget Nr 1 Malmö AB
Malmö Frihamn AB	Malmö Opera och Musikteater AB
Medeon AB	MINC AB
Skånes Dansteater AB	Sturupsaxelns Exploaterings AB
Malmöhus Läns Företagarförening	Turismens Utredningsinstitut i Sverige AB
Hvilans Lantmannaskolas Garantiförening	Stiftelsen Malmö Sommargårdar
Stiftelsen Kockum Fritid	

Changes during the period

Malmö Hamn entered into liquidation on 1 January 2011 and the liquidation was also completed during 2011. All the part-owners of Malmö Hamn AB became direct owners of Copenhagen Malmö Port AB on 1 January 2011. The City of Malmö's holding amounts to 27.5%.

On 1 January 2011 Burlöv municipality acceded as part-owner municipality in VA Syd. The City of Malmö's holding in the municipal association thereby fell to 75.5% (79% in 2010).

Within the Sysav group Sysav AB has sold 20% of its holding in ÅGAB. Sysav's holding in ÅGAB thereafter amounted to 40%. In addition Sysav AB has sold its entire holding in Kretsloppsparken Kristianstad AB.

Turnover and result

The municipality's companies had a turnover of SEK 4 975 m during the period, compared with SEK 4 832 m the preceding year. The biggest companies by size of turnover, unreduced from ownership shares, are the following, SEK m:

Turnover, SEK m			Holding %
	2011	2010	
MKB-group	1 657	1 591	100
SYSAV-group	826	756	46
CMP (Copenhagen Malmö Port AB)	727	675	27,5
VA Syd (municipal association)	769	730	75,5

The companies' profits have, in total, fallen during 2011 compared with 2010. A large profit was posted by Copenhagen Malmö Port AB at SEK 81 m (SEK 100 m). MKB's profit fell to SEK 25 m (33). Accounted profits are after final accounts allocations and tax.

Financial balances within the municipal group

Between the companies in the Malmö group there are different types of financial commitment. There are sales and purchase of products and services. The City of Malmö also has long-term lending to certain companies in order to cover their capital requirements upon major investments. Several companies also have their operating liquidity via the City of Malmö. Major financial balances, unreduced from ownership shares, are shown below, SEK m.:

Group contributions and dividends

Group company/ City of Malmö	Dividends	
	Provided	Received
MKB AB	6	
City of Malmö		6
Malmö Kommuns Parkerings AB	4	
City of Malmö		4
Copenhagen Malmö Port AB	16	
Malmö Hamn AB		16

Income, costs, Receivables and liabilities

Group company/ City of Malmö	Incomes and costs		Loans	
	Vendor	Buyer	Provided	Received
City of Malmö	267		2091	141
MKB AB		33		494
SYSAV		1		
Copenhagen Malmö Port AB		81		
Malmö Kommuns Parkerings AB		32		557
VISAB		21		133
City of Malmösteater		7		19
Räddningstjänsten Syd		19		68
VA Syd		73	141	799
City of Malmö		501		
MKB	66			
SYSAV	11			
Copenhagen Malmö Port AB	17			
Malmö Kommuns Parkerings AB	34			
VISAB	59			
Malmö Symfoniorkester	57			21
City of Malmösteater	50			
Räddningstjänsten Syd	166			
VA Syd	41			
SYSAV	91	3		
VA Syd	3	91		
VISAB	20			
Räddningstjänsten Syd		12		
VA Syd		6		
Malmö Kommuns Parkerings AB		2		
VA Syd	64			
MKB		64		
Sydvatten	116	5		

VA Syd	5	116		
Guarantees				
Group company/ City of Malmö	Decided/present amount		Utilised obligation	
	Provided	Received	Provided	Received
City of Malmö	2603		2103	
MKB AB		2200		1706
SYSAV		37		37
Malmö Kommuns Parkerings AB		12		12
Sydvatten		354		348

Development in the major companies

The group MKB Fastighets AB

MKB is Malmö's biggest housing company with a market share of 33 % of the renting market. This means that the company is Malmö's biggest landlord. On 1 January 2011 new legislation for municipally-owned housing companies came into effect. The rules involved, for example, that the company's activity was to be based on business principles and that housing rents were to be set according to the tenants' assessments. In connection with the new rules the city council resolved on 20 December 2010 to amend the ownership directive which, in turn, was determined at the company's annual general meeting in March 2011.

On 1 July all the shares in Centrumlinjen Fastigheter AB were acquired with the property Havsuttern 4 on Södra Förstadsgatan. The company was merged with MKB Fastighets AB during the autumn of 2011. MKB has also acquired Fastighetsbolaget Jungmannen AB, which owns the property Jungmannen 2. The merger with MKB Fastighets AB shall be initiated in the spring of 2012.

The year's result after tax and the profit allocations amounted to SEK 25 m (33). The reduced profit was due to increased interest costs.

Demand for rented accommodation has continued to be strong during the year. As good as all sub-markets were characterised by scarcity. At year-end there were 114 non-rented out apartments of which the majority was contracted for subsequent occupation. The tenants' turnover fell to 11.4 %.

The total rent income increased by 4.5 % or SEK 70 m, of which SEK 25 m was due to the general rent increase for homes. The remainder is due to new properties and rises in standards of the housing stock.

The rentable area increased during the year by over 23 000 sq.m. and amounted at the end of December to 1 690 531 sq.m. (1 667 049). The number of apartments increased to 22 539 (22 238).

There is still a large extent of maintenance and improvements to the stock. The total operating costs (excluding maintenance) fell to SEK 711 m (731) corresponding to SEK 4325 per sq.m., a reduction of 3 %.

Maintenance costs amounted to SEK 496 m (500). This corresponds to SEK 296 per sq.m. (300). The maintenance volume which lies about 50 % above the average for municipally-owned housing companies, is due to a large part of the property stock having reached an age where more extensive maintenance measures are needed.

The total investments during the year amounted to SEK 568 m (384), of which SEK 373 (241) related to new production, SEK 123 m (130) to reconstruction and improvements and SEK 58 m to property acquisitions.

During the year 331 apartments were completed. At year-end the production of a further 224 apartments was ongoing.

The market value of the properties has been calculated by MKB as SEK 19 083 m (17 346) upon evaluation in January 2012. The market evaluation has led to the writing down of the Lejonhjärta block and the Havsuttern property by SEK 23 m, but also the writing up of 3 properties in Västra Hamnen by SEK 23 m.

The South Scania waste joint-stock company, Sysav

Sysav is responsible for the regional waste treatment and recycling in southern Scania. The parent company Sysav, South Scania's waste joint-stock company, deals with waste from the 14 owner municipalities and is responsible for 15 recycling centres. The subsidiary, Sysav Industri AB, deals with waste from companies and activities. The gathering and transportation of the waste to the facilities is undertaken by the part-owner municipalities and contractors.

The subsidiary Sysav Biotec AB was merged with the parent company Sysav as at 30 September. During the year the company has also sold its holding in Kretsloppsparken Kristianstad as well as 20 % of its holding in AGAB Syd AB.

Despite the major fall in waste volumes in connection with the recession 2008 – 2009, Sysav has been able to incinerate the maximum permitted volume of waste, 550 000 tons in the waste incineration plant at Sjölanda in Malmö during the year.

During 2008 the Supreme Administrative Court upheld a judgement where two of Sysav's owner municipalities, Simrishamn and Tomelilla, were deemed to have been in breach of the act on public procurement (LOU). This outcome means that it is not only collection but also the waste treatment of domestic waste that is covered by the procurement obligation. A temporary exemption from LOU in accordance with the Teckal criteria was incorporated in Swedish legislation from 1 July 2010. An important condition for not needing to carry out a procurement within LOU from own companies is that the conditions governing the Teckal criteria are satisfied. In order to satisfy the requirements from the Teckal criteria the wholly-owned subsidiary Sysav Industri AB was formed on 20 December 2011. The company handles industrial and business waste as well as domestic waste from other than the owner municipalities. Through the establishment of Sysav Industri AB the activity within the Sysav group is cultivated and clarified in a clearer manner and in accordance with the relevant EU legislation.

Copenhagen Malmö Port

Copenhagen Malmö Port AB (CMP AB) has the contractual task of operating and developing the port activity in both Malmö and Copenhagen. This agreement applies up to and including 2035. CMP AB rents the city's installations and Udviklingsselskabet By & Havn I/S the port installations in Copenhagen.

Since 1 January 2011 the City of Malmö has been a direct owner of CMP AB with a holding of 27,5%. The City of Malmö was previously a part-owner of Malmö Hamn AB which owned 50% of CMP AB. Malmö Hamn AB was discontinued as an intermediate stage in the ownership of CMP AB and entered into liquidation on 1 January 2011. The company has since been liquidated

during 2011. All part-owners of Hamn AB became direct owners of CMP AB as at 1 January 2011.

The economic downturn had consequences for the goods throughput which, during 2011, amounted to c. 14 million tons, a reduction of more than 1 million tons compared with 2010. The reduced volume relates to a reduction in transit oil which was adversely affected by the turbulence surrounding oil prices during the year.

CMP AB faces major challenges in the years ahead. Extensive investments have been initiated and carried out in both Malmö and Copenhagen's port facilities, involving increased costs in the form of right of use charges for the investments. Economies and rationalisations that have been effected mean, however, that the company feels well equipped to exploit the opportunities that arise when the economic situation improves.

Malmö Kommuns Parkerings AB

Malmö Kommuns Parkerings AB, provides parking in Malmö, in its own facilities and on behalf of property owners. The company is responsible for over 32 000 parking spaces in its own and external facilities and, on behalf of The Traffic Management Office, takes care of parking supervision in Malmö's streets and squares.

Most of the parking areas have been well used during the year. The take-up in the centre has been at the same, or somewhat higher, level compared with 2010. A changing travel pattern has, however, been noted with more people taking the train from their home station. For example the opening of Citytunneln and the Triangeln station has meant that more people are choosing collective transport means.

The level of investment remained high during 2011. The three big parking facilities at Bagars Plats, Malmö University College (Godsmagasinet) and in Västra Hamnen (Fullriggaren) are under construction and will be completed during 2012.

Malmö stadsteater AB

Malmö stadsteater presents around fifteen productions a year. The repertoire shall reflect both the new Malmö as well as keep the classical masterpieces alive.

During 2011 ticket sales and audiences have, overall, exceeded expectations and are significantly above the budgeted level.

In May 2011 a new project was started, Teaterdialog Öresund which is EU-financed, together with the theatres Köpenhamns Musikteater, FÅR302, Malmö University College and Roskilde University. The budget amounts to EUR 1.1 million over 2.5 years. The project is divided into three parts: public communication, cooperation methods and equality.

The company has additionally initiated a new project during the year, called Bastard. This is a performance which is produced together with FÅR302 in Copenhagen as well as Teater Vesturport and Reykjavik's Stadsteater from Iceland. It is expected to be premiered in Iceland in June 2012 and to continue periods of playing in Malmö and Copenhagen during the late summer and autumn of 2012.

Malmö Symfoniorkester AB

Malmö Symfoniorkester AB is one of Sweden's four big symphony orchestras with national assignments. The principal task is, however, to meet up with the local and regional concert-going public.

During 2011 Malmö Symfoniorkester has presented 75 concerts distributed between 41 different productions. The audience take-up has averaged 76%.

The economy measures that have applied since 2009 have ceased. The work in filling vacant positions has started, but is proceeding carefully. The full-year's result has exceeded the board's result target.

Sydvatten AB

Sydvatten AB has the task of preparing and distributing drinking water with a high and steady quality among its owner municipalities. To this end the company makes use of raw water sources in Bolmen and Ringsjön (reserve water source). The company owns and operates The Bolmen tunnel, Ringsjö works and Vomb works as well as the main piping system for the distribution of drinking water.

Water sales amounted in 2011 to 68.38 (70.8) million cubic metres.

The Bolmen tunnel was connected up during the spring after having been closed for two years for extensive repair and reinforcement work.

Ängelholm municipality has resolved to become a part-owner of Sydvatten. During 2012 the planning of pipelines to Ängelholm will go ahead and connection is expected to be made in 2014. Båstad municipality has resolved to sign a declaration of intent regarding part-ownership of, and connection to, Sydvatten for the municipality's southern areas. Following these new connections the excess capacity that the company had previously identified will have been consumed.

During the year the company has made major investments. The investment volume amounts to SEK 68 m (200).

Räddningstjänsten Syd

Räddningstjänsten Syd is a municipal association through which the rescue services for Burlöv, Eslöv, Kävlinge, Lund and Malmö municipalities are organised and conducted. The area of activity is to prevent and limit accidents in the community by means of preventive measures and also to prepare and carry out rescue operations in an efficient manner.

In recent years the association has conducted a large number of training and informative initiatives aimed at reducing the number of accidents and fires. This work is reflected in the number of rescue operations with a clearly falling trend for certain types of accidents. At the same time the laid down arrival times in the event of accidents cannot be kept due, among other things, to the population growth and a wider geographic spread of housing and transport means.

VA Syd

VA Syd is a municipal association consisting of the water and sewage activities in Malmö, Lund, Burlöv and, from January 2012, Eslöv as well. In addition to water and sewage matters the association is also responsible for waste treatment in Malmö and Burlöv.

The investment requirement within VA SYD will grow sharply in the future due to new conditions for, and altered requirements of, the activities. Stricter requirements concerning release of, e.g. nutrients from the wastewater treatment works, may be imposed due to Sweden's obligations within the framework of the Baltic Sea Action Plan. The climatic perspective also means that consideration must be given to rising seawater levels and changed rain intensities.

Over a shorter time perspective, there are investment requirements due to the installations growing old and their capacity needs, in some cases, to be reinforced.

FINANCIAL OBJECTIVES

FOR EACH INDIVIDUAL YEAR INCOME SHALL EXCEED COSTS IN ACCORDANCE WITH THE BALANCE REQUIREMENT

The profit & loss accounts form the basis for reconciliation with the Municipalities Act's requirement of financial balance. This means that extraordinary items and sales profits shall be deducted from the year's result.

Objective indicator: Balance requirement report in accordance with the Municipalities Act.

The year's result	SEK 492 m
- all sales profits deducted	SEK -230 m
+ lowered internal rate of return	SEK +82 m
RIPS	
Adjusted result	SEK +344 m

The result for 2011, adjusted in accordance with the Municipalities Act's requirements, shows that the municipality met the requirement of financial balance by SEK 344 m.

OVER A PERIOD OF THREE TO FOUR YEARS IT IS REQUIRED THAT:

- The result shall cover the value securing of equity capital after adjustment for that part of the pension obligation accounted as a contingent liability
- The result shall cover the increase of the entire pension obligation, i.e. including that part accounted as a contingent liability
- The result level shall be suited to the municipality's risk exposure and any other uncertainty factors

An economy in balance as well as an efficient follow-up and evaluation of economy and activity are necessary prerequisites for the municipality to be able to meet the requirement of good economic housekeeping.

One result which is compatible with the requirement of good economic housekeeping in accordance with the Municipalities Act's provisions, imposes higher demands than simply balance in the economy. In order for the requirement to be deemed to be met, the result should, in normal circumstances, lie at a level which in reality consolidates the economy.

Objective indicator: Result development 2008-2011

The economic results in recent years show that the municipality meets the set objectives for a good economic development by a good margin.

(SEK m)	2011	2010	2009	2008
Value securing of pensions	585	-541	78	-30
Value securing of equity capital	139	115	27	36
Financial objectives	724	-426	105	6
Reported result	492	516	594	424
Objective discrepancy	-232	+942	+489	+418

The objective for good economic housekeeping for the years 2008 – 2011 amounts to SEK 409 m. This objective has been exceeded by over SEK 1.6 billion. It may thus be confirmed that Malmö has enjoyed good economic development in accordance with the definition determined by the city council.

DIRECTION OBJECTIVE: MAINTENANCE OF THE MUNICIPALITY'S FIXED ASSETS

The municipality's road network and bridges shall be maintained at such a level that no neglected maintenance requirement arises. The municipality's properties shall be maintained at a level regarded as relevant by the industry.

Street network and bridges

The analysis of resource allocation and maintenance needs has been made in cooperation between the Traffic Management Office and the City Office shows that the method of compensation for future areas applied since 2000 provides reasonable conditions for maintaining the installations in a satisfactory manner. The work of reducing the older maintenance debt continues. Analyses of maintenance planning within the areas of streets, bridge maintenance, bridge insulation and quays point to a considerable maintenance requirement for older installations. With the reinforcement of the investment framework and investment plans which took place from and including 2011, the maintenance requirement that has arisen can be worked off during a 10 year period.

Objective indicator: the municipality's properties

The service committee has, on previous occasions, noted that the level of the properties' long-term planned maintenance does not meet up to the established objective, i.e. the industry's average.

One of the measures employed for reaching the objective has been to work with the city's models. This work has led to the school leasing agreement which was subject to notice as at 31/12 2011, was terminated for renegotiation during the spring. When all the leasing agreements for the schools, within a four year period, have been renegotiated, it is considered that the maintenance level may lie at the same level as the industry average.

THE ACTIVITY'S OBJECTIVE

YOUTH UNEMPLOYMENT TO BE REDUCED

The changed proportion of young Malmö citizens in employment or studying

For registration technology reasons official statistics regarding the proportion of young Malmö citizens in employment or studying need a long time to prepare and cannot, therefore, provide the relevant circumstances for 2011. Shown here are, on the one hand, Statistics Sweden's statistics regarding study participation in 2009 and 2010 and, on the other hand, the Swedish Public Employment Service's statistics for unemployed young people in the 18-24 age-group.

Study participation

The table shows that the number of young people aged 18-24 years studying in Malmö increased by 569 from 2009 to 2010. At the same time the population in that age-group increased by 688. The details for 2011 are not yet available.

Malmö citizens, 18-24, taking part in studies 2009 and 2010

	2009	2010
Upper secondary school	12 464	12 285
KOMVUX (Adult education)	5 076	4 441
University college education at basic and advanced level	14 302	15 685
Total	31 842	32 411

Unemployment

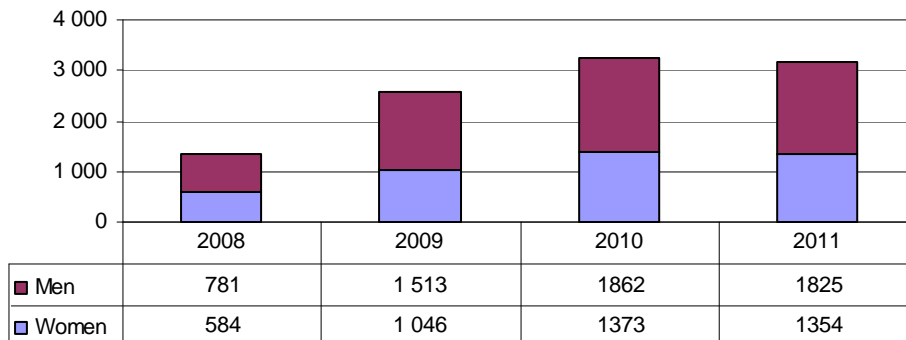
From and including September 2011, the Public Employment Service calculates the unemployed in relation to the registered labour force instead of, as before, only in relation to the population in the relevant age-group.

In 2011, there was an average of 3 235 young Malmö residents, 18-24 years, registered with the Public Employment Service, corresponding to 23.0 % of the labour force and 10.8 % of the population. In principle, unaltered compared to 2010. The consequences of the recession and its impact on employment is illustrated by the fact that, in 2008, i.e. before the recession, the average number of unemployed young people was as low as 1 365. Regarded as unemployed are open unemployed and participants in programmes with activity support.

In general, youth unemployment is high in the country. Calculated as a proportion of the population, youth unemployment in Malmö in recent years has been on a par with, or lower than, unemployment in Scania and in the country as a whole. If, instead, youth unemployment is calculated as a proportion of the labour force, it was, in Malmö, consistently above both Scania and the country in 2010 and 2011.

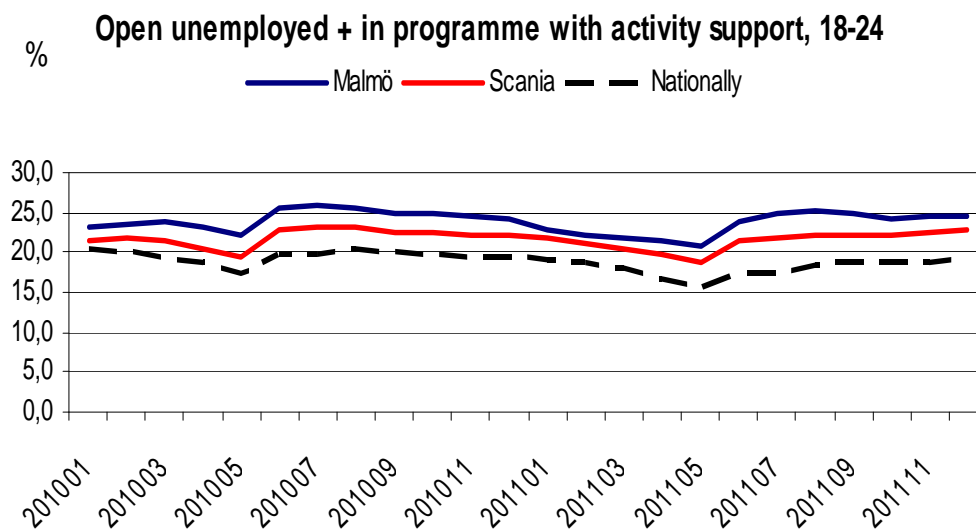
A comparison between the country's three largest cities in December 2011 shows an average unemployment for young people in Stockholm of 8.7 % (4.4 %), Gothenburg 15.4 % (7.9 %) and Malmö 23.5 % (10.8 %) calculated as a proportion of the labour force (proportion of the population in parentheses).

Number of unemployed Malmö residents, 18-24 years, registered at the Public Employment Service, 2008-2011, average



Source: The Public Employment Service [Key: Män = Men, Kvinnor = Women]

Proportion of unemployed, 18-24 years, registered at the Public Employment Service, 2010-2011
Proportion of the labour force



Source: The Public Employment Service

MALMÖ RESIDENTS WITH MAINTENANCE BENEFITS SHALL BE SELF - SUPPORTING

The change in the proportion of persons with maintenance benefits who become self-supporting through work or studies

The proportion of persons with maintenance benefits who ceased working or studies fell by 0.9 % units between 2010 and 2011. In five city districts, the proportion increased while it decreased in the other five city districts. The differences between 2010 and 2011 are, in many cases, marginal.

The number of households with financial aid has increased in nine out of ten city districts between 2010 and 2011 which is emphasised as a reason for the result. Unemployment and changes in the social insurance systems are stated as important explanations for why the number of cases has increased. A contributory factor towards fewer people having gone to work and studies has also, according to some city districts, been the reorganisation of the municipal labour market investments. Several city districts have carried out personnel reinforcements during 2011 in order to cater for the increased need of maintenance support. Individual plans based on surveying and need assessment are constantly described as an important way of increasing target fulfilment. Cooperation with the Public Employment Service and JobbMalmö is presented as a prerequisite for helping individuals towards supporting themselves. Young adults and families with children are described by some city districts as prioritised groups. In several city districts, work is in hand with making the handling processes more efficient in order to create more time for personal meetings.

THE CITY OF MALMÖ'S ADMINISTRATIONS SHALL WORK ACTIVELY TOWARDS THE DEVELOPMENT OF COMMERCE AND GETTING MORE BUSINESSES TO START UP IN, AND MOVE TO, MALMÖ

The change to the number of administrations actively working with the commercial policy strategy

All administrations work actively, directly or indirectly, with the development of commerce – i.e. creating the best possible conditions for commerce in Malmö to be developed and to grow through investments in education, infrastructure, housing, city environment and other municipal service. Here lie the most important and powerful effects of the city's efforts aimed at the development of commerce.

The administrations are working for commerce through both special development initiatives and traditional exercising of authority such as the issuing of licences, environmental and foodstuffs control, planning permission etc., which, in its extension, also involves development and strong competitiveness for Malmö's businesses. The existing commerce/the existing businesses in Malmö also account for the totally crucial part of the growth and employment development.

The City of Malmö is also actively working with the stimulation of the entrepreneurial spirit and the start of new businesses by providing financial support to players who promote this. In the same way, the city has an overall administration service for businesses which intend moving their activities to and/or investing in Malmö.

The meeting places between the municipal administrations and commerce have been developed during the year in both the city districts and other administrations.

The commercial policy strategy was adopted by the city council in June 2009 and 2011 is the first year in which the changes in the administrations' commercial work are being measured on the basis of this strategy. Since no comparative figures exist for measuring the change against, an estimate of altered activity is made in relation to previous years.

In general, it is estimated that commerce-promoting efforts have increased during the year in both the internal work within and between administrations as well as directly in relation to the target group, businesses/commerce. In addition to ongoing commercial policy activities, a separate seminar programme has been initiated and conducted internally in the municipal organisation - Företagsamma Malmö [Enterprising Malmö] - with participation from many administrations. A form of organisational development aimed at an administratively improved understanding and coordination in the encounter with businesses and contractors. A joint customer service function - Frontdesk – "one way in"/single point of contact for business service has been produced during the year by the city office and the technical administrations and will be tested during 2012.

Within the framework of the city planning office's work with a new overview plan 2010, the importance of commerce for the city's development and the needs and requirements that businesses have in interplay with the municipal activity and service, is stressed. Land for commercial activity, for example, is an area which is given particular attention in the overview planning work. The city planning office also constantly follows up and shortens processing times for matters regarding planning permission and detail plans and priorities in line with the commercial policy strategy.

The property office has three focus areas – creating good conditions for the development of commerce, future housing supply and public service. During the year, the exploitation department has organised a special unit in order to be able to focus on commercial matters more clearly.

The education administration has increased its efforts aimed at stimulating the entrepreneurial spirit and enterprise in education and, during the autumn, it produced a programme for raising the level of competence regarding the entrepreneurial spirit in schools. By means of different projects and partnership with commerce, the cooperation between school and working life has been developed, by no means least, through vocational colleges and the certification of industry-recommended training.

The highways office contributes strongly towards the development of commerce in cooperation with others.

Through the administration's efforts regarding the infrastructure initiatives with planning and the design of traffic systems. The highways office's cooperation with other administrations such as the city planning office, property office Malmö Tourism, the leisure administration and environment administration regarding renewal of the city environment, events and experiences, contributes to increased attractiveness and interplay with commerce.

Within the framework of the Area Programmes in the five city districts, there has been produced, through dialogue between the municipality, businesses, property owners, associations etc., a large number of proposals, and initiated activities for, stimulating entrepreneurial spirit and increasing employment. This is being done to a large extent in partnership between the municipality, the residents, commerce and other organisations.

A particular effort is also being made through the municipality starting up Malmö Joddinkubator together with commerce (Uppstart Malmö) and Malmö University College. A bringing together of forces in partnership in order to create growth, new jobs and to reduce exclusion.

Major investments for increasing the attractiveness for businesses to establish themselves and/or develop their activity in Malmö, have been carried out and planned such as the development of Citytunneln, Hyllie with Emporia and new Trade Fair Centre.

Development of the logistics area in Norra Hamnen, building of a global office for IKEA, investment in events and conferences etc. are other examples of strategic investments in cooperation across administration boundaries and in partnership with commerce.

Taken as a whole, the year's efforts aimed at the development of commerce in Malmö are in line with the commercial policy strategy through increased and developed dialogue between the municipality and industry, more public/private partnership, investments in education in accordance with the needs of commerce, development of entrepreneurial spirit, attractiveness, growth and employment. Focus has also, in the spirit of the strategy, been placed on improved internal interplay in the municipal organisation in order to develop the municipality's work with commercial development. Faster and simplified case processing and service and increased understanding for a uniform treatment of our customers.

The efforts during the year have also clarified all administrations' major significance for, and contributions to, the development of commerce in Malmö and synergies of a developed internal and external interplay. This tendency indicates a positive development of the municipality's role for the development of commerce in Malmö – for growth and employment.

NURSERY SCHOOL SHALL BE DEVELOPED AT SUCH A RATE THAT ALL CHILDREN WHOSE PARENTS SO WISH MAY BE OFFERED A NURSERY PLACE THE GOOD QUALITY WITHIN THE STATUTORY TIME

The change to the number of newly built nursery school places in relation to demand

Children shall be offered a nursery place on the basis of the desired placement date if notification has been given no later than four months prior to this date. A place shall be provided within four months after notification of the need for a place. The city districts are responsible for places in nursery schools being provided and for the activity maintaining a good quality and meeting the requirements present in the Schools Act.

The city districts have worked actively during the year for a continued development of nursery schools. During 2011 over 1000 more children have been offered nursery places. New nursery places have come about through new construction as well as through concentration. Existing nurseries have obtained more places through adaptation of premises, group changes and other flexible solutions.

In order to develop the quality in nursery schools there is work being undertaken in the administrations aimed at adapting teaching environments, materials and methods as well as the development of external pedagogics and altered opening hours. The development of the quality within nurseries is limited to some extent by a strong focus on the increased demand and, thus, the considerable need to increase the number of nursery places. During the year some city districts have started temporary nurseries or have had extra departments which can be opened and closed as required.

A new work model with developed cooperation between the city districts concerned has been developed in order to focus on the building of nurseries and to meet the municipality's need for childcare with a full cover of need in both the short- and long-term.

In order to increase the meeting of objectives and ensuring quality within the nursery school, work has also commenced aimed at the development of systematic quality work at all levels within the activity.

In the attitudes survey in the spring of 2011 parents gave nursery schools in Malmö a very good grade. The school inspectorate's supervision of nurseries and schools in Malmö and this municipality-wide parental survey, has given rise to developmental efforts during the year.

PERSONNEL IN NURSERY SCHOOLS SHALL HAVE TIME TO LOOK AFTER EACH CHILD AND THEIR UNIQUE NEEDS

The change to personnel density in nursery schools

The personnel ratio, 5.1 children to each full-time employee during 2011, is in line with other years' measurements. At the administrative level some city districts have had a marginal increase in the number of children per employee while others have registered a certain reduction or an equivalent level. The great demand for nursery places and the difficulties with the development of nursery schools has impacted on the possibilities of reducing the number of children in the groups.

A large number of efforts have been made to increase recruitment of nursery teachers. Personnel with supplementary pedagogic qualifications, such as music teachers, have been appointed, the schedule has been adjusted more optimally to the child's presence, introduction programmes and the development of competence have been carried out. The need for the supply of personnel has also been met within the municipality-wide project 'Competence Supply for Nursery Schools' where investments have been made within the areas of marketing, recruitment and raising of qualifications.

The work within nursery schools has been followed up and analysed on the basis of the groups' composition and which, in turn, affects how the work at the individual nursery is carried out. Of particular importance is noting the children's need to belong and a good pedagogic environment. Work is also ongoing with regard to making the nursery schools attractive workplaces.

The city districts test varying models in order to organise the groups of children whereby the best possible conditions for the children are created. The city districts are also working towards raising the profile of the task for the pedagogues to a higher extent so that the importance of the children's needs being in focus at all times is then stressed. In the attitude survey of spring 2011 the parents showed in their responses that the nurseries are good at combining pedagogics and care.

MALMÖ'S STUDENTS SHALL BE GIVEN GOOD OPPORTUNITIES OF ACHIEVING THEIR GOALS AT SCHOOL

Change to the students' objective fulfilment

The pedagogic activity works with a strong focus on disseminating knowledge and skills to all children and young people. The schools' task is to provide the students with good opportunities for achieving their goals.

The development of the students' knowledge within the comprehensive school is followed at municipal level with final grades and outcome in national tests. The grades outcome in the 9th school year improved somewhat in relation to the previous year. In spring 2011 there were 61% of students with a final grade of at least G [approved] in all subjects. There are significant differences in the grades outcome for students in comprehensive schooling between city districts and schools. There are schools where the students achieve 100% in goal fulfilment, but also schools where less than half the students achieve the goals. Students at comprehensive schools generally have problems in achieving goals in mathematics and the nature-orientated subjects. The proportion of students at Malmö's municipal higher secondary schools who complete their education there within four years with final grades from a national programme is falling but, as a whole, there are quite small changes in the results for those studying at higher secondary schools.

In order to improve the students' objective fulfilment there are investments being made in the areas of language and mathematics development as well as individual adjustment, support teaching and other efforts focused on teaching. The focus on each student's individual circumstances and result is made, for example, by following up each student's results in the various subjects. Students who risk not achieving targets are offered support which is documented in a programme of measures and in the individual development plans.

Organisational changes have been carried out in order to clarify the responsibility of principals and other professional roles for result and activity development. The city districts are also investing in the development of holiday and summer schools whereby more students are given the opportunity to achieve their goals.

In order to increase the students' objective fulfilment and to ensure the quality within the activity, there is development work being carried out with regard to systematic quality work aimed at different levels within the pedagogic activity. The quality work is also connected to research and monitoring what goes on elsewhere to increase objective fulfilment. Extensive work is being undertaken with regular checks against targets and following up of results at different levels within the pedagogic activity.

Malmö's STUDENTS SHALL PERCEIVE THAT SCHOOL CONTRIBUTES TOWARDS THEIR LEARNING IN A GOOD WAY

The change to the proportion of students who perceive that school contributes to their learning in a good way

Annual attitude surveys are conducted with the students' target group in school years 5, 7 and 9 where the students' perception of the quality area "knowledge and learning" constitutes a source for development and prioritising. In the same way, attitude surveys are conducted within the higher secondary schools.

The students' perception of how comprehensive schools contribute to their learning is unaltered when measured against previous years. On a scale of five grades, the students assess the quality area "knowledge and learning" at 3.88.

The city districts are working on the students' participation and influence and on clarifying the objectives and expectations of students and guardians in respect of the new course plans. The individual students' participation and influence in respect of planning and evaluation of their own learning, increases gradually with greater maturity. Several schools have special initiatives such as coaches and special pedagogues, who contribute towards the students' learning by giving each student the right help at the right time.

The upper secondary schools are working towards creating a stimulating learning environment and offering challenges to the students. IT-pedagogics, external contacts and a thematic way of working are important constituent parts of this work.

MALMÖ'S STUDENTS SHALL FEEL SECURE AND SHALL FLOURISH IN THEIR SCHOOLS

The change in the proportion of students who feel secure and will flourish in school

Within the statutory schooling, the students' perception of the quality area "security and well-being" is measured in an annual attitude survey involving the target group of students in school years 5, 7 and 9. Within the city districts' areas of responsibility, locally-adapted student and parent questionnaires are conducted. In the same way, attitude surveys are conducted within the upper secondary school sector.

The students' perception of security and well-being within the statutory schooling points to, in autumn 2011, a marginal reduction within the quality area "security and well-being". On a five grade scale, the students assess the quality area at 4.04 compared with 4.05 autumn 2010.

The students' assessments in the 2011 questionnaire within upper secondary schools indicate overall positive trends with regard to security and well-being.

Within the city districts, the value-base work is prioritised and an ongoing area of development with efforts aimed at increasing the students' good working atmosphere, participation and co-determination in order, in this way, to counteract discrimination and other forms of offensive treatment. A good social environment is a prerequisite for learning. The value-base work has also been made relevant in connection with the implementation of the new curriculum. Equal treatment plans are important instruments in the work aimed at security in school, as well as the School-Social Service-Police work (SSP).

MORE OF THE MUNICIPALITY'S NURSERIES AND SCHOOLS SHALL TAKE AN ACTIVE PART IN A GENDER-PEDAGOGIC DEVELOPMENT PROJECT

The number of schools and nurseries that carry out a gender-pedagogic development project

Eight of the city's districts report that a gender-pedagogic development project. In the city district, Centrum and Kirseberg, all nurseries and schools have an ongoing project while other city districts report an ongoing project for a smaller extent of the units. Within the upper secondary school sector, a gender-pedagogic development project has commenced but none of the education administrations' activities have carried out a development project for at least a month with at least half of the employees involved.

The City of Malmö's R&D-education unit arranges targeted activities such as lectures, courses, creating networks and has pedagogic documentation for supporting the gender-pedagogic work. The R&D unit's support is utilised by the administrations in their work with gender pedagogics.

Many employees have a commitment and an awareness which permeates the daily work and which can be spread to others. The Kirseberg city district, for example, has trained gender pilots who monitor and develop the gender pedagogic work in the district. Several city districts are working on consolidating the gender work in their organisations and the pedagogues' awareness of equality has increased and their attitudes have altered. The work continues with giving children the same developmental opportunities - irrespective of gender - and places and play environments are adapted in a gender-neutral manner in order to encourage boys and girls towards various games.

REDUCING SOCIALLY-CONDITIONED HOMELESSNESS

The change in the number of persons homeless for social reasons

The objective of socially-conditioned homelessness to be reduced was introduced in 2011. Following up the objective is through the charting of Malmö's homeless carried out on 1 October each year. Socially-conditioned homelessness is understood to mean that were the person's abuse, mental ill health, or a combination of abuse and ill health, are a contributory cause of the person not having a home of their own.

Between 2010 and 2011, total homelessness in Malmö increased from 900 to 1039 adult persons. The increase lies wholly and completely within the structurally-conditioned homelessness which relates to the current lack of housing combined with economically weak households not being able to compete for homes with a reasonable rent level nor having the opportunity of buying tenant-owner rights.

The socially-conditioned homelessness fell marginally in numerical terms from 540 to 527, between 2010 and 2011, but the proportion fell from 60 % to 51 %. There are orders for housing for two without a requirement of being drug-free and, when these have come about, it is deemed that the need for municipal-community accommodation for homeless with a need for special accommodation solutions shall have been met. Otherwise, there is a need for housing in the ordinary housing stock with various forms of supervision and support.

The differences are considerable between the city districts and in all, apart from Hyllie, the socially-conditioned homelessness was reduced. At the same time, Hyllie is the city district which, from 2009 to 2010, had the greatest reduction in the total number of homeless.

CITY OF MALMÖ SHALL BE AT THE LEADING EDGE OF ACTIVITY DEVELOPMENT IN THE EQUALITY SECTOR

Change in the number of administrations that have actively worked on a "Development plan for equality integration"

Objective fulfilment

The development plan for equality integration was adopted by the city council on 1 September 2011 and the work on equality integration has therefore been going on for 4 months. The work on the plans in 2011 focused on education since all managers and staff needed knowledge of the plans and the equality work. The other focus area was access to, and use of, gender distributed statistics in order to illustrate the equality situation in the city of Malmö.

During the autumn 2011 all Malmö City employees were offered a range of competence-enhancing and inspiring talks and courses as support in the various administrations in their work in meeting the requirements in the Development plan for equality integration. Staff from all of the City of Malmö's administrations took part in the training initiatives.

Five administrations have produced plans or strategies for equality integration and two have reported that they have set up steering groups or work groups for equality integration. A network consisting of a contact person from each administration has been built up and held two meetings during autumn 2011.

The directional goals in the Development Plan for Equality Integration shall be achieved by no later than 2013. In order to reach these goals all activities shall show that they are working towards an equal activity and towards the municipality as an equal employer. The 2011 annual analysis shows that most administrations have initiated work on equality integration and that several have produced plans of action aimed at equality integration. That so much has been brought about in such a short time shows that there are good expectations of achieving the goals in 2013. In the 2012 budget there is SEK 4 million as inspiration and for facilitating the administrations' work on the Development Plan for Equality Integration. This investment will probably contribute towards objective fulfilment in 2013.

In order to achieve the goals the access to gender-distributed statistics must be better but, first and foremost, all activities must start to conduct equality analyses in their daily activity and prior to new decisions. The quality analyses may then form the basis for objectives and undertakings to be produced and for the equality perspective to be integrated within activity planning and following up.

An extended analysis of the work on equality integration in the City of Malmö is to be found in the report Annual Equality Report 2011.

Measurement values

1. Use of gender-distributed statistics

During 2011 there has been an increase in the number of administrations which report that they distribute statistics according to gender in relation to the city council's objectives.

During 2011 nine administrations have reported that they increased the use of gender-distributed statistics. Six administrations have worked on producing gender-distributed statistics or on making surveys of the present situation.

2. The number of administrations and activities which make equality analyses on an ongoing basis in their ordinary work

In the annual analysis 2011 all administrations reported on whether they had undertaken equality analyses during 2011. This will constitute the comparison basis for objective fulfilment 2012.

Only one administration carried out equality analyses during 2011. Nine administrations have reported that they already have plans for carrying out equality analyses during 2012.

MALMÖ'S ELDERLY SHALL FEEL THAT THEY RECEIVE THE CARE THEY NEED

Change to satisfaction in recipients of care in their own and special housing

The satisfaction of users is measured by means of Statistics Sweden and their method Satisfaction-Customer-Index (SCI). The survey is divided into several questions where one of these is designed to obtain the users' total assessment of the assistance they receive.

The result for 2011 gives an overall grade - SCI 68 within the home service and an SCI of 67 within special accommodation. The pass mark for satisfaction is set at an SCI of 55. The users in Malmö are thus satisfied with the help they receive. The result of the previous measurement was an SCI of 70 for home service and an SCI of 69 for special accommodation. The indicator shows that the proportion of users satisfied with the care they receive has fallen by c. 2.5 %. The fall in the country is the same or more than in Malmö. At the city district level, some districts have improved their result over the years while others have seen their results fall.

A factor which the survey points out as an area of improvement is "social intercourse and activities".

As a result of the user survey 2010, a number of measures were initiated in order to raise the quality of the activity. The 2011 user survey was conducted from July to September 2011 and presented in December. As the result of this was somewhat lower than the previous year, it may be noted that the measures that have been implemented have not yet had an impact on the activity. On the basis of the result in 2011, there is an ongoing analysis process together with the drawing up of further proposals for measures in the city districts. These will be reported to the city council during 2012.

ALL MALMÖ RESIDENTS SHALL FEEL SECURE IN THEIR CITY

The measurement of security shall show that more Malmö residents feel secure

A range of external factors contribute towards people’s perception of security. Confidence, trust, social establishment and participation are some of the factors that have significance for the perceived security as well as the development of the physical environment and the visible presence of the police.

During the latter part of the 2000s a positive trend was discerned in the annually recurring security measurements where fewer Malmö residents feel exposed to crime and more feel secure. There are still, however, big differences between the city districts where the levels of insecurity are significantly higher in socially exposed city districts.

The work undertaken within the framework of the Commission for a Socially Sustainable Malmö and the Area Programme for a Socially Sustainable Malmö is aimed at addressing, in the long-term, the causes of insecurity and exclusion by influencing social and physical conditions in particularly exposed housing areas.

The City of Malmö and the Malmö Police District have decided on cooperation within the area of security-creating and crime-prevention work. This is formalised by the cooperation agreement ”Five Focuses on Increased Security in Malmö” with particular focus on young people in risk zones and young criminals, organised crime and criminal networks, crime victim support, drug-use prevention efforts and security-creating measures in the public environment and traffic. The work is undertaken both through long-term social measures and more short-term situational measures.

The operative security-creating and crime-prevention work takes place for the most part within SSP – a local crime- and drug-prevention cooperation between social services, schools and the police. The work is aimed at preventing risk behaviour among young people as well as early identification of young people in risk zones. Following joint proposals from the City of Malmö and the Scania police authority, Holma-Kroksbäck has been selected by the National Police Authority [RPS] to take part in a pilot scheme regarding social initiative groups. This is a governmental assignment which aims at preventing new recruitment among young people by criminal networks and to facilitate defection. An evaluation of the pilot project will be reported by RPS in autumn 2012.

The result of the security measurement shall show that more Malmö residents feel safe. The security measurement undertaken by the police and City of Malmö in 2011 shows that Malmö residents’ perceived insecurity and actual exposure to crime continues to fall. There is, however, still a far-too-large proportion who feels insecure in relation to how many who actually perceive themselves as being exposed to crime. The proportion stating that they have been exposed to crime shows a positive trend as a reduction occurred since 2008 from 32.4 % to 24.8 % in 2011. Crime exposure is dominated by the crime categories damage and theft, where cycle thefts account for the greatest proportion. Malmö’s overall security index for 2011 is 2.39, an improvement compared with the preceding year. In the scale employed, 2 means ”not a particularly obvious problem” and 3, ”quite obvious problem”.

Security measurements 2006-2011

2011	2010	2009	2008	2007	2006
2.39	2.45	2.36	2.64	2.64	2.82

Source: The Police and the City of Malmö

MALMÖ'S CHILDREN AND YOUNG PEOPLE SHALL HAVE ACCESS TO MEANINGFUL LEISURE TIME

Change to number of meeting places for young people

In 2010, the city council decided on a policy for meeting places for young people in Malmö, where the aim is for children and young people to have access to meaningful leisure time.

The city districts have developed the cooperation with other administrations and with associations in order to provide more meeting places where children and young people can try different types of activities.

During 2011, four city districts increased their provision of the number of meeting places, while others remain at the same level as in 2010. Some city districts believe that the focus is now on the development and quality assurance of the content of the activity in order, in this way, to increase the number of visits to existing meeting places. Several city districts are inclined towards using the schools' premises for leisure activity. Associations in Malmö also offer important meeting places for Malmö residents and association activities are carried out daily with the support of the leisure administration, e.g. in the municipality's leisure and sports facilities, but also in other association premises and facilities. The leisure and culture activities in the city districts are striving towards catering for the interests and wishes of as many young people as possible.

IN MALMÖ GIRLS AND BOYS SHALL BE ABLE TO TAKE PART IN LEISURE ACTIVITIES UNDER EQUAL CONDITIONS

Change to proportion of girls taking part in leisure activities

According to the city council's 2011 budget, the change to the proportion of girls taking part in leisure activities shall be measured.

Where Malmö's ten city districts are concerned, a change has occurred in 2011 through all city districts now having the opportunity of measuring and reporting the proportion of girls visiting leisure centres or other meeting places within the districts. Viewed over the entire year, no major changes are seen in total with regard to the proportion of girls. A number of individual meeting places/leisure centres can report increases. One can see increased participation where the city districts have cooperated with girls in the planning of activities and have listened to needs and wishes.

With regards to the proportion of girls taking part in leisure activities, the Cultural Affairs Committee has reported from Kulturskolan as well as Kulturplats Lagret where a small increase may be seen, while the leisure committee has no available numbers prior to 2012.

Throughout the committee's reporting, there is an increased focus on the matter. This manifests itself in different ways, e.g. through increased participation by the target groups and the competence-enhancing efforts within the personnel sector. The fact that the municipal council took the decision in September with regard to the Development Plan for Equality Integration, may partly have contributed to increased focus on the matter.

PROPORTION OF THE MUNICIPALITY'S PERSONNEL AT ALL LEVELS WITH A FOREIGN BACKGROUND SHALL CORRESPOND TO THE PROPORTION OF THE TOTAL POPULATION

Change to the proportion of personnel with a foreign background at all levels

The proportion of citizens in Malmö with a foreign background was 41 % on 01-01-2012, an increase of 1 % units compared with the corresponding survey in 2011. The proportion of personnel with a foreign background has increased over a number of years. Of the 20 521 permanent employees at 31-12—2011, 28.1 % had a foreign background. This was an increase from the preceding year of 0.7 % units. The total number of permanently employed has increased by 545 persons since the preceding year, while the total number of personnel with a foreign background has increased by 301 persons. During 2011, 17 administrations reported an increase in the number of personnel with a foreign background.

”Personnel with a foreign background” is understood to mean staff who were either born abroad or who were born in Sweden of parents both of whom were born abroad. Information regarding personnel with a foreign background relates to permanent employees and is reported three times per year. The relevant point of measurement is 31-12-2011.

Of the total 5 760 permanently employed staff with a foreign background, 4 463 were women and 1 297 were men. The City of Malmö had a total of 1 063 managers, of which 141 had a foreign background. Of these, 98 were women and 43 were men. The city district administrations increased the proportions of employees with a foreign background during the year by 0.7 % units to 30.5 %. Within other administrations, the proportion increased by 1.1 % units to 21.9 %. The administration with the highest proportion with a foreign background was SDF Rosengård.

Number of personnel with foreign background

2011	2010	2009	2008	2007
28.1	27.4	26.1	25.4	24.9

Source: Statistics Sweden

ALL PERSONNEL IN THE CITY OF MALMÖ SHALL BE ABLE TO WORK FULL-TIME OR TO THEIR DESIRED DEGREE OF SERVICE

Change to the proportion of involuntary part-time employed

The City of Malmö shall be a model as employer and offer good conditions of employment in order for the city to administer the flow of personnel. By giving the employees the opportunity of working to the extent they wish, the conditions for a more even gender distribution are also improved.

In May 2007, municipality-wide guidelines were adopted with regard to desired degree of service with the aim of reducing the number of involuntary part-time employees. An involuntary part-time employee is defined as a permanently employed member of staff with part-time employment who wishes to have a higher degree of service and is prepared to accept an increase in the degree of service at another workplace in the administration, other working hours and/or other working tasks within the framework of the employment agreement.

In December 2011, the City of Malmö had 3 748 part-time employees, corresponding to 18.3 % of the total 20 521 personnel. The proportion of permanent employees working full-time increased to 81.7 %, corresponding to an increase of 0.8 % units compared with 2010.

The proportion of full-time employed women increased from 79.1% (2010) to 80.0%. The proportion of full-time men increased from 87.3% (2010) to 87.6%. The figures regarding the degree of service are based on the permanently employed personnel's basic employment.

The number of involuntary part-time employed was 82 of which 72 were women and 10 were men. Corresponding figure in 2010 was 46, of which 40 women and 6 men. The increase can be partly explained by the absence of a functioning hour bank during the year. The proportion of involuntary part-time employed corresponded to 2.2 % of the total number of part-time employed. Of the involuntary part-time employed, 41 worked within the care sector, 21 within children and young people and 20 in other activities. During 2011, 218 employees obtained their desired degree of service.

The property office, highways office, environmental administration, the city office, the city planning office as well as SDF Södra Innerstaden, SDF Västra Innerstaden and SDF Kirseberg had previously no involuntary part-time employed. During 2011, the social resources administration also achieved this objective.

	Proportion involuntary part-time employed	Proportion part-time employed	Proportion involuntary part-time employed
2008	4.1 %	3 964	163
2009	3.1 %	3 874	119
2010	1.2 %	3 863	46
2011	2.2%	3 748	82

THERE SHALL BE NO UNJUSTIFIED WAGE DIFFERENCES IN THE CITY OF MALMÖ

Change to the wage differences between work of equal value

Based on each administration's analysis of the wage structure, the City of Malmö's wage policy and wage review process, a municipality-wide analysis and assessment was made which led to the direction of the wage review 2011. This direction was confirmed by the city executive board's employer committee (AGU).

In the direction for the wage review 2011, there was a concentration on the city districts' administrations and social resource administration, regarding: social secretaries, primarily experienced social secretaries, first line managers in the care sector, individuals and family as well as children and young people, librarians who contribute towards strengthening and developing the library activity in the city districts, teachers and nursery teachers who particularly contribute towards renewing and improving working ways and methods aimed at higher quality and objective fulfilment.

The overall outcome of the wage review was 2.11 %. The outcome for social secretaries was 2.75 %, for managers 2.30 % (applies to all managers), for city districts' librarians 2.31 %, for teachers 1.88 % and nursery teachers 1.99 %.

During 2011, work was started on an extended work assessment. The work has involved HR consultants and managers within various activities in all administrations. The aim is to produce municipality-wide assessments for the City of Malmö's positions. The work will be completed during the first half of 2012. Wage charting with the extended work assessment as a basis will be carried out during 2012.

MALMÖ SHALL BE A LEADER IN RESPECT OF ECOLOGICALLY SUSTAINABLE CITY DEVELOPMENT

Proportion of homes constructed with extra high environmental ambitions

During the year Malmö adopted a plan of action for the city's climate and environment work for the period 2011-2014. The plan of action identifies the most important strategic issues and specific measures that need to be undertaken over the next few years in order to ensure that the goals established in Malmö's Environmental Programme are achieved by 2020.

Malmö's work towards a sustainable city development takes place in parallel on several different levels, e.g. through IT solutions and access to the internet. During the year, the programme Green IT was initiated which, in time, is expected to involve reduced energy consumption and reduced impact on the climate. As part of this, for example, the environmental requirements have been intensified upon procurement of IT products and IT services and a number of pilot studies have been conducted in order to identify IT's potential as environmental technology in the city development. The environmental barometer which is a tool for reporting key figures relating to the environmental situation in Malmö via the internet, was launched during 2011. With statistics and descriptive texts, key figures are reported for following up the municipality's environmental programme.

In November, the first Summit Öresund was held with the mayor of Copenhagen and the chairman of the city executive board in Malmö as conveners. The meeting brought together c. 300 players from the Öresund region and matters discussed included green growth, overview planning and the Öresund Bridge.

The public transport efforts that have been initiated are an important part of the work towards a sustainable city development. This relates, for example, to the ongoing work on planning the Malmö ring and the Public Transport of the Future project. Included in this project are plans for electrically-operated public transport and, during the year, the work on pilot study and planning programme for trams, part 1, was initiated.

The sustainable city transformation continues, e.g. through investing in the SEGE Park. The area possesses good conditions for being a real "testbed" for the city's concentration on cleantech, smart electrical network and smart properties, renewable self-production of energy combined with green values and a strong health profile. The work is taking place in a broad dialogue with the municipality's other involved players. As part of the Sustainable Rosengård project, renovation of BRF Hilda is being carried out. The aim is to take a total grasp of the renovation requirement and create a model for sustainable renovation which provides major gains in reduced carbon dioxide emissions, participation and security and which is also economically marketable in the long-term. Several city districts are also working on the concept of Green Schoolyards, e.g. Högholmsskolan in Lindängen.

Miljöbyggprogram Syd addresses, in the first hand, owners who wish to build on municipal ground and is applied upon the new construction of housing and premises within the City of Malmö and Lund municipality. The programme is involved in the decisions and agreements concluded between the parties in connection with land allocations or other agreements. Since 2009, 65 projects have concluded contracts Miljöbyggprogram Syd and, of these, 48 involve

housing. Following up the programme commences during 2012 when the first owners submit result records. The operating results will first come in after the buildings are completed and have been in use for around two years. Only then can complete following-up of the projects be undertaken, whereby it is not possible, in the current situation, to effect any following-up.

The first choice will be environmental cars operated by biogas, hydrogen gas, electricity or chargeable hybrid engines.

The number of environmental cars within municipal activities operated by biogas, hydrogen, electricity or chargeable hybrid engines.

At the end of 2011, 35 % of the City of Malmö's light vehicles were operated by electricity, biogas or chargeable hybrid engines. This is a reduction of the proportion since the preceding measurement which means that the trend has been broken. The proportion of cars operated by these fuels has steadily increased up to the end of 2011.

The City of Malmö has set an ambitious goal for the municipal environmental car strategy: by 2015, 75 % of the City of Malmö's light vehicle fleet shall be operated by electricity, biogas or chargeable hybrid engines. This shall come about through informing the City of Malmö's administrations about the environmental car strategy and about which environmental cars are available on the market. During 2012, departures from the environmental car strategy shall be investigated. The highways office, environmental administration and service administration continue to work jointly in order to find tools for achieving these goals.

AIR POLLUTION TO BE REDUCED

Number of places in Malmö where the environmental quality limit for air pollution has been exceeded

How the air in Malmö relates to the environmental quality standard (EQS) is checked by means of measurements at 4 measuring stations (www.dagensluft.se/malmo.html) as well as through model calculations for other parts of the city. Evaluation and reporting of measurement results and calculations are done annually during the spring for the preceding year (www.malmo.se/luft).

Measurements and calculations show that, during 2011, EQS was exceeded for only one substance, nitrogen dioxide, as in previous years. This occurred at four locations in the city: Amiralsgatan – Bergsgatan, Dalaplan as well as Södra Förstadsgatan. The number of times the limit was exceeded was the same as during 2010.

Calculations of daily and annual averages for nitrogen dioxide concentrations are made at 15 especially vulnerable places and the average for these is largely unaltered between 2010 and 2011 (reduction of 2 %). On a large number of streets, the nitrogen dioxide contents are immediately below EQS, which is why there are significant changes in where the excesses occur from year to year.

This year, a revised programme of measures for nitrogen dioxide in outdoor air in the City of Malmö was laid down by the County Council. The programme aims to introduce measures which, in the short term, deal with emissions at the places where the excesses occur.

ECOLOGICALLY AND ETHICALLY CERTIFIED PRODUCTS SHALL BE THE FIRST CHOICE UPON PROCUREMENT AND PURCHASE. IN THE SECOND PLACE, THE PRODUCTS SHALL BE PROCURED IN ACCORDANCE WITH THE ENVIRONMENTAL MANAGEMENT COUNCIL'S CRITERIA.

The proportion of purchases ecologically and ethically certified, as well as the proportion of procurements made in Malmö which apply the Environmental Management Council's criteria

There are currently two support functions in Malmö for ensuring that ecologically and ethically certified products are the first choice in the municipality. On the one hand, the Fairtrade City secretariat, and on the other hand, a project group for working with food from a sustainability perspective. These are working to implement the Policy for Sustainable Development and Food adopted by the city council in October 2010.

A purchase guide for sustainable purchase has been produced in cooperation between the environmental administration and the Procurement Department and is available to all on the City of Malmö's intranet, Komin. The intensive education and information efforts carried out for employees in the city districts and administrations have given good results. There is also an ongoing dialogue with the City of Malmö's procured suppliers in order to develop the range of ecologically and ethically certified products.

During 2011, procurement was made of coffee machines, where only ecologically and ethically certified coffee and tea are used. Otherwise, the remaining products within the agreement are either ecologically or ethically certified.

Happily, the purchase of ecological foodstuffs has increased in the City of Malmö from 29 % to 37 %. All city districts and the majority of technical departments have increased their shares. The Western inner city and the education administration, which have both greatly increased the purchase of ecological foodstuffs thanks to targeted efforts, stand out. Most city districts state that they are working to increase awareness in their employees. Refined and more generally disseminated follow-up tools also represent efficient means for the administrations in their striving to increase the proportion of ecologically and ethically certified products. Some administrations display reductions in the ecological proportion, especially the environmental administration and the properties office. This is due, among other things, to them having made purchases of goods groups where ecological alternatives have not been available. Attitude, habit and absence of ecological products in suitable package sizes are given as explanations to low ecological levels in certain administrations.

For the first time, the City of Malmö has achieved 50 % ethical purchase when coffee, tea, bananas and t-shirts are combined, an impressive increase from 44 % the year before. First and foremost, it is in the city districts where the big increases continue to occur. Both the Southern inner city and Hyllie have increased their ethical purchase by 16 % units each. Success factors cited in some SDFs are specific prioritising of the issue, education, systematic control of purchase routines at activity level, communication efforts and quantified objectives. Both the cultural affairs administration and the city office have made major purchases of t-shirts which were not ethically certified and referred to deficient information to those placing the orders. Since mid-2011, the City of Malmö is without an agreement for profile material which means that there are no statistics for the second half of the year with regard to the purchase of t-shirts. In future profile material procurement, there is a clearer focus planned for ethic and environment.

The Central Procurement department makes use of the Environment Management Council's criteria in all procurements where possible. This comprises the goods procurements which also include direct demands for ecologically and ethically certified products, e.g. in the procurement of coffee machines where requirements are imposed on ecologically and ethically certified products, but also the Environment Management Council's criteria regarding the energy consumption by the coffee machines.

The legal position at present with regard to the application of certain of the Environment Management Council's criteria within the Act on Public Procurement, is very unclear with many expensive appeals. That is why achievement of the goal takes time as one needs to wait for appeals to be heard by the highest legal instances before the criteria can be applied to the procurement.

BIOLOGICAL DIVERSITY SHALL BE PROTECTED

The proportion of new construction which meets the demand of biological diversity in Miljöbyggprogram Syd

During the year there have been several projects with a focus on biological diversity conducted in the city. For example Naturbåten [Nature Boat] in which the possibilities are examined of starting a Nature Boat activity with opportunities for school classes etc. to get out into the Öresund in order to study the marine biological diversity. BiodiverCity is a further project with a focus on urban biological diversity. The aim is to find ways of increasing the green and biologically-rich environments right inside the city, for example in connection with new construction.

During 2011 the Environment administration has been granted funds for projects that relate to sustainable city development. Projects will lead to investments of c.a SEK 250 m in Malmö in sustainable solutions over the next few years, primarily through smart electrical networks and energy-efficient construction in Hyllie. Other innovative solutions and investment can also be realised, such as new products and services and, thus, jobs for increased biological diversity in the high-density city.

The delegation for sustainable cities awarded the City of Malmö c.a SEK 52 M in 2010 for investments in Rosengård. The aim is to create a world-leading demonstration area with a focus on climate measures, environmental technology and increased social and economic integration. City cultivation is stimulated through this investment and new plantations were established during 2011, e.g. in connection with the premises at Tegelhuset and Vänskapsparken in Rosengård.

During the year, the development of Lindängelund continued. There are plans for a new city park and a new recreation area as well as a new botanical garden. There will, for example, be a spectacular greenhouse and plants and environments from every corner of the Earth. During the autumn of 2011, the first part of Vattenparken opened in Hyllie. The Vattenpark will be an important feature of the centre of Hyllie and will serve as its "green lung".

In Miljöbyggprogram Syd, there are different measures proposed for sustainable construction. The ambition is for more core areas to be added gradually, e.g. sound environment and choice of materials. But the programme currently focuses on four core areas for an ecologically sustainable construction: Energy, Inner environment – health and comfort, protection from damp as well as urban biological diversity. These core areas are then broken down into three different classes where A is the best alternative, B good choice and C, basic level. The owner can himself select class A and B; alternatively, the municipality can require class A or B in order to indicate excellence upon the exploitation of specific areas. In order to build on municipal land, it is necessary for at least class C to be met within all core areas. All classes in the programme involve stricter requirements than the National Board of Housing, Building and Planning's regulations [Boverkets Byggregler (BBR)]. With regard to the urban biological diversity core area, the distribution between projects has been as follows since the commencement year, 2009: A 18, B 19 and C 28. Following-up of the programme commences during 2012, when the first owners submit result records. The operating results do not come in until the construction is completed and has been in use for c. two years. Only then can a complete follow-up of the projects be made which means that, in the current situation, it is not possible to make any follow-up.

MALMÖ RESIDENTS SHALL HAVE GOOD ACCESS TO NATURE, PARKS AND GREEN AREAS

The proportion of Malmö residents who consider that they have good access to nature, parks and green areas

Malmö is the city of parks. In the city environment survey carried out annually by the highways office and the city planning office, Malmö residents state that they consider Malmö is, more than anything else, the city of parks. Malmö residents also consider that parks and green areas are well cared for and that the environment in the parks, first and foremost in the city, is pleasant. In response to the question of whether they consider that they have good access to nature, parks and green areas, 77 % of Malmö residents agree wholly or in part. The specific question was asked for the first time in 2011, so it is only in 2012 and beyond that we can ascertain any changes.

All inhabitants in Malmö shall have proximity to green areas. The change of access to nature, parks and green areas is effected partly through the development of nature, parks and green areas and nature reservations, and partly through the intensification of existing housing environment without this being at the expense of green areas.

In order to strengthen Malmö as a city with a lot of greenery, the development of the natural areas Limhamn's limestone quarry, Klagshamnsudden, Husie Mosse, Käglinge nature area and Bunkeflo shore meadows continues. Further projects are the development of Lindängelund's recreational areas as well as Gyllin's park.














NOBODY SHOULD BE KILLED OR SERIOUSLY INJURED IN TRAFFIC













The number of people killed or seriously injured in traffic

The reporting of accidents in Malmö consists of both accident statistics from medical service and from the police. The provisional statistics for 2011 show that 101 people were seriously injured or died in traffic accidents in Malmö. This is an increase of about 10 % compared with the preceding year. However, 2010 was a good year from a traffic safety perspective in both Malmö and the whole of Sweden, which may explain the increase. Compared with the average for the years 2007 – 2010, however, the number of seriously injured and dead fell by around 15 %.

During 2011, four persons died in traffic accidents in Malmö. Of these, one was a cyclist, two pedestrians and a mopedist. All died following collisions with motor vehicles.

The number of traffic accidents naturally varies from year to year. The trend in Malmö, however, is for the number of seriously injured and killed to have fallen in recent years. Part of the positive development for accidents can be explained by traffic safety measures for pedestrians and cyclists, primarily on the main highways network. The introduction of 40 km/h as the highest permitted speed in central Malmö has also been shown by studies to have reduced the number of injured by around 20 %.

Objective no.	Objective	Traffic light	
Objective 1	Youth unemployment to be reduced	Change to proportion of young Malmö residents in employment or studying	
Objective 2	Malmö residents with maintenance benefits shall be self-sufficient	Change to proportion of persons with maintenance benefits who become self-sufficient through employment or studying	
Objective 3	The City of Malmö's administrations shall work actively towards development of commerce and for more businesses to be created in, and moved to, Malmö	Change to the number of administrations actively working on the commercial life policy strategy	
Objective 4	Nursery school shall be developed at such a rate that all children whose parents so require, can be offered a nursery place with good quality within the statutory time	Change to the number of newly-built nursery places in relation to demand	
Objective 5	Personnel in the nursery school shall have time to see each child and their unique needs	Change to personnel density in the nursery school	
Objective 6	Malmö's students shall be given good opportunities for achieving objectives in school	Change to the students' objective fulfilment	
Objective 7	Malmö's students shall perceive that school contributes in a good way to their learning	Change to the proportion of students perceiving that school contributes to their learning in a good way	
Objective 8	Malmö's students shall feel secure and comfortable in their school	Change to the proportion of students feeling secure and comfortable in school	
Objective 9	More of the municipality's nurseries and schools shall take an active part in a gender-pedagogic development project	Change to the number of schools and nurseries carrying out a gender-pedagogic development project	
Objective 10	The socially-conditioned homelessness shall be reduced	Change to the number of persons who are homeless for social reasons	
Objective 11	The City of Malmö shall be at the leading edge with regard to activity development in the area of equality	Change to the number of administrations who are actively involved in "Development plans for equality integration"	
Objective 12	Malmö's elderly shall feel that they receive the care they need	Change to the satisfaction of care recipients in their own and special accommodation	
Objective 13	Malmö residents shall feel secure in their city	Change to the security index	

Objective 14	Malmö's children and young people shall have access to meaningful leisure time	Change to the number of meeting places for young people	
Objective 15	In Malmö, girls and boys shall be able to take part in leisure activities on equal conditions	Change to the proportion of girls taking part in leisure activities	
Objective 16	The proportion of the municipality's personnel with foreign background at all levels shall correspond to the proportion of the total population	Change to the proportion of personnel with foreign background at all levels	
Objective 17	The City of Malmö's personnel shall have an opportunity to work full-time or their desired degree of service	Change to the proportion of involuntary part-time employees	
Objective 18	There shall be no unjustified wage difference in the City of Malmö	Change to the wage differences between work of equal value	
Objective 19	Malmö shall be eminent within ecologically sustainable city development	The proportion of homes built with extra high environmental ambitions	
Objective 20	The first choice shall be environmental cars operated by biogas, hydrogen, electricity or chargeable hybrid engines	Number of environmental cars within municipal activities operated by biogas, nitrogen, electricity or chargeable hybrid engines	
Objective 21	Air pollution shall be reduced	Number of places in Malmö where environmental quality limits for air pollution are exceeded	
Objective 22	Ecologically and ethically certified products shall be the first choice upon procurement and purchase, secondly the product shall be procured in accordance with the Environment Management Council's criteria	The proportion of purchases that are ecologically and ethically certified as well as the proportion of procurements carried out in the City of Malmö which apply the Environment Management Council's criteria	
Objective 23	Biological diversity shall be protected	The proportion of new construction which meets the requirement of biological diversity in Miljöbyggprogram Syd	
Objective 24	Malmö residents shall have good access to mature, parks and green areas	The proportion of Malmö residents who consider that they have good access to nature, parks and green areas	
Objective 25	Nobody shall be killed or seriously injured in traffic	The number of persons killed or seriously injured in traffic	

14 March 2012

Jan-Inge Ahlfridh

Jan-Åke Troedsson

THE ACTIVITY

There follows here a summarised account of the activity during the year. A more detailed description of the activity and economy can be obtained from the individual annual analyses drawn up by the respective boards.

CITY EXECUTIVE BOARD

The net costs of the city executive board's administration fell by 13 % or SEK 129 m during 2011 in comparison with 2010. The special appropriation during 2010 for restructuring was a temporary investment and thus involved a net cost reduction of SEK 96 m for 2011. In the 2010 budget there was also a municipal contribution allocation made, as a one-year investment, for efforts aimed at youth unemployment, which resulted in net costs corresponding to SEK 37 m. In addition to the stated investments there were costs during 2010 for which there was no equivalent in 2011, of which the e-administration project represents a significant part.

Among important events during the year emphasis is given to e.g. The Medical Malmö, a cooperation between the City of Malmö, Lund University, Malmö University College and the Scania Region, which has been established. In addition the Commission for a Socially Sustainable Malmö has been formed and a secretariat set up. During the year the Commission's management was invited by WHO to two European conferences and the work has inspired a national Convocation for Social Sustainable Development under the leadership of Sweden's municipalities and county councils.

The extensive school reforms and the heightened state supervision during the year have involved a need for greater efficiency by responsible school boards, school leaders and personnel. In addition a survey of teacher competences and teacher certification has been conducted

Within the framework of the work aimed at More Efficient Economy Administration all the economy processes within the City of Malmö have been surveyed, proposals for improvements have been submitted and development groups organised on the basis of identified processes. The introduction of a uniform way of working, IT support and new support organisation for the personnel administration processes at the end of 2010, involved certain adjustment difficulties during 2011 as well. For the city office this has meant an increased resource requirement as well as increased costs. The targeted investment in e-administration in the City of Malmö, which was launched during 2010, has continued in 2011 and the most resource-intensive activity was within the project for the development of the process for document and case handling.

The total investment framework for 2011 amounted to SEK 10 m, of which just over SEK 3 m was utilised. The main reason why the entire investment budget was not employed was that the development of the Malmö administration network was not carried out to the extent envisaged.

PORT FACILITIES

Investments in the city's port facilities amounted to over SEK 70 m during the year. The investments were mainly made in Norra Hamnen where a ferry- container- and combi-terminal was built which was inaugurated in September 2011. Total investments in Norra Hamnen cost almost SEK 90 m.

PLANNING AND CITY ENVIRONMENT

Technical committee

The committee's net costs amounted to SEK 535 m during 2011, an increase of over 6 % compared with the preceding year. The increase in net costs is primarily explained by increased operating costs which, to some extent, were counter-balanced by increased income from street parking charges and parking penalties, changes to the property holding, new rents for leasehold sites as well as rent adjustments.

The net investments were SEK 401 m, a reduction of SEK 48 m compared with 2010.

The development of Malmö continues at a high rate. Areas with a high rate of development are e.g. Universitetsholmen, Varvstaden, the areas round Centralstationen, as well as at Limhamn's limestone quarry and Limhamn's industrial area.

Citytunneln is running and provides new opportunities for Malmö residents, incoming commuters and visitors to travel fast. The work on completing the areas and traffic systems around the stations has continued during 2011. Investments have been made in modern cycle garage solutions at all stations. The planning of the Malmö Ring with a new station at Rosengård has continued and a start to construction is planned for 2012. The work on Tomorrow's Public Transport continues. Pilot studies and planning programme for the tram stage 1 commenced during the autumn. On 1 December funds were granted for starting up a preliminary investigation into a metro line between Malmö and Copenhagen.

The technical committee has adopted a safety programme which will form the basis for the area programme's safety investment.

In February 2010 the speed limit was lowered to 40 km/h over a large area of central Malmö. During 2011 the effects of this were followed up. The work on revising the programme of measures for nitrogen dioxide has been carried out in conjunction with the county council.

The work on carrying out maintenance measures continues. A major maintenance effort on Trelleborgsvägen was carried out during the spring. The reconstruction of part of Moresco Bridge was completed and the repair of the Sege bridges has started. Planting of trees following Dutch Elm disease has continued.

The year's sale of exploitation land amounts to SEK 145 m, compared with a budgeted figure of SEK 350 m. The banks' requirements governing lending and external factors have impacted negatively on the housing market.

The net sales profits amounted to SEK 230 m in the profit & loss accounts for 2011.

The number of site-leasehold rights totalled 3 375 at year end with a total annual rent of SEK 176 m. During the year there were 5 new grants of use and 25 free purchases.

The goal of enabling construction to start on at least 1500 apartments during 2011 on municipal land has been achieved.

In Hyllie a new trade fair facility, Point Hyllie, was established. The second stage is under construction and land reservations for several office blocks have been made. In Vintrie preparations are under way for Ikea's establishment of a global office. The project Conference,

Concert and Hotel is also progressing. A new area for small industries etc. is being prepared adjacent to the Outer Ring Road at Sallerupsvägen.

The city planning office

The office's net costs amounted to SEK 89 m during 2011, an increase of 2.4 % compared with the preceding year.

The building economy in Sweden has gradually weakened during 2011 and, in the third and fourth quarters, production was downwards. Both the starting signal for new homes and the number of planning permits fell during the autumn compared with the preceding year, while the number of orders for plans is at a higher level than in recent years.

The 2011 year of activity has focused attention on the new municipal-wide survey plan (SP 2012). During the year a planning strategy for SP 2012 was drawn up and there has been consultation throughout the second half of the year. By means of digital media, seminars and exhibitions the people of Malmö have taken an active part in the SP consultation.

During 2011 Boplats Syd placed 3 202 apartments from 13 property owners. The proportion of apartments from private property owners has increased and now accounts for 16 % of the placed apartments. The remaining 84 % comes from MKB.

Nursery school development has, by means of planning permission being granted, resulted in 2 263 more places being made available.

The city planning office has worked on many varied detail plans. Three of the most important have been the work on the new concert and conference facility as well as new swimming facilities in the Stadium area as well as in Hyllie.

Service committee

The committee's net income in 2011 amounted to SEK 30 m which was c. SEK 10 m lower than the preceding year. The lower net income is due to SEF Unga being financed by the city executive board in 2010 while, in 2011, the service administration has had to bear this cost.

Investments in 2011 were SEK 406 m, compared with SEK 602 m in the preceding year. The discrepancy in relation to the budgeted investment framework (SEK 569 m) is attributable to a number of major projects being rescheduled in terms of time.

The service committee has, on previous occasions, noted that the level of the properties' long-term planned maintenance has not matched the set objective, i.e. the industry's average.

One of the measures aimed at achieving the goal has been working on the city's leasing models. This work has led to the school leasing agreements that were terminable as at 31/12 2011 were under notice for renegotiation during the spring. When all the leasing agreements for the schools are renegotiated over a four year period, the maintenance level is expected to be able to be on a level with the industry average.

There is continuous work being undertaken in order to find solutions to the nursery school problems. The first template nursery school was inaugurated during the autumn. The concentration on several types of nurseries other than usual "traditional" ones is essential for meeting demand. Examples of such efforts are nursery school buses and open-air nurseries. Other innovative ideas include the construction of temporary nursery parks in anticipation of

sites and planning permission becoming available. The aim is to be able to erect nursery schools quickly to satisfy demand.

During 2011, 116 departments or 2 200 nursery places were completed. Prior to 2012 there were, thus far, 59 departments at the planning/execution stage.

During 2011 reconstruction and extensions in respect of the school and nursery were completed with Hermodalskolan. At the Rosengård baths an entirely new superstructure and reconstruction has been completed. Within the Rönnen area a further two-floors have been completed for student accommodation.

The efforts aimed at a more supplier-neutral development of smart properties has been identified and reinforced during 2011.

The efforts aimed at "green schoolyards", the health gardens in Torpul as well as "natural greenery at special forms of housing for elderly and functionally disadvantaged in Malmö" have continued during 2011.

Environment committee

The committee's net costs for the activity in 2011 amounted to SEK 55 m, an increase of 3.2 % compared with the preceding year. The increase is explained by price and wage increases as well as extended municipal contributions in respect of polluted land and food parcels.

The environmental barometer, a tool for measuring key figures regarding the environmental situation in Malmö via the Internet, was launched during 2011.

During 2011 the committee has applied for funds for projects that relate to sustainable city development. The projects will lead to investments of c. SEK 250 m in Malmö for sustainability solutions over the coming years, where a smart electrical network and energy-efficient construction in Hyllie accounts for the biggest part.

The committee maintains focus on housing supervision. Within Seved it has emerged that a number of reported measures have not been carried out. Following up of renovations undertaken within Herregården was also initiated at the end of the activity year.

A total of 1 851 foodstuffs checks were carried out during 2011 and, in total, 585 (526 in 2010) businessmen were awarded a Smiley decal.

CHILDREN AND YOUNG PEOPLE

On 30 November 2011 the city executive board resolved to give the city office the task of presenting to the city executive board a proposal for an investigative directive, organisation and management of the investigative work for a practical future school administration in the City of Malmö. The investigation shall, for example, on the basis of a control and management perspective, illustrate how a more practical school organisation is to be formulated. School organisation is also understood to include nursery schools.

The background is, on the one hand, the Schools Inspectorate’s decision and inspection report on Malmö’s schools and, on the other hand, the ambition for children and young people as expressed in the City of Malmö’s management documents, e.g. the budget document. School plays an important role there. The investigation is also based on, and gives consideration to, the new Schools Act which came into force on 1 July 2010 and began to be applied on 1 July 2011.

Nursery school activity

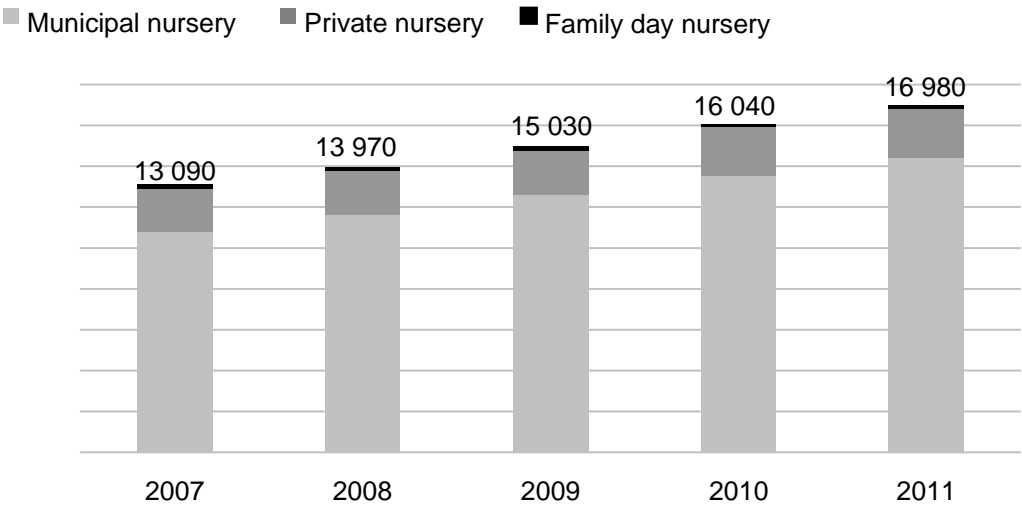
In Malmö there are 241 municipal nurseries, 71 private nurseries, 17 family day nurseries (pedagogic care) under the municipality’s aegis, as well as 13 under private management. Also included in the activity are 9 open nurseries.

The net costs of the nursery school activity amounted to SEK 1 844 M. This was an increase of SEK 168 M, or 10 %, compared with the preceding year. The high net cost increase was a consequence of continued development.

During 2011, the number of children of nursery school age amount to 19 700 on average. This was an increase of 1 100 children compared with 2010.

Nursery school development continued during 2011 and over 900 more children attended nursery school in 2011 compared with 2010.

Number of children with a place in the nursery school activity on average per year:



Demand, calculated as proportion of children in the population 1-5 years, who require a nursery school place was largely unaltered. In 2011, 87.5% of children required a place. The number of

children on the waiting list was somewhat higher during 2011, which meant that the degree of need cover fell by 0.3 % units to 98.5 %.

NURSERY SCHOOL ACTIVITY	2011	2010	Change
Number of children in the population	19 717	18 575	1 142
Number of children requiring a place	17 247	16 240	1 007
Demand	87.5%	87.4%	0.0%
Number of children with a place			
in a municipal nursery	14 396	13 512	884
*private nursery	2 421	2 318	103
*municipal family day nursery	89	134	-45
*private family day nursery	74	76	-2
Total number of children with a place	16 980	16 040	940
Number of children on waiting list (2011: Jan-Nov)	267	200	67
- of which more than four months	1	1	0
Need cover	98.5%	98.8%	-0.3%
Cost per child in municipal nursery	123 900 kr	119 500 kr	4 400 kr
Fee income per child in municipal nursery	7 700 kr	8 000 kr	-300 kr
Cost per child in municipal family day nursery	111 100 kr	102 600 kr	8 500 kr

Personnel ratio in Malmö's municipal nurseries was 5.1 children per year's work in autumn 2011, compared with 5.2 for 2010. For private nurseries, the personnel ratio fell from 5.3 to 5.4 children per year's work.

The nursery schools' opening hours were adjusted from 1 September. It then became possible to obtain child-care for nursery school children at night.

During the autumn, a progressive fee model was introduced for nurseries and youth recreation centres which mean lower charges for those with a low income.

Schools including youth recreation centres

In Malmö, there are 71 municipal comprehensive schools, 6 day schools and 24 independent comprehensive schools with a total of 27 100 students. The school activity comprises pre-school classes, comprehensive school, schoolchildren care in youth recreation centres or family day nurseries (pedagogic care) as well as special needs comprehensives and training schools.

The city district's net cost for the school activity amounted to SEK 2 593 M. Net costs increased by SEK 132 M or 5.4 % compared with the preceding year.

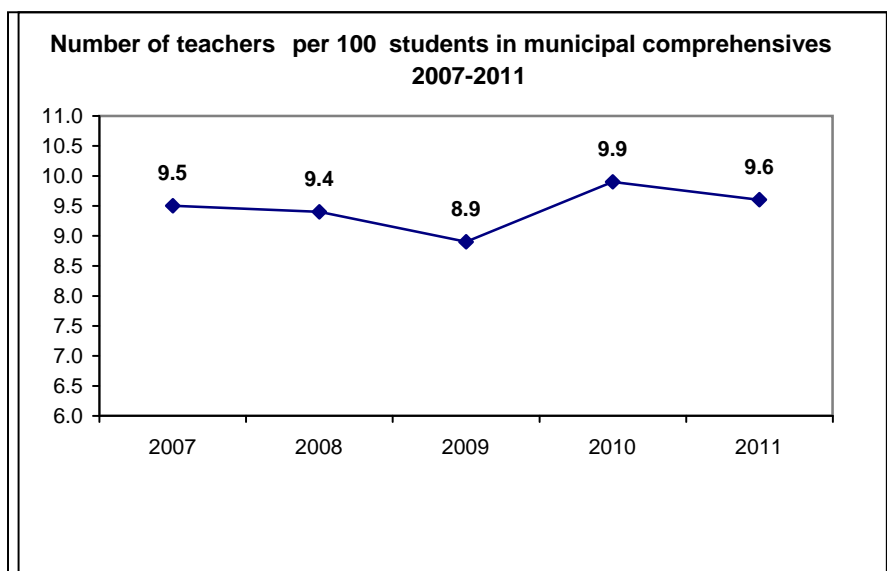
The population in the age group 6-15 years increased by barely 200 during 2011. It was primarily the number of 6 year olds which increased. The increase in the number of pupils in nursery school class has primarily occurred within the municipal activity. For students in school years 1-9, a certain shift has taken place from municipal to independent comprehensive schools. See table below.

Placed students	2011	2010	Change
Municipal nursery class	2 533	2 408	125
Independent nursery class	410	396	14
Municipal comprehensive	20 074	20 305	-231
Independent comprehensive	3 718	3 463	255
Special school	336	381	-45
Total	27 071	26 953	118
Cost per child nursery class	41 800 kr	42 700 kr	-900 kr
Cost per child comprehensive	89 300 kr	88 100 kr	1 200 kr

The prioritised area for comprehensive school is to increase the proportion of suitable students in the upper secondary school and to improve results in the national tests. For the spring term 2011, the comprehensive schools furthest from achieving objectives received a total of SEK 9 M in resource supplements. The addition has, for example, been used for reinforcing language and study workshops as well as increased investment in remedial lessons, mother tongue support and language development. Prior to the autumn term, SEK 1.6 M was reserved for a reinforced systematic quality initiative and a further SEK 7.4 M were distributed among comprehensive schools for promoting reading and writing development.

During the year, an extra resource distribution was made aimed at IT as support for increased objective fulfilment and improved language learning in school. Investments in the purchase of teaching aids as well as literature for school libraries have also been made.

The personnel ratio fell somewhat compared with the preceding year. Autumn 2011 there were 9.6 full-time pedagogic personnel per 100 students in Malmö's municipal comprehensive schools compared with 9.9 autumn 2010.



Source: Statistics Sweden

Demand for schoolchildren care has continued to grow. In 2011, the number of children in schoolchildren care increased by 700 compared with the preceding year. The increase is due, among other things, to the number of schoolchildren in the lower year courses increasing.

Placed children	2011	2010	Change
Municipal youth rec centres	9 400	8 776	624
Independent youth centres	1 722	1 631	91
Family day nursery	0	0	0
Total	11 122	10 407	715
Proportion of children 6-12 yrs requiring schoolchildren care	57.8%	55.3%	2.5%
Cost per child in municipal youth rec centre	34 000 kr	34 800 kr	-800 kr

Personnel ratio in the municipal youth recreation centres increased from 5.0 years work per 100 children autumn 2010 to 5.1 years work autumn 2011.

Upper secondary schools

The net cost to the education committee was SEK 1 158 M, which is an increase of SEK 37 M or 3.4 % since 2010.

The net cost increase consisted of price and wage increases and changes to the municipal contribution for 'Young in summer' and school investment. The education committee received SEK 6 M for a school investment during the year. SEK 4 M was allocated to IV-students with 0 – 50 points who do not generate supplementary amounts, as well as SEK 2 M to IVIK-students.

The practice unit did not achieve budgeted assignments. The influx of places within Young in summer was lower than expected despite various efforts to increase the number of places.

The cost of supplementary amount for students within upper secondary school and upper secondary special school increased sharply. Supplementary amounts were provided for students with an extensive need for special support or with a need for mother tongue teaching. The increased costs of supplementary amounts were due both to increased needs and to a change in the student money's construction in GY11.

The total number of Malmö young people in upper secondary school (excl. follow-up students) fell by 600 students between 2010 and 2011. The reduction occurred in the municipal upper secondary school.

The number of students in Malmö's municipal upper secondary schools fell by nearly 900 compared with the preceding year. As in previous years, the number of students increased at the independent upper secondary schools, the share of which now amounts to 34 %.

In addition to the number of enrolled students in upper secondary school, the education administration follows up the number of follow-up students in accordance with the municipal follow-up responsibility. There are 900 students registered as follow-up students. The number has increased sharply.

No. students in upper secondary school on average	2011	2010	Change
No. students in Malmö's upper secondary school	7 332	8 207	-875
<i>of which students from Malmö</i>	<i>6 099</i>	<i>6 997</i>	<i>-898</i>
<i>of which students from elsewhere</i>	<i>1 233</i>	<i>1 210</i>	<i>23</i>
No. students from Malmö in upper secondary school	9 777	10 357	-580
<i>of which students in municipal upper secondary school</i>	<i>6 099</i>	<i>6 997</i>	<i>-898</i>
<i>of which students in independent upper sec school</i>	<i>3 314</i>	<i>3 020</i>	<i>294</i>
<i>of which students in other municipality</i>	<i>364</i>	<i>340</i>	<i>24</i>

The first students in the new upper secondary school – GY11 – started autumn 2011. The previous programmes were replaced by six university college preparatory programmes, twelve trade programmes and five introduction programmes. The proportion of applicants to the university college preparatory programme increased while the proportion of applicants to trade programmes fell compared with anticipated numbers.

The educational result within the upper secondary school is, as a whole, almost unaltered. The proportion of students at Malmö's municipal upper secondary schools, who complete their upper secondary education within four years with final grade from a national programme, is 83.3 % representing a reduction of 0.5 % since 2010. This is a somewhat better result than that reported by other major cities, but somewhat lower than in the country as a whole.

National programme	Proportion with final grades 2010/11	Proportion with final grades 2009/10
Stockholm	81.4	82.6
Gothenburg	81.7	82.7
Malmö	83.3	83.8
Nationally	84.2	83.6

Source: SIRIS

Proportion of students within specially designed programme with final grades increased from 82.7 to 84 %.

The results of the independent schools in Malmö worsened with regard to the proportion of students with final grades, from 78.7 2009/10 academic year to 78.4 % 2010/11 academic year and lies below the result for both the municipal upper secondary schools in Malmö as well as the national average.

Proportion of students with final grades who reached university college qualification fell from 84 % 2009/10 academic year to 83 % 2010/11 academic year, for national programmes and from 88.6 % to 87.3 % for specially-designed programmes.

The average grade points for the students receiving final grades remained unaltered, 14.0 on the national programme at Malmö's municipal upper secondary schools. On the specially-designed programme, the grade average fell from 14 to 13.8.

CULTURAL AFFAIRS AND LEISURE

The cultural affairs committee

The cultural affairs committee's net cost amounted to SEK 311 M, an increase of 3.5 % compared with 2010.

The table below shows the number of visitors to some of the cultural institutions compared with the preceding year:

No. visitors per cultural institution	2011	2010	Change
Malmö city library	934 644	927 485	7 159
Malmö Museums	269 516	259 097	10 419
Malmö art museum	133 631	129 640	3 991
Malmö art gallery	172 442	171 801	641

No. students, 7-19 years	2011	2010	Change
Malmö School of Arts	5 471	4 535	936

Malmö being designated "Culture municipality of the year 2011" has led to a number of different activities and events during the year. To cite one example, a book by the artist Misaki Kawai has been distributed to all third year classes in Malmö.

Two new meeting places were added during the year, the Moorish Pavilion in Folkets Park and Stapelbädden. The Moorish Pavilion shall be developed into a meeting place with wide cultural activity for the present day Malmö and all ages. With its varying cultural and creative projects, both inside the building and in the public space, Stapelbädden has been developed into an attractive meeting place for young people.

The summer theatre has completed its sixth season with an estimated audience of c.a. 80 000 visitors distributed over more than 40 different performance locations. Poor weather conditions have affected several of the year's planned events but most performances have been carried out despite this.

At the Malmö City Library, the work in creating an attractive meeting place for the city's 9-12 year olds continues. The international author scene has enhanced its branding and has attracted many visitors.

Malmö Museums and the Malmö Art Museum have attracted record number during the summer with exhibitions such as Fashion without waist and the exhibition with GAN - Gösta Adrian-Nilsson.

Leisure committee

The activity's net cost for 2010 amounted to SEK 332 M, an increase of 5 % compared with the preceding year.

The Handball World Championship was not only a huge sporting success but also had major economic effects according to tourist economy analyses. Visitors during the Handball World Championship spent SEK 258 M, of which as much as SEK 144 M ended up in Malmö. In addition to the positive financial outcome, Malmö, as an event city, scored high grades among visitors, as well as accessibility to the city and service level at Malmö Arenan.

In March, the reconstructed Rosengård Baths, which can now offer schools and associations a 25 metre all-year, indoor training pool, was inaugurated. The indoor pool improves opportunities for increasing swimming ability in Malmö and in Rosengård in particular.

The investigation into riding school activity was completed during the year. The report presented proposals for the locating of the two riding associations which have externally hired facilities with major maintenance problems. It was also proposed that the City of Malmö should take greater responsibility for land and buildings at the two municipal riding facilities, which are used by Malmö Ridklubb and Örestads Ryttaresällskap. Here, there is negligent maintenance to rectify and there is a need for new construction and reconstruction of the stables in order to meet the current requirements of equine management and safety.

Earlier negative visit development at Aq-va-kul has been reversed and, in 2011, Aq-va-kul reported an income increase of nearly 10 %. A range of measures has been taken in order to create greater security and safety at the baths. The number of incidents involving groups of young people not observing the rules has decreased.

More and more children and young people look for the opportunity to pursue spontaneous activities without any need for regular training. The committee has therefore invested in two projects where participants do not need to pre-register and can take part on their own terms. One activity is the skating school at Rosengård's ice hall and the other is free football at Latinskolan's sports hall.

At the end of 2011, a total of 530 associations were registered with the leisure administration, which means that the trend of the last two years of increased numbers of registered associations is being maintained.

CARE

Individual and family care

The total net cost of individual and family care activity during the year was SEK 944 m (excluding financial assistance), which was SEK 62 m, or 7 %, more than the preceding year.

Pursuant to the laws that regulate the activity, children and young people as well as adults, may be placed in external and internal institutions as well as in family homes. Taken as a whole these placements decreased by 7 % between 2010 and 2011. The cost decrease stopped, however, at 2% since the daily rates increased between the two years for most forms of placement.

A trend that is being maintained is for open care efforts – both those bought in externally as well as those under own aegis – increase, while institutional placements are decreasing.

Some comparisons with the preceding year's outcome are seen in the following table:

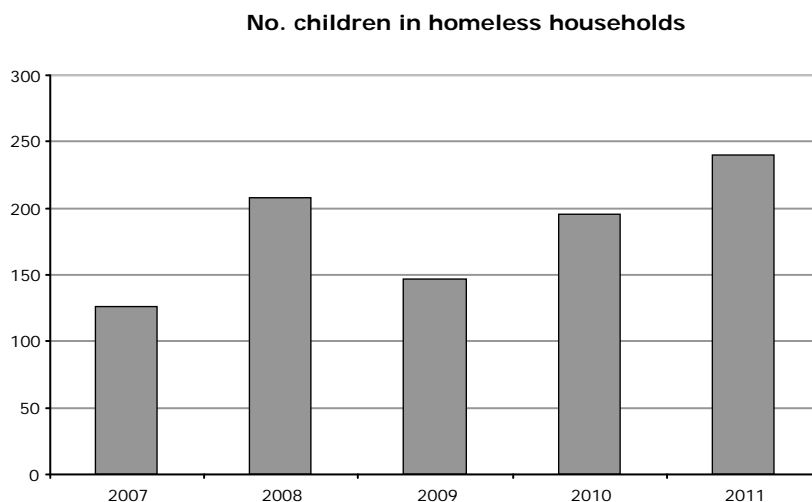
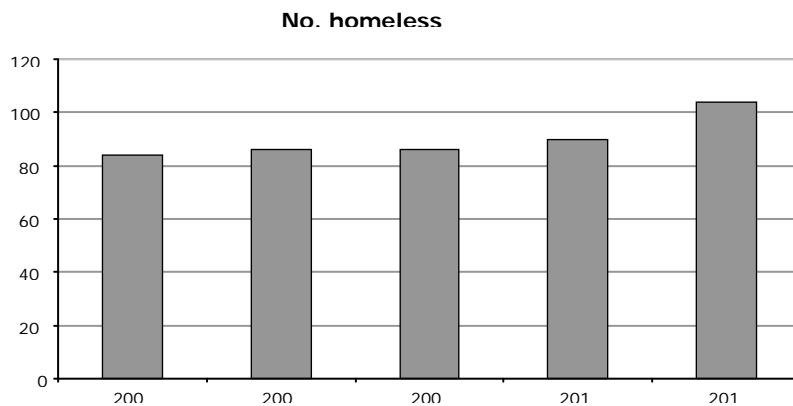
Home for care and accommodation (HCA) as well as family home placements

	2011	2010	Change
Number of external year placements:			
*HCA (adult)	83	91	- 8
*HCA (children/young people)	84	92	- 8
Number of internal year placements:			
*HCA (adult)	39	36	+ 3

	2011	2010	Change
*HCA (children/young people)	10	12	- 2
Number of family home placements:			
*Family home (adult)	31	39	- 8
*Family home (children/young people)	312	328	- 16
Cost per place:			
*HCA external (adult)	698 200 kr	596 600 kr	+ 101 600 kr
*HCA external (children/young people)	1 063 100 kr	1 056 300 kr	+ 6 800 kr
*Family home (adult)	181 500 kr	191 800 kr	- 10 300 kr
*Family home (children/young people)	212 600 kr	197 900 kr	+ 14 700 kr

Homelessness

The annual survey of homeless in October showed that the number of homeless amounted to 1 039 adult persons, an increase of 139 persons or 15 % compared with the preceding year. The number of children in homeless households was 240, 44 more than in 2010, which is the highest number since the annual surveys have been made.

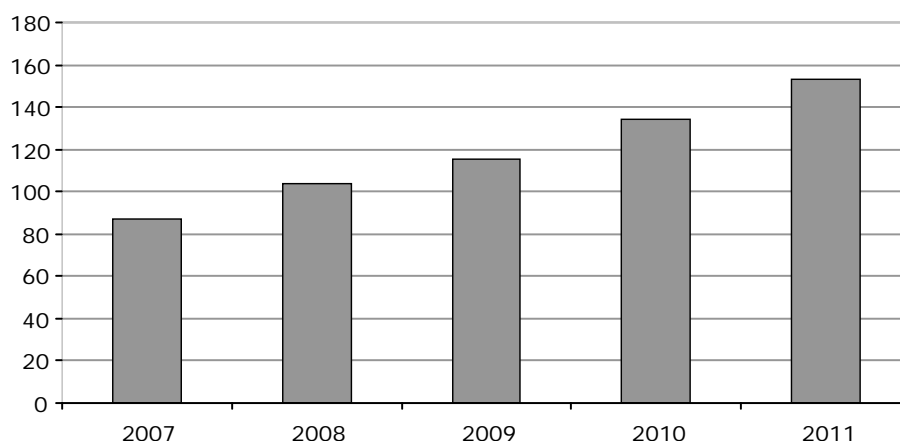


Persons who are homeless can, by means of individual and family care, receive help with temporary accommodation solutions such as e.g. hotel or 24-hour accommodation. With longer-term needs help can be given with regard to apartments with sub-letting contracts. Overall the number of accommodation days increased by 5 % compared with 2010. The total number of accommodation days was 1 065 100, corresponding to an average of over 2 900 individuals per day. Accommodation days at hotels have increased for the second year running after having

stayed at the same level in 2008 and 2009. The increase between 2010 and 2011 was 40 % (31 % between 2009 and 2010).

The total net cost of accommodation for the homeless amounted to SEK 153 m, an increase of 14 % compared with 2010. On the average the cost has increased by 15 % per year over the last five years.

Costs of homeless 2007 - 2011 (SEK m)



Some comparisons with the preceding year's outcome are shown in the following table:

Accommodation for homeless

	2011	2010	Change
No. accommodation days			
*Apartments	827 200	818 100	+9 100
*Hotel	40 500	28 900	+11 600
*24-hour accommodation	197 400	171 800	+25 600
Total	1 065 100	1 018 800	+46 300
Cost per accommodation day:			
*Apartments	44 kr	42 kr	+ 2 kr
*Hotel	366 kr	378 kr	- 12 kr
*24-hour accommodation	515 kr	519 kr	- 4 kr
Total	144 kr	132 kr	+12 kr

The reason why the cost per accommodation day in total (all accommodation days irrespective of type of accommodation) increases, is that the proportion of accommodation days in the dearer forms of accommodation hotel and 24-hour accommodation, increases faster than accommodation days in apartments.

Care for the elderly and persons with functional impairment

The net cost of care for the elderly and persons with functional impairment amounted during the year to SEK 3 469 m, an increase of 5 % compared with 2010.

Care under the Social Service Act (SSA)

Over the last seven years the proportion of the population over 65 years with assistance has increased from 16 % to over 20 %. On average during 2011 over 9 200 persons were covered by

care of the elderly, the same level as in 2010. Of these, 76 % received aid-assessed home service assistance in ordinary accommodation and the remaining 24 % assistance for special accommodation. The breakdown between ordinary and special accommodation, respectively, mirrors the corresponding distribution for the preceding year.

The number of persons covered by assistance for those with functional impairment fell during 2011 from an average of 707 persons during 2010 to 680 during 2011. The reduction has occurred in both ordinary and special accommodation. The cost per care recipient for this group has increased between the years by over 15 %.

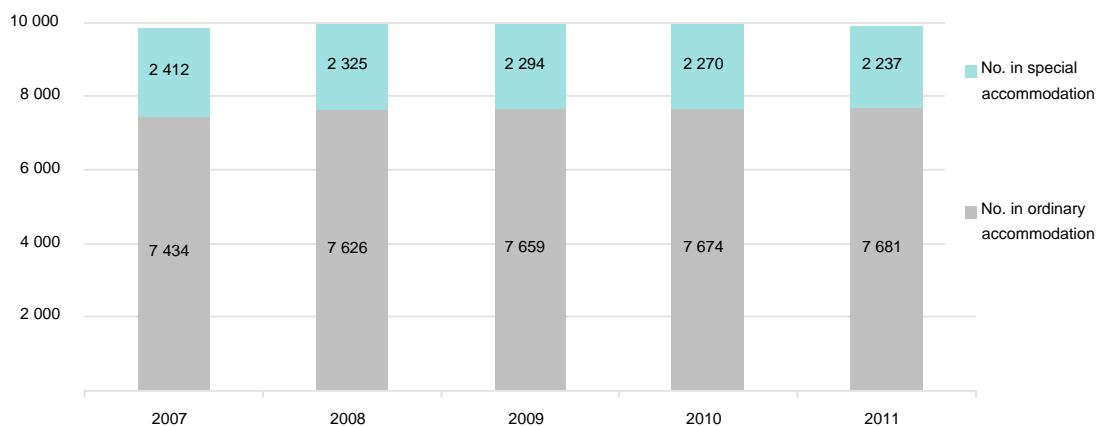
The number of year places within short-term care made use of during the year has fallen in comparison with the preceding year and amounted to an average of 306 places, which is 11 % fewer than 2010. In several city districts measures have already been initiated in previous years aimed at reducing the number of short-term placements and, at the same time, increasing the security of the care recipients, which is now apparent in the statistics. The number of year places for patients ready to be discharged, for which the care was charged to the city districts, increased between 2010 and 2011 from two to five places.

Income through care charges totalled SEK 47 m, an increase of over SEK 1 m, compared with last year. The average care charge per month and care recipient amounted to SEK 393, an increase of 3 % compared with 2010.

Some comparisons between 2011 and 2010

	2011	2010	Change
Number of persons with assistance under SSA	9 917	9 943	-26
*of which elderly (over 65)	9 237	9 236	+1
*of which functionally impaired	680	707	-27
*in ordinary accommodation (incl. short-term)	7 681	7 674	+7
*in special accommodation	2 237	2 270	-33
Cost per care recipient	244 000 kr	233 000 kr	+11 000 kr
*elderly (over 65)	246 000 kr	236 000 kr	+10 000 kr
*functionally impaired	221 000 kr	193 000 kr	+28 000 kr
*in ordinary accommodation (incl. short-term)	153 000 kr	147 000 kr	+6 000 kr
*in special accommodation	558 000 kr	524 000 kr	+34 000 kr
Number of year places in short-term care	306	344	-38
Cost per year place in short-term care	706 000 kr	701 000 kr	+5 000 kr
Number of year places for patients ready to be discharged	5	2	+3
Cost per year place for patients ready to be discharged	1 501 000 kr	1 358 000 kr	+143 000 kr
Care charge per care recipient and year	4 719 kr	4 586 kr	+133 kr

Number of persons with assistance under SSA



Care for persons with functional impairment (LSS and assistance payment)

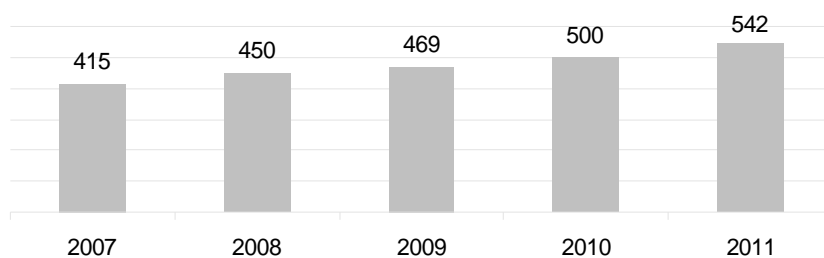
The net cost of the city districts' LSS activity amounted to SEK 153 m, an increase of over SEK 7 m, or 5 %, compared with 2010.

The high demand for LSS housing remains and a high development tempo remains a prioritised matter. During 2011 the number of apartment assignments has increased by 65 5 in comparison with the preceding year. In total there have been 153 apartment assignments during the year. In December 2011 there were 39 persons on the waiting list for LSS housing, of which 22 persons had waited for more than three months. Compared with the preceding year the queue has been reduced by 40 % and the number of persons who have waited longer than three months has fallen by 44 %.

Despite the building of planned LSS housing having primarily proceeded in accordance with plans, there is a need for alternative solutions for persons with special needs, for example certain persons with behavioural problems or persons with a need for integrated schooling and LSS housing. One such alternative is to place in accommodation outside of the City of Malmö, occasionally in anticipation of a place being made available in Malmö. At the end of the year there were 16 persons placed in LSS housing outside Malmö. Ten persons returned to Malmö during 2011 and six new placements were effected.

The high pressure on the LSS housing is also observed in the cost development. During the year the net cost of LSS housing and external placements amounted to over SEK 542 m, an increase of SEK 42 m, or 8 %, when compared with 2010.

Cost development LSS housing and external placements (SEK m)



Within the daily activity an investment in elucidating pedagogics was carried out in 2011, which is one of the reasons behind increased net costs during the year in comparison with the preceding year. In total the net cost of the daily activity amounted to SEK 120 m, compared with SEK114 m during 2010. The number of cases regarding assistance payment (previously known as LASS) continues to grow and the cost for 2012 amounted to SEK 112 m, an increase of over SEK 7 million compared with last year.

Some comparisons between 2011 and 2010

	2011	2010	Change
LSS contributions			
* number of users	1 099	1 065	+35
* cost per user and year	140 000 kr	121 000 kr	+19 000 kr
LSS housing units			
* number of residents	782	724	+58
* cost per resident and year	672 000 kr	664 000 kr	+7 000 kr
External LSS residents			
* number of residents	16	20	-4
* cost per resident and year	1 069 000 kr	937 000 kr	+131 000 kr
Daily activity			
* number of users	619	608	+11
* cost per user and year	194 000 kr	188 000 kr	+6 000 kr
Personal assistance			
* number of users	399	389	+10
* cost per user and year	282 000 kr	272 000 kr	+10 000 kr

Financial help

Financial help consists of maintenance support/financial assistance under the Social Service Act and introduction payment to newly arrived refugees and immigrants in accordance with the Act on Introduction Payment. Through the Act on Establishment Contributions for certain newly arrived immigrants which came into effect in 2010, the municipality and the state's area of responsibility is changed. For example the state takes over the responsibility for payments to target groups identified in the act. The municipality's disbursement of introduction payments began to be gradually phased out from and including December 2010.

The average number of households per month receiving maintenance support or introduction payments amounted to 9 019 during 2011, an increase of an average of 115 per month.

	2011	2010	2009
Maintenance support	8 319	7 689	7 000
Introduction payment	700	1 216	1 305
TOTAL	9 019	8 904	8 304

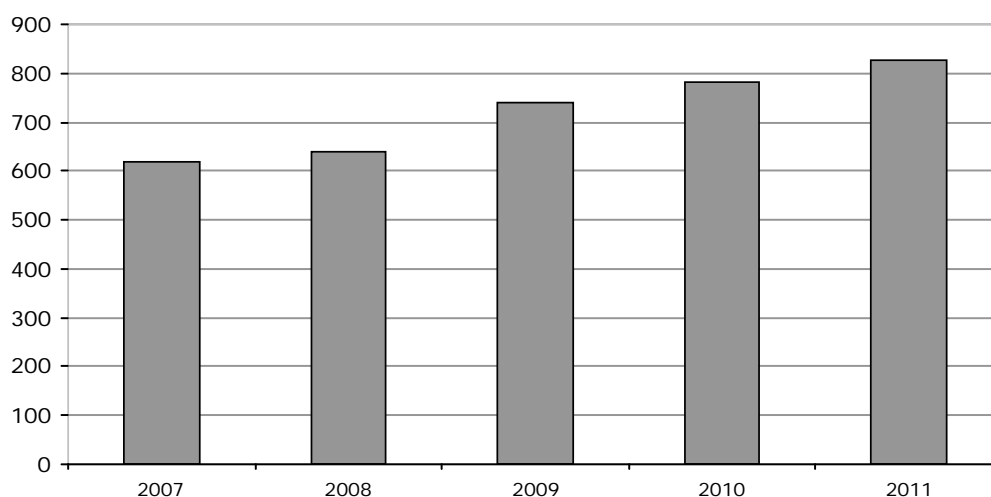
The average cost per household and month was SEK 7 654 which was an increase of SEK 327, or 4.5 %, compared with the preceding year,

The costs of financial help increased by SEK 46 m (6 %) between 2010 and 2011. The corresponding increase between 2009 and 2010 was SEK 36 m (5 %) and between 2008 and 2009, SEK 99 m (16 %). Of the year's increase of SEK 46 m, SEK 35 m can be explained by higher average costs per case and SEK 11 m by increased volume of cases. The higher cost per case is largely due to inflationary upwards adjustment of the so-called risk norm.

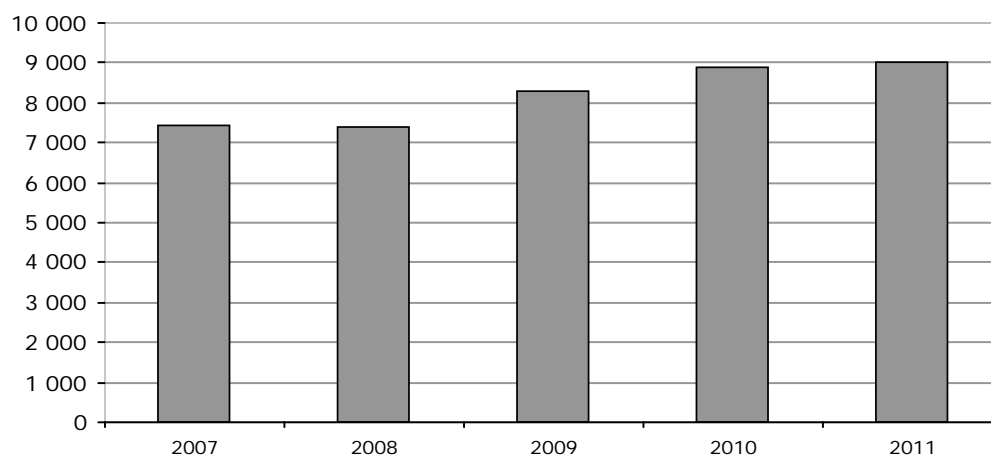
Financial help (SEK m)

	Outcome 2011	Outcome 2010	Change
Maintenance support	770.4	679.1	+ 91.3
Introduction payment	57.9	103.8	- 45.8
Other costs/ income	-13.0	-13.6	- 0.6
TOTAL	815.3	769.2	+46.1

Gross costs of financial help 2007 - 2011
(SEK m)



Number of households with financial help per month 2007 - 2011



EMPLOYMENT AND LABOUR MARKET

The economic upswing after the finance crisis and recession did not lead to an anticipated reduction in unemployment in Malmö. Instead the unemployed figures have remained at the same high levels during 2011 as during the preceding year. Both costs of financial support and the number of assistance households rose during the year despite the number of households with introduction payments gradually decreasing since the employment service agency assumed the responsibility for newly arrived refugees establishing themselves in the labour market.

Statistics Sweden's Labour Force Surveys, (LFS), report an employment level of 73.0 % for the age-group 20-64 years, compared with 75.3 % for 2010. The reduction mirrors the difficulties for the unemployed in Malmö getting on to the labour market.

The combined number of unemployed Malmö residents registered with the Employment Service Agency, open unemployed and persons in programmes with activity support, 16-64 years, amounted in December 2011 to 18 575 persons, 14.4 % of the labour force. Corresponding figures for young people, 18-24 years, were 3 411 persons, 24.7 % of the labour force. In Malmö, 1 166 persons took part in the third phase of the job and development guarantee at the end of 2011, an increase of 158 persons compared with the preceding year.

Over 6 600 persons took part in the City of Malmö's labour market initiatives within JobbMalmö during 2011 (figures for 2010 in parentheses). In total, 4 251 persons completed during the year, of which 1 009 (1 247) persons went on to work, 639 (836) to study and 1 150 (1 150) have achieved the conditions required for transferring to the Employment Service Agency as seeking work.

REFUGEES AND IMMIGRANTS

The number of refugees received by the Immigration Service fell from 715 in 2010 to 650 in 2011. The newly-arrived refugees come primarily from Iraq, Somalia and Afghanistan.

In 2011, 817 persons concluded an introduction with SFI (Swedish for Immigrants). Of these, 19 % (154) went to work and 31 % (250) to study, aggregating 50 % in comparison with 45 % the preceding year. Added to these are 7 % who obtained the conditions for access to the Employment Service Agency's general services.

ADULT EDUCATION

The total volume of adult education has largely remained the same as in 2010. The production of education has, however, been redistributed between the types of school on the basis of need, demand and allocation of funds. During 2011, the educational volume corresponded to 46 whole year places within adult education for adults with special needs (Särvux), 3 316 whole year places within SFI, 969 whole year places within basic adult education and 2 986 whole year places within upper secondary adult education.

The targeted state contributions for adult vocational training (Yrkesvux) have made an extension of upper secondary adult education possible, with regard to both general and vocation-orientated courses. Demand for the school type SFI and basic adult education, established under rights law, has decreased somewhat.

During the year special educational efforts have been made within areas in demand, as well as try-it courses within technical occupations. Recruitment training has been carried out within the areas of professional bus drivers as well as the care sector. The labour market situation and the reluctance of employers to provide job guarantees after training is completed have limited recruitment training.

FIVE AREA PROGRAMME

Area programme: Herrgården

During 2011, a long range of initiatives with considerable variety were carried out. The scale ranges from operational impact to extensive strategic works. Initiatives with a focus on learning and work dominated during 2011. The work on the School of the Future belongs here, as well as the processes carried out together with commerce for increased numbers of jobs and increased establishment of commerce in the city district. By means of the labour market project, Job First, young people in the city district have been able to be offered employment and training.

During 2011, the “On the way box” – a creative place of information where development and activities directed at the citizen can be carried out. Agreements were concluded with Save the Children Fund and Individuell Människohjälp [Individual Human Aid] regarding assignments aimed at reinforcing opportunities for immigrants and the mobilisation of Malmö residents in Rosengård. The work aimed at further reinforcement of culture and the role of leisure in the city district was started.

The physical planning and reinforcement of Rosengård’s power of attraction has been noted, e.g. through the preparation of a planning programme for Herrgården. The planning of the Rosengård zone continued, with a focus on the Bokaltorget, Yallatrappan and Aktivitetsytan meeting places.

Area programme: Södra Sofielund/Seved

During 2011, the area programme, environmental administration and the Tenants’ Association carried out a joint action aimed at identifying non-serious property owners in the area. The environmental administration continues its work with inspections of properties in the area. The Tenants’ Association continues with cooperation agreements with the Southern Inner City door-to-door calls in order to raise awareness regarding housing matters and to appoint contact representatives in the properties.

Citizens’ meetings in the area were developed. Meeting places that had long existed in the area have been increased with activities and operations and evening events. In the Flygande Mattan assembly rooms, being open in the evenings, contributed to more young people and young adults getting together with personnel from the Prevention section and Meeting places. Appointed youth coordinators have established contact with about a 100 from the target group and, of these, some 30 are engaged in various activities and training sessions. Also in the area, there is a music studio which involved some 15 young people.

The work with young adults has involved people who are far removed from the labour market and who, in some cases, have displayed risky behaviour. In total, around 10 people have found some form of employment via the labour market coordinator. During the year, it was also decided to set up a job patrol in the area via Jobb Malmö. Some 20 unemployed within the area

shall be offered work within the city district and, in cooperation with Posten [postal service], it became clear that two young adults were to be offered probationary employment.

Area programme: Lindängen

The objective for the area programme in Lindängen which was drawn up during the spring of 2011 through dialogue with both Lindängen residents as well as other players, is “a safe and attractive Lindängen with more adults and young people in work”.

In order to achieve the objective, the area programme worked on both short-term efforts and long-term initiatives regarding the area and its inhabitants, during 2011, e.g.:

Coordinated security efforts by the police, emergency services, property owners, city district administration and other administrations of the city of Malmö.

Coordination between the city district administration, property owners and the City of Malmö's other administrations in order to produce proposals for sustainable physical change to Lindängen centre.

Development of the area's meeting places, e.g. initiating of the all-activity centre at Lindängeskolan.

Commencement of cooperation between the city district administration's department for economic assistance, nursery schools and Jobb Malmö, where families with children without employment are offered guidance regarding work and studies.

Area programme: Holma/Kroksbäck

During 2011, the Hyllie city district administration conducted the study “A public health perspective of the Area Programme: Holma and Kroksbäck”. The aim of the study was, on the basis of the City of Malmö's welfare report and the 11 public health objectives, to put together a picture of the health of the population of Holma and Kroksbäck. The results and possible prioritising will be further discussed during 2012 with reference to the Commission's work.

The city district administration has, in cooperation with the local association, Active women in Hyllie, MKB and the Employment Service Agency, started up “Infocenter Holma”. The information centre offers e.g. community information, help with translating and interpreting, as well as help with referring to, and making contact with, various authorities. Job preparation is also connected to the centre, as well as the start-up of a lawyers' clinic.

The work with “Open school”, at Kroksbäcksskolan, has been developed. After school time, the school's premises serve as a meeting place for a large number of associations and private individuals who wish to borrow the premises for organised activities. In cooperation with the Afghan cultural association, “Läxakuten” [“Emergency Lessons”], with the target group school year 6-7 at Kroksbäcksskolan, was started up during 2011.

Area programme: Segevång

Kirseberg's city district and the City Executive Council took the decision in 2011 to run the area programme, Segevång. Together with committees, administrations and associations, a list of ideas for the area programme has been generated with goals, schedule and cooperation partners for the period 2012 – 2015, as determined by the city district council.

The head of the administration has taken part in meetings with other administration heads with the aim of inspiring cooperation across administration lines in relation to the programme's

conceptual direction. The city district has also led and financed the city's pilot study of the innovation forum. The Safe Way has been carried out with good results.

City district managers, communicators, HR resources and planning secretaries have set aside time since June for the planning and writing work, for meetings and study travel as well as recruitment of an area coordinator. The city district has actively participated in communication efforts within and outside the city district.

OVERVIEW OF BUDGET DISCREPANCIES

RESULTAT (MKR)			BUDGETAVVIKELSER						
Budgeterat resultat	0	→	Service nämnd	1					
Budgetavvikelse	492		Teknisk nämnd	14					
Prognostiserat resultat	492		Realisationsvinster	230					
			Utbildningsnämnd	5					
			Kulturnämnd	0					
			Fritidsnämnd	2					
			Social resursnämnd	-5					
			Stadsdelsfullmäktige	-31					
			Ekonomisk hjälp	-67					
			Övriga	55					
			Finansiering	288					
			Summa	492					
			FINANSIERING						
			Skatter o generella bidrag	116					
			Intebanken	4					
			Personalomkostnader/pensioner	54					
			Anslag till förfogande	10					
			Lokaler o anläggningar	10					
			Citytunneln	55					
			Bolag och kommunalförbund	18					
			Statsbidrag flyktingar	-5					
			Övrigt	26					
			Summa finansiering	288					
Verksamheter enligt internbudget		Förskoleverksamhet	Skola och fritidshem	Individ och familjeomsorg	Vård och omsorg	Fritid och kultur	Arbetsmarknadsåtgärder	Gem. service och övrigt	Totalt
Stadsdelsfullmäktige									
SDF Centrum	6	-5	-12	-2	0	-1	2	-12	
SDF Södra innerstaden	-1	-10	-2	14	0	0	10	10	
SDF Västra innerstaden	2	-2	-6	0	0	0	2	-3	
SDF Limhamn/Bunkeflo	0	-5	-1	-3	0	0	7	-1	
SDF Hyllie	9	-4	1	-9	2	0	0	-2	
SDF Fosie	8	-7	2	1	0	0	2	6	
SDF Oxie	0	-4	2	1	0	0	2	1	
SDF Rosengård	16	-7	-17	-6	1	-1	5	-9	
SDF Husie	0	2	-5	-6	0	0	2	-6	
SDF Kirseberg	1	-6	-7	-6	0	0	1	-16	
Summa	42	-47	-45	-15	3	-2	33	-31	
Social resursnämnd			1	-10			3	-5	

OVERVIEW OF BUDGET DISCREPANCIES

PROFIT/LOSS (SEK M)			
Budgeted profit/loss	0		
Budget discrepancy	492	BUDGET DISCREPANCIES	
Forecast result	492	Service committee	1
		Technical committee	14
		Sales profits	230
		Education committee	5
		Cultural affairs committee	0
		Leisure committee	2
		Social resources committee	-5
		City district council	-31
		Financial aid	-67
		Other	55
		Financing	288
		Total	492
		FINANCING	
		Taxes and general contributions	116
		Internal bank	4
		Personnel costs/pensions	54
		Contingency provision	10
		Premises and installations	10
		Citytunneln	55
		Companies and municipal associations	18
		State contribution refugees	-5
		Other	26
		Total financing	288

Activities according to internal budget	Nursery activity	School and youth recreation centre	Individual and family care	Care	Leisure and culture	Labour market measures	Joint service and other	Total
City district council								
SDF Centrum	6	-5	-12	-2	0	-1	2	-12
SDF Södra innerstaden	-1	-10	-2	14	0	0	10	10
SDF Västra innerstaden	2	-2	-6	0	0	0	2	-3
SDF Limhamn/Bunkeflo	0	-5	-1	-3	0	0	7	-1
SDF Hyllie	9	-4	1	-9	2	0	0	-2
SDF Fosie	8	-7	2	1	0	0	2	6
SDF Oxie	0	-4	2	1	0	0	2	1
SDF Rosengård	16	-7	-17	-6	1	-1	5	-9
SDF Husie	0	2	-5	-6	0	0	2	-6
SDF Kirseberg	1	-6	-7	-6	0	0	1	-16
Total	42	-47	-45	-15	3	-2	33	-31
Social resource committee			1	-10			3	-5

PROFIT & LOSS ACCOUNTS

SEK m	Note	City of Malmö		Consolidated accounts	
		2011	2010	2011	2010
The activity's income	1	3 243	3 003	6 107	5 764
The activity's costs	2	-15 730	-15 153	-17 888	-17 325
Depreciation	3	-651	-569	-1 055	-979
The activity's net costs		-13 138	-12 719	-12 836	-12 540
Tax income	4	9 619	9 184	9 619	9 184
General state contribution and equalisation	5	3 953	3 976	3 953	3 976
Financial income	6	162	104	191	98
Financial costs	7	-104	-29	-372	-154
Profit before extraordinary items		492	516	555	564
Extraordinary income					
Extraordinary costs					
Tax/latent tax				-26	-22
Profit shares in partnerships				4	5
YEAR'S PROFIT		492	516	533	547

COMPARISON BUDGET – ACCOUNTS 2011 FOR CITY OF MALMÖ

SEK m	Budget at year end	Final accounts	Discrepancy
Activity's net costs	-13 471	-13 138	333
Tax income	9 487	9 619	132
General state contribution and equalisation	3 969	3 953	-16
Financial income	78	162	84
Financial costs	-63	-104	-41
Profit before extraordinary items	0	492	492
Extraordinary income			
Extraordinary costs			
YEAR'S RESULT	0	492	492

* In the original budget for 2011 (adopted in December 2010) the budgeted net cost was SEK 13 382 m. It has thus increased by SEK 89 m through decisions during the year.

BALANCE SHEET

		City of Malmö		Consolidated accounts	
SEK m	Note	2011	2010	2011	2010
ASSETS					
Fixed assets					
Intangible fixed assets	8	1	2	15	9
Tangible fixed assets		13 213	12 685	24 303	23 235
- Land, buildings and technical installations	9	12 653	12 172	22 408	21 432
- Machinery and fixtures & fittings	10	560	513	1 895	1 803
Financial fixed assets	11	2 316	1 679	1 478	1 835
Total fixed assets		15 530	14 366	25 796	25 079
Current assets					
Stores etc.	12	558	414	563	419
Receivables	13	1 633	1 416	1 796	1 615
Short-term investments		291	323	291	323
Cash-in-hand and on deposit		428	777	609	1 075
Total current assets		2 910	2 930	3 259	3 432
TOTAL ASSETS					
		18 440	17 296	29 055	28 511
EQUITY CAPITAL, ALLOCATIONS AND LIABILITIES					
Equity capital					
Equity capital at year start		11 581	11 065	14 168	13 709
Year's profit		492	516	550	531
Total equity capital	14	12 073	11 581	14 718	14 240
Allocations					
Allocations for pensions and similar obligations	15	1 262	1 061	1 345	1 134
Other allocations	16	17	96	152	230
Latent tax liability				334	325
Total allocations		1 279	1 157	1 831	1 689
Liabilities					
Long-term liabilities	17	1 478	309	7 874	7 307
Short-term liabilities	18	3 610	4 249	4 632	5 275
Total liabilities		5 088	4 558	12 506	12 582
TOTAL EQUITY CAPITAL, ALLOCATIONS AND LIABILITIES					
		18 440	17 296	29 055	28 511
Pledges and comparable securities					
Contingent liabilities					
Pension obligations not included among liabilities or allocations	19	6 154	5 583	6 154	5 583
Other contingent liabilities	20	3 157	3 049	570	566

The difference between opening balance 2011 and closing balance 2010 in equity capital in the consolidated accounts is due to Malmö Hamn AB having been liquidated during 2011, see further under accounting principles for consolidated accounts.

FINANCING ANALYSIS

SEK m	Note	City of Malmö		Consolidated accounts	
		2011	2010	2011	2010
ONGOING ACTIVITY					
Year's profit		492	516	533	547
Adjustment for depreciation and writing down	8, 9,10	651	569	1 055	979
Adjustment for sales profits	9, 11, 12	-230	-50	-236	-53
Adjustment for pension allocation	15	201	69	211	65
Adjustment for other allocations	16	-79	-13	-78	-9
Adjustment for final accounts allocations and latent tax				9	-7
Adjustment for other items not affecting liquidity		-2		1	-16
Net result from ongoing activity		1 033	1 091	1 495	1 506
INVESTMENT ACTIVITY					
Investment in intangible fixed assets	8				
Sale of intangible fixed assets					
Investment in tangible fixed assets	9, 10	-1 178	-1 715	-1 938	-2 618
Sale of tangible fixed assets	9, 10	37	24	42	37
Investment in financial fixed assets	11	-2	-8	-256	-1 514
Sale of financial fixed assets			1	8	2
Net result from investment activity		-1 143	-1 698	-2 144	-4 093
FINANCING ACTIVITY					
Increase in long-term liabilities	17	1 170	168	1 258	3 243
Reduction of long-term liabilities		-1		-671	-1 244
Increase of long-term receivables	11	-775	-432	-17	-50
Reduction of long-term receivables	11	142	291	395	28
New issues					5
Net result from financing activity		536	27	965	1 982
TIED CAPITAL					
Increase (-)/decrease (+) in stores and goods stocks	12	-4		-4	
Exploitation	12	-371	-31	-371	-31
Sale of exploitation areas	12	425	33	425	33
Increase (-)/decrease (+) in short-term receivables	13	-217	-443	-195	-393
Increase (+)/decrease (-) in short-term liabilities	18	-639	50	-621	77
Net result from tied capital		-806	-391	-766	-314
Year's cash flow		-380	-971	-450	-919
Liquid funds at year start		1 099	2 070	1 350	2 316
Liquid funds at year end		719	1 099	900	1 397

Interest-bearing net asset/liability at year start	*	2 314	3 092	-5 539	-2 687
Increase/decrease in interest-bearing receivables		655	270		76
Increase/decrease of liquid funds		-381	-970	-450	-919
Increase/decrease of interest bearing liabilities		-953	-78	-411	-1 996
Interest-bearing net asset/liability at year end		1 635	2 314	-6 400	-5 526

* In the consolidated accounts for 2011, the amounts regarding liquid funds and interest-bearing net asset/liability at year start does not correspond to the amount at year end 2010, due to Malmö Hamn AB being liquidated during 2011 as well as altered holdings in VA Syd.

ACCOUNTING PRINCIPLES

CITY OF MALMÖ

Legislation and standards

The accounts follow the Municipal Accounts Act (SFS 1997:614) and the recommendations issued by the Governmental Accounting Standards Board (RKR), unless otherwise stated. In addition, the regulations and the standards that apply to other sectors of society and which are included in the concept of generally accepted accounting practices, are followed.

The Governmental Accounting Standards Board, RKR, has reworked recommendation 10.2, Allocations and contingent liabilities, during the year. According to the reworked recommendation, allocation can only be made for legal obligations.

From and including 2011, ongoing investment projects with a term exceeding six months have been added to loan costs or so-called “letter of credit interest”, in accordance with the “alternative method” in RKR’s recommendation 15:1.

The City of Malmö interprets RKR’s recommendation whereby the city council’s decision to borrow back pension funds instead of allocating funds to a separate pension administration is to be equated with a “general loan arrangement” and that the interest costs for the pension liability thereby replace the interest costs which the municipality would otherwise have had to pay.

By imposing ongoing investment projects with loan costs during the construction time, a fairer picture of the municipality’s position and result is achieved. If loan costs for ongoing investments are not added to the acquisition costs, these loan costs must be housed within the balance requirement’s result. In this way the space for municipal activity is reduced. By adding ongoing investment project loan costs during the construction time, the principle of each generation of taxpayers having to bear their own costs, is supported.

During 2011, loan costs for ongoing investment projects have been added to the acquisition costs of these by SEK 35 m. The average interest rate during 2011 was 2.23%. The interest rate for calculation of the loan costs is derived from the municipality’s borrowing costs for short-term borrowing.

As at 31-12-2011, lending in the form of cheque credits as well as next year’s amortisation to VISAB, Malmö Kommuns Parkerings AB as well as the municipal association, VA Syd, was reclassified from long-term to short-term receivables. The items in the balance sheet, financing analysis as well as notes 11, 13 and 18, have also been corrected for 2010.

According to recommendation no. 18 from the Governmental Accounting Standards Board, highways costs payments are accounted as prepaid income from and including 2010. From 2011, sales within the exploitation activity at the time of taking possession are accounted in the profit & loss accounts.

During 2011, an inventory of existing leasing agreements was made. All ongoing leasing agreements have been classed as operational.

The same accounting principles have otherwise been applied in 2011 as in 2010.

Accounting model

Included in the accounting model are:

- Profit & loss accounts showing the periods income and costs as well as change to equity capital.
- The balance sheet which shows the financial position on the day the accounts were closed.
- Financing analysis which shows how the activity has been financed.
- Operating accounts which, per area of responsibility, show the outcome against budget.
- Investment accounts which, per area of responsibility, provide an account of the year's investment costs and investment contributions

The activity's income and costs

Income and costs are accrued to the year when goods are supplied, service carried out or events occur.

Wages and payments to personnel are accrued. Worked overtime and compensation for being on-call and standby, which is not taken, are entered as a liability. Earned but not taken holidays are entered as liability, as is earned holiday pay and services wages, respectively, for teachers and other services employed. The holiday pay liability is calculated individually for all personnel categories. Social charges are calculated on the basis of the forthcoming year's level.

Included in the operation and investment accounts on pages 116 – 119 are internal items. Financial costs and income as well as depreciation are included at committee level in the column's costs and income, respectively. In the profit & loss accounts and balance sheet on pages 87 – 88, internal items have been eliminated.

Depreciation

Depreciation is calculated and entered for the majority of fixed assets from and including the month following acquisition.

Interest

Wage costs in the form of letter of credit interest are calculated in accordance with the municipality's borrowing cost for cheque credits and are added to ongoing investment projects from and including January 2011.

In the internal accounts, the activities are charged with internal interest for capital tied in fixed assets.

Internal interest has been 4.75 % in both 2011 and 2010. Within the service administration, the internal interest is based on the administration's interest on internal loans from the finance administration.

Internal interest is entered monthly. For new investments, internal interest is calculated from and including the month following acquisition.

Tax income

Tax income is calculated with regard to anticipated tax base for the 2011 income year. A collective final settlement for the municipal sector, based on the taxable income in the country in accordance with the 2012 assessment, will be made during January 2012.

The calculated final tax for 2011 is based on the final assessment outcome for 2010 and 2010 and The Swedish Association of Local Authorities and Regions' (SKL's) tax base forecast for 2011. According to recommendation 4.2 from the Governmental Accounting Standards Board, the tax base for the final accounts year is calculated with SKL's forecast for December as a basis.

Extraordinary items

No income or costs have been accounted as extraordinary during 2011 or 2010.

Fixed assets

An acquisition, the expense of which, excluding VAT, amounts to at least one basic sum and has a lifespan of at least three years, is entered as an investment and thereby a fixed asset.

The fixed assets are included in the balance sheet up to the acquisition value with a deduction made for depreciation.

Charges or contributions which are attributable to investments are entered as liabilities from and including the 2010 accounting year in accordance with RKR's recommendation 18 Investments from charges, contributions and sales. Investment contributions are then gradually entered as income in order to match the depreciation of the fixed assets.

Investment contributions which relate to investments made before the 2010 accounting year, have reduced the fixed assets' acquisition value.

From and including January 2011, loan costs have been calculated on ongoing investment projects which have a term exceeding 6 months. The interest rate has been calculated on the average interest that the municipality pays on its cheque account credit to the group bank. This means that the interest rate has varied each month.

Up to and including April 2001, loan costs have been calculated and added to ongoing investment projects. During the period May 2001 up to and including December 2010, no investment project has been charged any loan costs.

Depreciation is calculated linearly on original acquisition value (nominal method) and with a point of departure taken in the assets' anticipated economic lifespan. Depreciation occurs from and including the month following acquisition or when the asset is brought into use.

The following depreciation times are primarily applied:

Activity properties	20, 33 and 50 years
Properties for business activity	20, 33 and 50 years
Public properties (streets, roads and parks)	10, 20 and 33 years
Machinery and fixtures & fittings	3, 5 and 10 years

For investments regarding the development of Norra Hamnen and Citytunneln activated during 2011, component depreciation has been applied.

Depreciation is not calculated for shares, holdings, works of art, land and ongoing investment projects.

Writing down takes place if the assets' market value is deemed to be lower than the remaining entered value.

As intangible fixed assets, only those acquired are accounted.

Current assets

Current assets are entered at their acquisition value or the real value if this is lower.

Incurred costs for exploitation areas are accounted among current assets. Profit & loss accounting has, up to and including 2010, occurred when part-areas are completed as long as future costs may be calculated and booked with reasonable security. Income exceeding incurred costs for non result-accounted sales have been balanced as pre-paid income.

According to recommendation 18 from the Governmental Accounting Standards Board, street cost payments are accounted as pre-paid income from and including 2010. From 2011, sales within the exploitation activity shall be accounted in the profit & loss accounts at the time of taking possession.

Invoice receivables which are more than six months old are regarded as uncertain. If no repayment schedule has been set up which is followed, the receivables are then written down in the accounts.

Pension obligations

Pension obligations shall, according to the Municipal Accounts Act, be accounted in accordance with what is termed the mixture model. This means that:

Pension benefits earned before 1998 are accounted as a contingent liability.

Guarantee and specific time pensions as well as pension benefits earned from and including 1998, are accounted in the balance sheet as allocation for pensions and similar obligations.

The greater part of pension benefits earned from and including 2000 may be invested individually by personnel. These are accounted as short-term liabilities until disbursement takes place at the end of March of the year after they were earned.

Obligations for pension commitments for employees in the municipality are calculated in accordance with RIPS 07.

The right to a specific time pension for elected representatives is accounted as a contingent liability since it is not deemed probable that it will lead to disbursements.

Other allocations

According to RKR's reworked recommendation 10.2 Allocation and contingent liabilities, allocations can only be made for legal obligations. Allocations are understood to mean a liability which is unknown with regard to the time when it becomes due or the amount.

Liabilities

Long-term liabilities are those which do not fall due for payment within 12 months. Future years' amortisations are accounted as short-term liabilities.

Short-term liabilities fall due for payment within 12 months.

Adjustment of accounting data from previous years

In order to make comparisons possible over time, accounting data from previous years is recalculated when new principles begin to be applied.

The water & sewage and waste activity was transferred to the newly-created municipal association, VA Syd, on 1 January 2008, and is therefore not included in the municipality's accounts from and including 2008.

In the description of the municipality's economic development from 2007 on page 4, the water & sewage activity is included, but adjustment has been made as a consequence of altered accounting principles.

CONSOLIDATED ACCOUNTS

Definition and scope

The concept of consolidated accounts came about with the Municipal Accounts Act and is practically synonymous with group accounting. The objective behind consolidated accounts is to provide an overall picture of the municipality and the municipal companies' activity and financial position.

In the consolidated accounts, there shall, according to the Annual Accounts Act's definition of significant influence, be companies included in which the City of Malmö has, directly or indirectly, a voting right of at least 20 %. According to RKR's recommendation, businesses which have an activity of insignificant scope may be exempted. Insignificant scope is defined as businesses where the municipality's share of turnover and assets are less than 2% of tax income and general state contribution. The overall municipal share of the turnover / assets of the businesses that are exempted may not, however, exceed 5% of tax income and general state contributions. This means that MINC i Sverige AB, Sturupsaxelns Exploaterings AB, Medeon AB and Kommunassurans Syd Försäkrings AB are not included in the consolidated accounts despite the City of Malmö's holding in the companies exceeding 20%.

The following legal entities are not included in the City of Malmö's consolidated accounts:

- Foundations, due to their activity being of insignificant scope according to the above definitions.
- Donations, see the sections Donations below.
- Companies that are dormant (AB Folkets Park, Kungsparken AB, Stadsberget 1 (previously Kulturkoncernen), Malmö Frihamn AB and Fastighets AB Härfågeln).
- Companies which are being discontinued/under liquidation.
- Companies that have been liquidated during the accounting year (Malmö Hamn AB).

Method of consolidated accounting

Assets and liabilities as well as income and costs have been included to an extent that corresponds to the municipality's shareholding. The method is called proportional consolidation. Sub-groups' final accounts have been consolidated in their entirety since businesses in these sub-groups primarily consist of wholly-owned businesses which have not been the subject of internal acquisition. Partnership companies included in SYSAV's group accounts are accounted in accordance with the capital share method. This means that the group's share of partnership companies' net assets is accounted on a line in the balance sheet.

For other subsidiaries, the City of Malmö's (the parent company's) entered value of shares in subsidiaries has been eliminated against the subsidiaries' equity capital in accordance with the acquisition method. Receivables and liabilities between companies in the consolidated accounts have been eliminated in proportion to the size of the shareholding.

Subsidiaries' untaxed reserves have been regarded in the consolidated balance sheet partly as equity capital, partly as latent tax. In the consolidated profit & loss accounts, the subsidiaries' final accounts allocations, excluding latent tax, have been transferred back and are thus included in the item Change to equity capital.

According to the accounting principles that apply to the companies, the fixed assets' acquisition value shall be reduced by any investment contributions before calculation of depreciation. During the 2011 accounting year, no investment contributions have been accounted in subsidiaries which are why no adjustment to the municipality's accounting principles has been relevant.

The acquisition principles that businesses apply differ in significant aspects from the principles applied by the City of Malmö. In the businesses, percentage rates are applied in accordance with the following:

Asset type	Depreciation percentage
Fixtures & fittings	5 – 20 %
Business properties	4 – 7 %
Accommodation properties	1.5 – 2.5 %

The information in the consolidated accounts is based, in certain cases, on non-adopted final accounts, although they have been provisionally examined by the auditors of the respective companies. Comparative figures for 2010 are based on adopted final accounts and have been adjusted where appropriate.

Donations – Gifts and foundations

The Foundations Act applies to the administration of donations. Donations are classified as either gifts or foundations.

The gifts are included in the municipalities' accounts. From 2011, SEK 6 m is balanced to future years.

The foundations are independent legal entities with the City of Malmö as administrator. At the end of 2011, the City of Malmö administered 116 such foundations.

A large proportion of the assets in the foundations are intended for use within social care, care of the elderly as well as educational and training activity. During 2011, SEK 37 m had been distributed in accordance with the objectives of the donations. At the end of 2011, the foundations' assets were entered at SEK 2 119 m. The liabilities amounted to SEK 240 m and the equity capital was SEK 1 879 m.

NOTE

Note 1

THE ACTIVITY'S INCOME

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
The activity's income including internal items	14 638	14 194	18 181	17 650
Municipal internal income	-11 395	-11 191		
Group internal income			-12 074	-11 886
Total activity's income	3 243	3 003	6 107	5 764
Comparison distorting items				
Sales profits	280	50	281	50

Note 2

THE ACTIVITY'S COSTS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
The activity's costs including internal items	27 776	26 913	31 017	30 190
Depreciation	-651	-569	-1 055	-979
Municipal internal costs	-11 395	-11 191		
Group internal costs			-12 074	-11 886
Total costs of the activity	-15 730	-15 153	17 888	17 325
Comparison distorting items				
Lowered contractual employer charges	29	26		28
Special restructuring	26	110		110
Assessment of ongoing exploitation project	50			
Final settlement Citytunneln	55			

The restructuring costs in 2011 amount to SEK 26 m (SEK 110 m, 2010). During 2010, in addition to the annual provision, there was also an additional provision for restructuring measures.

Final settlement of the Citytunnel project during 2011 has involved dissolution of allocation by SEK 55 m, reducing the 2011 costs. See further note 16.

In addition to comparison distorting items, there are also included among the activity's costs those relating to measures against neglected property maintenance at SEK 95 m (SEK 108 m, 2010).

Operational leasing agreement exceeding 3 years

The overall amount of future minimum leasing charges amounts to:	City of Malmö		Consolidated accounts	
	2011	2011	2011	2011
With due-by time within 1 year	9		43	
With due-by time later than 1 year but within 5 years	16		127	
With due-by time later than 5 years	7		189	

Note 3
DEPRECIATION AND WRITING DOWN

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Depreciation and writing down				
Intangible fixed assets	1	1	3	2
Land, buildings and technical plant	525	445	788	712
Machinery and fixtures & fittings	125	123	264	265
Total depreciation and writing down	651	569	1 055	979

In the amount regarding the City of Malmö, SEK 14 m (SEK 8 m, 2010) writing down is included. SEK 11 m relates to the demolition of parts of the Latinskolan in order to provide room for the erection of new premises for the Media upper secondary school.

The writing down in the consolidated accounts amounts to SEK 15 m (SEK 26 m, 2010).

The disparity in depreciation between the profit & loss accounts and the balance sheet is primarily due to a dissolution of allocation equating with depreciation in VA Syd.

Note 4
TAX INCOME

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Provisional tax income	9 360	9 044	9 360	9 044
Forecast final settlement for 2011	217		217	
Correction of forecast final settlement for 2010	42		42	
Correction of forecast final account for 2009		7		7
Forecast final account for 2010		133		133
Total tax income	9 619	9 184	9 619	9 184

The Swedish Association of Local Authorities and Regions forecasts in December 2011 final settlement for 2011 at SEK +727 per inhabitant, which amounts to SEK +217 m.

Note 5
GENERAL STATE CONTRIBUTION AND EQUALISATION

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Income equalisation	3 168	3 033	3 168	3 033
Cost equalisation	151	246	151	246
Structure contribution	118	115	118	115
Settlement contribution / charge	306	75	306	75
LSS equalisation	-179	-166	-179	-166
Economic conditions support		286		286
Provisional municipal property tax	372	372	372	372
Forecast final settlement for 2011 property tax	21		21	
Correction of forecast final settlement for 2009		-2		-2
Correction of forecast final settlement for 2010	-4		-4	
Forecast final settlement for 2010		17		17
Total general state contribution & equalisation	3 953	3 976	3 953	3 976

Note 6
FINANCIAL INCOME

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Interest on liquid funds	11	20	28	73
Lending	62	44	97	7
Distribution of shares group companies	84	37	57	
Interest contribution		1	1	3
Other interest and financial income	5	2	8	15
Total financial income	162	104	191	98
Comparison distorting items:				
One-off payment of share distribution as consequence of liquidation of Malmö Hamn AB	54		54	

Note 7
FINANCIAL COSTS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Interest long-term borrowing	8		269	128
Interest pension liability	122	26	124	28
Other financial costs	-26	3	-21	-2
Total financial costs	104	29	372	154
Comparison distorting items				
Lowered discount rate pension allocations	82		82	

During 2011, the City of Malmö introduced letter of credit interest which means that the balance for other financial costs is accounted as being negative. In total, SEK 35 m has been charged in letter of credit interest during 2011.

Note 8
INTANGIBLE FIXED ASSETS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Acquisition value	84	84	99	96
Accumulated depreciation	-82	-81	-90	-88
Year's investments				
Year's depreciation and writing down	-1	-1	-3	-2
Reclassification of assets			9	3
Outgoing entered value	1	2	15	9

Note 9**LAND, BUILDINGS AND TECHNICAL INSTALLATIONS**

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Land reserve and exploitation land	337	341	337	341
Activity properties	4 908	4 859	14 045	13 252
Properties for business activity	2 302	730	2 319	748
Public properties	2 082	1 993	2 082	1 993
Properties for other activity	1 197	1 213	1 197	1 213
Other properties	12	6	12	6
Ongoing investment projects	1 815	3 030	2 416	3 879
Total land, buildings and technical installations	12 653	12 172	22 408	21 432
Acquisition value	17 164	15 756	30 686	28 640
Accumulated depreciation	-4 992	-4 732	-9 291	-8 797
Year's sales	-7	-2	-11	-3
Year's investments	1 070	1 606	1 918	2 169
Year's depreciation and writing down	-524	-445	-788	-712
Reclassification of assets	-58	-11	-106	135
Outgoing entered value	12 653	12 172	22 408	21 432

Of the reclassification in the City of Malmö's accounts 2011, SEK 1 m is transferred from exploitation (turnover asset). In addition, SEK 2 m has been transferred to financial fixed assets and SEK 63 m to fixtures & fittings, primarily in connection with activation of ongoing investment projects. In addition, SEK 6 m relates to investment contribution which is accounted net under ongoing investment projects and which, in connection with the activation, is transferred to long-term liabilities.

The year's sales relate to entered value for the assets. The sales have additionally provided sales profits of SEK 33 m (SEK 32 m, 2010) in the City of Malmö's accounts.

In the financing analysis for the City of Malmö 2011, investments in tangible fixed assets amount to SEK 1 178 m (SEK 1 715 m, 2010). The discrepancy compared with the accounts in notes 9 and 10 are due to transferred-back non-utilised undertaking of SEK 1 m (SEK 10 m, 2010).

Note 10
MACHINERY AND FIXTURES & FITTINGS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Machinery	28	27	985	981
Fixtures & fittings	272	261	368	350
Building fixtures & fittings	76	78	128	116
Cars and other means of transport			159	150
Ongoing investment machinery and fixtures & fittings		1	54	4
Improvement expenses in non-owned properties	15	14	15	53
Art	21	14	25	18
Other machinery and fixtures & fittings	148	118	160	131
Total machinery and fixtures & fittings	560	513	1 895	1 803
Acquisition value	1 409	1 336	4 265	4 065
Accumulated depreciation	-896	-846	-2 482	-2 315
Year's sales			-2	-4
Year's investments	109	118	232	297
Year's depreciation and writing down	-125	-122	-276	-277
Reclassification of assets	63	27	158	37
Outgoing entered value	560	513	1 895	1 803

Of the reclassification in the City of Malmö's accounts 2011, SEK 63 m has been transferred from land, buildings and technical installations, primarily in connection with the activation of ongoing investment projects.

In the financing analysis for the City of Malmö 2011, investments in tangible fixed assets amount to SEK 1 178 m (SEK 1 715 m, 2010). The discrepancy compared with the accounts in notes 9 and 10 are due to transferred-back non-utilised undertaking of SEK 1 m (SEK 10 m, 2010).

Note 11
FINANCIAL FIXED ASSETS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Shares and holdings	437	436	46	47
Tenant-owners rights	12	10	12	10
Long-term receivables	1 867	1 233	1 420	1 778
Total financial fixed assets	2 316	1 679	1 478	1 835
SHARES AND HOLDINGS				
Acquisition value shares and holdings	436	428	47	39
Year's sales			-5	-1
Year's investments	1	8	4	9
Year's depreciation and writing down				
Change to claim on partnership companies				
Outgoing entered value shares and holdings	437	436	46	47

SPECIFICATION REGARDING SHARES

City of Malmö

	Number	Owner-ship %	Nominal value	Entered value 2011	Entered value 2010
WHOLLY-OWNED COMPANIES					
MKB Fastighets AB	15 000 000	100	1 500	248	248
Malmö Kommuns Parkerings AB	2 500	100	3	3	3
Stadsberget 1 (previously Kulturkoncernen)	20 000	100	2	1	1
Malmö Stadsteater AB	5 000	100	5	5	5
Malmö Symfoniorkester AB	5 000	100	5	5	5
Vagnparken i Skåne AB, VISAB	10 000	100	1	1	1
Malmö Frihamns AB*	800	100	1	1	
Total				264	263
* During 2011, Malmö Frihamns AB was transferred to the City of Malmö from Malmö Hamn AB which was liquidated during the year.					
PARTLY-OWNED COMPANIES					
Sydvästra Skånes Avfallsaktiebolag, SYSAV	15 174	45,98	15	3	3
Sydvatten AB	1 506 587	35,68	151	141	141
Copenhagen Malmö Port AB	989 100	27,50	27	13	13
Malmö Opera och Musikteater AB	2 000	10,00	2	2	2
Kommunassurans Syd Försäkrings AB	12 826	20,60	13	13	13
Total				172	172
OTHER COMPANIES					
				1	1
GRAND TOTAL				437	436

Consolidated accounts

	Number	Owner-ship	Nominal value	Entered value 2011	Entered value 2010
Companies owned by City of Malmö					
Stadsberget 1 (previously Kulturkoncernen)	20 000	100	2	1	1
Malmö Opera och Musikteater AB	2 000	10,00	2	2	2
Kommunassurans Syd Försäkrings AB	12 826	20,60	13	13	13
Malmö Frihamns AB*	800	100	1	1	
Other companies				2	2

	Number	Owner-ship	Nominal value	Entered value 2011	Entered value 2010
Total				19	18
Companies owned by Sydvästra Skånes Avfallsaktiebolag SYSAV					
PULS-Planerad Underhållsservice AB	15 000	50	1	10	9
ÅGAB Syd AB	2 000	40		3	3
Kretsloppsparken i Kristianstad AB**					4
Carl F AB	2 500	25	9	12	10
KS Recycling AB	3 500	50		2	2
Sydsåånes Energikonsult AB	500	25			
Total				27	28
Companies owned by Malmö Hamn AB					
Malmö Frihamns AB *	800	100	1		1
Total					1
GRAND TOTAL				46	47

* During 2011, Malmö Frihamns AB was transferred to City of Malmö from Malmö Hamn AB which was liquidated during the year.

** Sold during 2011.

TENANT-OWNER RIGHTS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Acquisition value tenant-owner rights	12	10	12	10
Accumulated depreciation tenant-owner rights	-2		-2	
Year's investments tenant-owner rights				
Reclassification of assets	2		2	
Outgoing entered value tenant-owner rights	12	10	12	10

In the City of Malmö's accounts 2011, SEK 2 m has been reclassified from land, buildings and technical installations to financial fixed assets.

LONG-TERM RECEIVABLES

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Vagnparken i Skåne AB, VISAB	132	101		
Malmö Kommuns Parkerings AB	557	394		
VA Syd, municipal association	782	816	194	167
Stiftelsen Kockum Fritid	5	5	5	5
Financial/non-profit making associations and foundations	12	23	12	22
MKB Fastighets AB	494			
City of Malmö			43	45
Husbyggnadsvaror HBV association			5	5
Banks			4	9
KS Recycling AB			9	14
Bonds			1 156	1 511
Bjuv Municipality			2	2
Total	1 982	1 339	1 430	1 780
Future year's amortisation deducted	-115	-106	-10	-2
Total long-term lending	1 867	1 233	1 420	1 778

The city council has decided upon the following loan frameworks:

VISAB SEK 150 m

Malmö Kommuns Parkerings AB SEK 600 m

VA Syd SEK 1 200 m

MKB SEK 6 000 m

Other external parties SEK 61 m

Note 12 STORES ETC.

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Stores	41	37	46	42
Exploitation properties	517	377	517	377
Total stores etc.	558	414	563	419
Incoming value exploitation properties	377	378	377	378
Year's sales	-178	-18	-178	-18
Year's exploitation	371	33	371	33
Assessment of ongoing exploitation	-50		-50	
Reclassifications	-3	-16	-3	-16
Outgoing value exploitation properties	517	377	517	377

In addition to the year's sales above, profits of SEK 196 m (SEK 17 m, 2010) are included among the activity's income.

Sales income exceeding incurred exploitation costs, SEK 462 m (SEK 608 m, 2010) are accounted as pre-paid, see note 18.

Of the reclassification in the City of Malmö's accounts 2011, SEK 1 m is transferred to land, buildings and technical installations (fixed assets) and SEK 2 m concerns street cost payment transferred over to long-term liabilities.

Note 13 RECEIVABLES

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Customer receivables	159	208	249	302
Receivables from the state	226	272	318	282
VAT receivable	133	155	145	163
Other short-term receivables	198	211	81	204
Pre-paid costs and accumulated income	917	570	1 003	664
Total receivables	1 633	1 416	1 796	1 615

Note 14 EQUITY CAPITAL

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Equity capital at year start	11 581	11 065	14 168	13 709
Year's profit	492	516	539	564
Of which reserved for social investments	50		50	
Other change			11	-33
Total equity capital	12 073	11 581	14 718	14 240

The difference between incoming balance 2011 and outgoing balance 2010 in equity capital in the consolidated accounts is due to Malmö Hamn AB having been liquidated during 2011; see further under accounting principles for consolidated accounts.

The City of Malmö has been a direct owner of Copenhagen Malmö Port AB (CMP AB) since 01-01-2011. Previously, the City of Malmö's ownership was indirect via Malmö Hamn AB, which was direct owner (50%) of CMP AB. In the consolidated accounts for 2010, the City of Malmö's indirect acquisition value for CMP AB is calculated at SEK 33 m. During 2011, the acquisition value of CMP AB was determined at SEK 12.7 m, corresponding to the City of Malmö's previous acquisition value for Malmö Hamn AB. The acquisition value for CMP AB has thus been adjusted downwards by SEK 20.3 m in the consolidated accounts during 2011. Together with the acquisition value of the liquidated Malmö Hamn AB, the total acquisition value for the City of Malmö's group companies was reduced by SEK 33 m during 2011.

Other changes to equity capital in the consolidated accounts relate to final accounts allocations and dividends at group companies to the extent that they do not relate to latent tax.

Note 15**ALLOCATION FOR PENSIONS AND SIMILAR OBLIGATIONS**

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Allocated to pensions, excl. guarantee and specific time pensions	1 232	1 032	1 315	1 105
Allocated to guarantee and specific time pensions	30	29	30	29
Total allocations to pensions and similar obligations	1 262	1 061	1 345	1 134

The City of Malmö accounts as allocation for pensions and similar obligations, guarantee and specific time pensions as well as pension benefits earned from and including 1998. Wage tax is included in the amounts.

Allocations for pensions and similar obligations

	City of Malmö	
	2011	2010
Special agreement/old age pension	24	24
Benefit-determined/supplementary pension	566	450
Old age pension	413	368
Pensions to next-of-kin	13	12
Total pensions	1 016	854
Wage tax	246	207
Total allocations to pensions and similar obligations	1 262	1 061

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010*
Year's change to allocations				
Opening allocation	1 061	991	1 134	
New obligations during the year	210	95	219	
Of which newly-earned pension	104	73	108	
Of which new next-of-kin pensions	4	3	5	
Of which interest and basic amount upwards adjustment	32	21	35	
Of which lowering of discount rate	66		67	
Of which other item	4	-2	4	
Year's disbursements	- 49	-39	-50	
Change to wage tax	40	14	42	
Total allocations to pensions and similar obligations	1 262	1 061	1 345	
Extent to which up-to-date	92 %	92 %	*	*

* Information lacking for the consolidated accounts.

The City of Malmö accounts as allocations for pensions and similar obligations, guarantee and specific time pensions as well as pension benefits earned from and including 1998.

The calculation basis for pensions is seen in the section Accounting principle.

Note 16

OTHER ALLOCATIONS

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Lokal Bank	3	3	3	3
Citytunneln		80		80
Feared penalties LSS	9	2	9	
Other allocations	5	11	140	147
Total other allocations	17	96	152	230
Accounted value at year start	96	109	230	239
New allocations	7	6	8	12
Claimed/transferred back allocations	-84	-21	-84	-23
Reclassification	-2	2	-2	2
Outgoing value allocations	17	96	152	230

City of Malmö's allocation for Lokal Bank relates to leasing contracts for premises which are not employed and which, following a separate resolution by the city executive board, are administered by the properties office. In December 2011 Lokal Banken covered three contracts where one of the contracts expires during 2012. The remaining two contracts fall due during 2013. One contract expired during 2011 and two more have been added. The weighted average terms amount to 1.8 years.

In agreements between the City of Malmö, The State, The Swedish Rail Administration, Swedish State Railways and Region Skåne, the City of Malmö took on the responsibility for the additional cost of the Citytunnel project in 2001, with maximum 10% of the project budget, corresponding to SEK 55 m at the January 2001 price level, together with index adjustment. According to the final settlement of the project in 2011 the municipality paid SEK 25 m for the additional cost while SEK 55 m of allocated funds in the 2010 final accounts could be transferred back.

In connection with the sale of a property within Hamnen 22:164 in 2001 an allocation of SEK 4 m was made as the property was subject to future financial risks. According to the purchase agreement the port administration was to be responsible for any clearance costs. The time limit of 10 years has expired whereby the allocation has been transferred back.

The National Board of Health and Welfare can apply to the Administrative Court for the municipality to be ordered to pay a special charge (penalty) if housing with special service is not offered to those persons who are granted this assistance. The City of Malmö has a shortfall of LSS housing and is not currently able to satisfy the requirement. An assessment has been made on the basis of probability that a penalty will be ordered in the individual case as well as the probable penalty amount. For 2011 there is a total of SEK 9 m (SEK 2 m, 2010) allocated for feared penalties in respect of decisions regarding investments not carried out in accordance with LSS.

Note 17
LONG-TERM LIABILITIES

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Loans taken up	1 109	141	7 302	6 786
Next year's amortisation deducted			-242	-127
Pre-paid income	369	168	366	168
Debt to the water and sewage collective			448	480
Total long-term liabilities	1 478	309	7 874	7 307

Of the City of Malmö's long-term loans SEK 798 m relate to borrowing through the municipality's certificate programme and SEK 200 m relates to bond borrowing. The remaining part of the City of Malmö's long-term loan of SEK 141 m, relates to the rent and amortisation-free loan from the municipal association VAS yd, corresponding to the shareholding in Sydvatten AB.

That part of the long-terms loans that fall due for payment during the next year are expected to be refinanced in their entirety and cover 100 % of the underlying liquidity reserves and/or credit undertaking.

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Pre-paid income to be settled over several years				
Investment contributions	70	25	70	25
Remaining number of years (weighted average)	34	28	34	28
Street costs payment	299	143	296	143
Remaining number of years (weighted average)	33	33	33	33
Total pre-paid income	369	168	366	168

According to RKR's recommendation 18. Income from charges, contributions and sales, investment contributions and street costs payments are accounted as long-term liabilities and are accrued over the assets' respective periods of use. Investment contributions and street costs payment were previously accounted whereby they reduced the entered value.

Note 18
SHORT-TERM LIABILITIES

	City of Malmö		Consolidated accounts	
	2011	2010	2011	2010
Accounts owing	703	752	935	1 033
Personnel's taxes and charges	120	123	130	133
VAT	16	19	26	27
Future years amortisation			32	29
Other short-term liabilities	476	436	435	388
Accrued costs and pre-paid income	2 295	2 919	3 074	3 665
Of which refugee reception accrued	64	107	64	107
Of which holiday pay liability	479	477	526	521
Of which overtime liability	18	11	23	15
Of which employers charges	135	137	149	154
Of which interest costs	4	1	55	25
Of which individually invested pension assets	337	327	352	340
Of which exploitation income	462	608	462	608
Total short-term liabilities	3 610	4 249	4 632	5 275

Note 19
PENSION OBLIGATIONS NOT INCLUDED AMONG THE LIABILITIES OF ALLOCATIONS

Pension benefits earned before 1998 shall be accounted as contingent liabilities in accordance with the Municipal Accounts Act. Of the contingent liabilities amount, SEK 6 127 m (SEK 5 543 m, 2010) relates to such pension obligations in accordance with collective agreements. In addition SEK 27 m (SEK 40 m, 2010) is accounted in respect of an employee with a specific time provision and eight elected representatives with the right to a specific time pension. Wage tax is included in all the amounts.

PENSION OBLIGATIONS NOT INCLUDED AMONG THE LIABILITIES OF ALLOCATIONS

	City of Malmö	
	2011	2010
Pension obligations in accordance with collective agreements	6 127	5 543
Pensions obligations for specific time provisions and specific time pensions	27	40
Total	6 154	5 583
Number of specific time provisions and elected representatives with		

	City of Malmö	
	2011	2010
right to specific time pensions.		
Officials		1
Elected representatives	8	8
Pension obligations in accordance with collective agreements:		
Old age pension	4 859	*
Pension to next of kin	72	*
Total pensions	4 931	4 461
Wage tax	1 196	1 082
Total contingent liabilities for pension obligations in accordance with collective agreements	6 127	5 543
Year's change		
Opening allocation	5 543	6 084
Year's change to pension obligations in accordance with collective agreements	693	-244
Of which interest and basic amount upwards adjustment	145	65
Of which lowering of discount rate	347	
Of which bringing up to date and The Brake	202	-195
Of which others	-1	-114
Year's disbursements	-223	-191
Change to wage tax	114	-106
Total contingent liabilities for pension obligations in accordance with collective agreements	6 127	5 543
Degree of bringing up to date	92 %	92 %

* Information lacking

Calculation basis for pensions is seen in the section Accounting principles.

Note 20 OTHER CONTINGENT LIABILITIES

City of Malmö – SURETIES

City of Malmö's resolved sureties undertakings amounted at year end to SEK 3 157 m, of which SEK 2 445 m was taken up.

Sureties undertakings are distributed among those guaranteed as follows:

	Resolved undertaking		Taken up undertakings	
	2011	2010	2011	2010
1. Housing sector				
MKB	2 200	2 100	1 706	1 401
HSB	5	5	3	3
Associations, companies	436	436	244	250
State housing loans, one-family houses	12	12	3	4
Total housing sector	2 653	2 553	1 956	1 658

2. Others				
Municipal companies	335	335	329	330
Non-profit making associations	86	85	77	41
Total others	421	420	406	371
3. Pension obligations				
	83	76	83	76
Grand total	3 157	3 049	2 445	2 105
Utilised surety undertakings for loans taken up by municipal companies of SEK 330 m relate to AB Sydsvatten.				

Consolidated accounts SURETIES

The group's resolved surety undertakings amounted at year end to SEK 570 m of which SEK 358 m was taken up.

The surety undertakings are distributed among those guaranteed as follows;

	Resolved undertakings		Taken up undertakings	
	2011	2010	2011	2010
1. The housing sector				
HSB	5	5	3	3
Associations, companies	436	436	244	250
State housing loans, one-family houses	12	12	3	4
Total housing sector	453	453	250	257
2. Others				
Non-profit making associations	86	85	77	41
Total others	86	85	77	41
3. Pension obligations				
	27	25	27	25
4. Other contingent liabilities				
	4	3	4	3
Grand total	570	566	358	326

OPERATING ACCOUNTS SEK 000s	Costs	Income	Budgeted net cost	Budget discrepancy
BOARD/ ACTIVITY				
City council	-18 563	130	-19 737	1 304
Audit	-9 658	525	-9 184	51
Election committee	-1 106	106	-1 245	244
Complaints committee	-921	0	-1 087	166
Guardianship committee	-27 164	1 275	-20 170	-5 718
City executive board				
The board	-775 390	228 746	-589 674	43 030
Integration and labour market committee	-340 321	0	-346 842	6 521
Service committee	-2 779 416	2 809 792	29 755	621
Technical committee	-1 184 786	649 791	-549 299	14 305
Sales profits properties	-50 000	279 661		229 661
Environmental committee	-119 565	64 484	-55 778	697
Housing and development board	-127 594	64 315	-68 734	5 454
Housing care contribution	-24 811	0	-30 187	5 376
BoPlats Syd	-8 210	6 867	-781	-562
Education committee	-1 687 735	529 374	-1 162 947	4 586
Culture committee	-406 911	95 705	-311 292	86
Leisure committee	-388 718	56 434	-334 694	2 410
Social resources committee	-1 516 235	486 217	-1 024 610	-5 409
City district councils				
City Centre – resource distribution	-1 741 332	875 330	-853 421	-12 581
City Centre – grant-financed activity	-90 520	76 604	-14 541	625
Southern Inner City – resource distribution	-1 801 266	1 017 877	-789 893	6 503
Southern Inner City – grant- financed activity	-55 069	45 776	-12 933	3 640
Western Inner City – resource distribution	-1 611 689	805 593	-801 190	-4 906
Western Inner City – grant- financed activity	-27 341	20 305	-9 318	2 282
Limhamn-Bunkeflo – resource distribution	-2 271 923	1 199 664	-1 069 884	-2 375
Limhamn-Bunkeflo – grant- financed activity	-123 581	111 068	-14 211	1 698
Hyllie – resource distribution	-2 185 778	1 133 333	-1 048 722	-3 723
Hyllie – grant-financed activity	-86 163	75 205	-12 775	1 817
Fosie – resource distribution	-2 675 521	1 374 555	-1 304 168	3 202
Fosie – grant-financed activity	-101 161	87 085	-16 442	2 366

OPERATING ACCOUNTS SEK 000s	Costs	Income	Budgeted net cost	Budget discrepancy
BOARD/ ACTIVITY				
Oxie – resource distribution	-674 708	368 877	-307 050	1 219
Oxie – grant-financed activity	-67 624	63 776	-3 842	-6
Rosengård – resource distribution	-1 444 547	552 962	-880 399	-11 186
Rosengård – grant-financed activity	-129 598	36 531	-95 541	2 475
Husie – resource distribution	-1 037 607	502 745	-530 009	-4 853
Husie – grant-financed activity	-73 518	66 771	-5 262	-1 485
Kirseberg – resource distribution	-946 437	529 956	-399 286	-17 194
Kirseberg – grant-financed activity	-61 895	56 737	-6 267	1 109
Total resource distribution	-16 390 809	8 360 892	-7 984 022	-45 894
Total grant-financed activity	-816 471	639 859	-191 132	14 521
City district councils - financial assistance				
City Centre	-62 988	1 228	-61 406	-355
Southern Inner City	-156 454	1 082	-143 040	-12 332
Western Inner City	-24 142	383	-21 401	-2 359
Limhamn-Bunkeflo	-17 691	495	-15 490	-1 706
Hyllie	-96 150	2 151	-85 809	-8 191
Fosie	-214 349	4 317	-192 980	-17 052
Oxie	-9 764	331	-9 903	470
Rosengård	-181 313	2 946	-157 417	-20 950
Husie	-15 254	258	-12 906	-2 090
Kirseberg	-51 357	951	-47 648	-2 757
Total financial assistance	-829 463	14 142	-748 000	-67 321
TOTAL COMMITTEES AND BOARDS	-27 503 848	14 288 316	-13 419 660	204 128
Financing	-1 101 325	14 808 932	13 419 665	287 942
GRAND TOTAL	-28 605 173	29 097 248	-5	492 070
Activities	-27 776 232	14 638 245	-13 470 795	332 808
Tax income		9 619 210	9 486 800	132 410
General state contribution and equalisation	-178 873	4 131 446	3 969 000	-16 427
Financial items	-650 068	708 347	15 000	43 279
Budgeted result			5	5
Year's result				492 075

INVESTMENTS-ACCOUNTS, SEK 000s	Investment cost	Investment contribution	Net investment
BOARD/ ACTIVITY			
City executive board	6 342	0	6 342
Port facilities	98 320	25 639	72 681
Service committee	409 159	3 000	406 159
Technical committee	574 487	173 178	401 309
Environmental committee	562	0	562
Housing and development board	1 442	0	1 442
Education committee	9 383	0	9 383
Culture committee	7 311	171	7 140
Leisure committee	1 488	0	1 488
City district councils			
Social resources committee	2 964	0	2 964
City Centre	3 527	0	3 527
Southern Inner City	7 111	0	7 111
Western Inner City	3 305	0	3 305
Limhamn-Bunkeflo	14 990	0	14 990
Hyllie	5 637	0	5 637
Fosie	14 402	307	14 095
Oxie	3 275	0	3 275
Rosengård	7 309	0	7 309
Husie	5 005	0	5 005
Kirseberg	3 971	0	3 971
TOTAL BOARDS	1 179 990	202 295	997 695
Financing	995	0	995
GRAND TOTAL	1 180 985	202 295	978 690

FINANCIAL ANALYSIS

The financial analysis builds on four aspects which are important from a financial perspective, namely the financial outcome, the capacity development, risk conditions as well as control over the financial development. These four aspects which are designated result – capacity and risk – control, comprise the cornerstones in the description.

The year's outcome and its causes are made clear. The outcome shows whether the consumption that has taken place has been covered by payments.

The second aspect in the description is capacity, which deals with measuring and reporting what financial staying power the municipality possesses.

Risk relates to how the municipality is exposed financially.

Control relates to how set up plans are followed.

The aim of the description is to clarify whether the municipality has a good economic development or not.

RESULT AND CAPACITY

Net cost share

The table shows how large a share of tax income and general contributions are taken up by the activity's net costs and net financial items.

Share of taxes and contributions

	2011	2010	2009	2008	2007
The activity	91.70%	90.90%	91.30%	92.40%	91.70%
Sales profits	-1.70%	-0.40%	-2.50%	-1.10%	-1.80%
Pensions	2.00%	1.80%	2.00%	2.00%	1.90%
Depreciation	4.80%	4.30%	4.70%	4.20%	5.00%
Net financial items	-0.40%	-0.60%	-0.40%	-1.00%	-0.50%
Total	96.40%	96.10%	95.20%	96.50%	96.30%

From the table it is seen that 96.4 % of income from taxes and contributions has been used for the ongoing activity while the remaining part, 3.6 %, was able to be used for financing of new investments. The annual surplus from taxes and contributions has averaged around 4 % during the period.

The average national value of the surplus during the years 2007-2010 amounted to barely 3 %. Malmö's outcome has thus been significantly better than for the average municipality.

Change to costs and income

During 2011, the City of Malmö had a turnover of SEK 16.4 billion. Net costs increased by 3.3 % compared with 2010. If sales profits are excluded, the net cost increase was 4.7 %. Income from taxes and contributions increased by 3.1 %.

Costs and income

The activity's costs	2011	2011-2010 %
including depreciation	SEK -16 381 m	4.2 %
The activity's income	SEK 3 243 m	8.0 %
The activity's net cost	SEK -13 138 m	3.3 %
Tax income	SEK 9 619 m	4.7 %
General contributions	SEK 3 953 m	-0.6 %
Net financial items	SEK 58 m	-22.7 %

During the period from 2007 to 2011, the rate of increase for the net costs excluding sales profits amounted to 19 %. Taxes and general contributions also increased during the same period by 19 %.

Investment volume and financing of investments

During the year, net investments amounted to SEK 1 180 m, which was SEK 543 m lower than the preceding year. The lower level is primarily explained by a reduced volume of investments in port installations.

Net investments in relation to the net costs amounted to 9 % during 2011. During the years 2007-2011, the net investments averaged 12 % of the activity's net costs. Nationally, the corresponding figure was 9 % during the years 2007-2010. In the last few years, Malmö's investment volume has been higher than the average municipality's.

If depreciation is excluded from the result before extraordinary items, the municipality had SEK 1 143 m left from the income from taxes and general contributions after the financing of the ongoing activity. This surplus has meant that 97 % of the investments could be financed by funds from the ongoing activity.

Degree of self-financing

	2011	2010	2009	2008	2007
Funds from the activity, SEK m	1 143	1 085	1 180	931	988
Net investment, SEK m	1 180	1 723	1 824	1 102	1 238
Degree of self-financing	97%	63%	65%	84%	80%

During the last five years, it has been possible to finance 75 % of the investments by funds derived from the activity. During the years 2007-2010, the average municipality was able to finance 77 % of investments by funds from the activity. The degree of self-financing in Malmö has thus been on a level with the average municipality.

The year's result in relation to the equity capital

During the year, the accounted result amounted to SEK 492 m, corresponding to an increase of 4 % to the equity capital.

The year's result

	2011	2010	2009	2008	2007
Year's result, SEK m	492	516	594	424	418
Result/Equity capital	4%	5%	6%	4%	4%

During the five years since 2006, the equity capital has increased by SEK 2.4 billion corresponding to an annual rate of increase of 4.6 %.

Solidity

When analysing the municipality's capacity, solidity is a crucial concept. The key figures show how large a part of the asset mass is financed by own means.

Solidity

	2011	2010	2009	2008	2007
Solidity	65%	67%	67%	67%	63%
Assets change	7%	4%	6%	-2%	6%
Result/Equity capital	4%	5%	6%	4%	4%

During 2011, the municipality's assets increased by 7 %. At the same time, the equity capital rose by only 4 % which led to the solidity being reduced to 65 %.

The average solidity in the country's municipalities amounted to 52 % in 2010.

Another measure of the municipality's capital structure is the degree of liability encumbrance. That is to say, that parts of the assets which are financed through outside capital. This provides a picture of how different parts of the outside capital have developed over time.

Degree of liability encumbrance

	2011	2010	2009	2008	2007
Degree of liability encumbrance	35%	33%	33%	33%	37%
of which allocations of which short-term liabilities	7%	7%	7%	7%	9%
of which long-term liabilities	20%	24%	25%	25%	28%
	8%	2%	1%	1%	1%

The total degree of liability encumbrance has increased by a larger proportion of long-term liabilities during the year.

Change to the assets

After having analysed the structure of the municipality's liabilities, it is also important, from a capacity perspective, how the composition of the assets changes. This gives a picture of which conditions the municipality has in order to adapt to change in the short- and longer term.

Change to the assets

	2011	2010	2009	2008	2007
Tangible fixed assets	72%	73%	70%	66%	68%
Financial fixed assets	13%	10%	9%	8%	3%
Fixed assets	84%	83%	79%	74%	72%
Stores and exploitation properties		3%	2%	3%	2%
Liquid funds and short-term receivables		13%	15%	18%	26%

Current assets 16% 17% 21% 26% 28%

During 2011, the share of the total assets represented by the fixed assets increased to 84 % following a rapid increase during previous years. It is primarily the financial fixed assets which increased. A sixth of the municipality's assets are of such a nature that they can be converted into liquid funds within one year. In 2010, the current assets comprised 20 % of the assets mass in the average municipality.

The municipality's income

Upon assessing the municipality's capacity, the income must also be illustrated. Its composition and the possibilities of influencing its extent through own decisions, affects the municipality's possibilities of dealing with financial difficulties in the future.

The table shows the distribution between the most important income sources in the ongoing activity.

Income

	2011	2010	2009	2008	2007
Tax income	57%	56%	58%	59%	57%
The activity's income	19%	18%	19%	19%	22%
General state contributions and equalisation	23%	24%	22%	21%	20%
Financial income	1%	1%	1%	1%	1%

Tax income was the totally dominant source of income. Of the income, 57 % came from municipal tax. During 2011, municipal tax amounted to 20.84 % which, together with the county council tax of 10.39 %, gave a total municipal tax imposition of 31.23 %. The total municipal tax imposition in Scania varied between 28.89 % and 32.15 %.

The level of tax income is not only influenced by the imposition but also by the taxable income per inhabitant. During the income years 1991-2010, the tax base per inhabitant in Malmö increased more slowly than nationally during eighteen of twenty years. Measured as a proportion of the average tax power, Malmö's tax power in the 2010 income year was 85.6 % of the national rate, which was 1.4 percentage points lower than the preceding year.

In comparison with the average municipality, Malmö was dependent on contribution income to a higher degree. The proportion of income which came from municipal tax in 2010 was 7 percentage points lower in Malmö while the general contributions and equalisation were 10 percentage points higher in Malmö compared with the country as a whole.

RISK – CONTROL

Liquidity

The liquidity indicates the municipality's payment preparedness in the short-term. The cash liquidity comprises the quotient between current assets (excluding stores and exploitation properties) and short-term liabilities. A result over 100 % shows that the short-term assets are greater than the short-term liabilities. The operating capital is calculated as all current assets minus short-term liabilities.

Liquidity

	2011	2010	2009	2008	2007
Cash liquidity	65%	59%	72%	94%	94%
Operating capital, SEK m	-700	-1 319	-742	119	84

The short-term payment preparedness has improved during the year. The operating capital (which also includes exploitation properties) increased by SEK 619 m to SEK -700 m.

In the average municipality, cash liquidity amounted to 89 % in 2010.

Financial net assets

In this key figure are included all financial assets and liabilities which are expected to be turned over a ten year perspective, namely current assets, financial fixed assets (excluding shares in the municipality's companies) as well as short- and long-term liabilities.

Financial net assets

	2011	2010	2009	2008	2007
Current assets +					
financial fixed assets	4 777	4 163	4 550	4 847	4 595
Short- and long-term liabilities	-5 088	-4 558	-4 340	-4 084	-4 512
Short-term allocations	-46	-125	-128	-129	-580
Financial net assets	-357	-520	82	634	-497

As is seen from the table, the payment preparedness in the medium term has been improved. In the average municipality, the financial net assets were positive. In order to make a comparison between Malmö and the average municipality, the net assets may be placed in relation to the year's tax income. In 2011, net assets in Malmö comprised -3.7 % of the tax income while in 2010, they comprised +2.1 % in the average municipality.

Interest-bearing assets and liabilities

From a risk perspective, it is important to illustrate the development of the balance sheet items which affect the municipality's interest income and costs.

Interest-bearing liabilities, allocations and assets (SEK m)

	2011	2010	2009	2008	2007
Liabilities	-1 007	0	0	-116	-116
Allocations	-1 262	-1 061	-991	-899	-1 252
Assets	2 643	2 313	3 091	3 063	2 600
Net	374	1 252	2 100	2 048	1 232

The total interest-bearing net assets fell during 2011 by SEK 878 m. Net assets in relation to the credit market reduced by SEK 677 m during the year.

Of the municipality's total assets, 14 % comprised interest-bearing assets, while 12 % of the assets were financed by interest-bearing liabilities and allocations.

Total pension undertakings

Pension obligations earned before 1998 are accounted as contingent liabilities in the final accounts. This part of the pension obligation is important to note from a risk perspective as the disbursements will be charged to the municipality's result over several decades. The total pension obligations at year end amounted to SEK 7 390 m, an increase of SEK 786 m during the year.

Total pension obligations (SEK m)

	2011	2010	2009	2008	2007
Allocations for pensions	1 262	1 061	991	899	824
Pension benefits earned before 1998	6 128	5 543	6 084	6 006	6 036
Total earned pension benefits	7 390	6 604	7 075	6 905	6 860
Solidity including entire pension obligation	32%	35%	30%	29%	25%

Surety undertaking

The City of Malmö's utilised surety undertakings amounted to SEK 2 445 m. Per inhabitant, this was c. SEK 8 100, c. 40 % of the national average.

Of utilised surety undertakings, 86 % lay within the municipal group. Of the companies within the group, for which the municipality had provided surety, all posted positive results during the last five years. Other surety undertakings outside the municipal group are deemed to constitute a low risk for the municipality.

Budget sensitivity and forecast security

The municipality's activities as a whole showed a significant surplus in relation to allocated budget limits. The budget outcome for the activities has been positive over the last fourteen years.

Budget and forecast discrepancy (SEK m)

	2011	2010	2009	2008	2007
Budget discrepancy, activity net cost	333	371	605	438	282
Budget discrepancy, result before extraordinary items	492	716	594	424	418
Forecast discrepancy interim report 2 to outcome					
result before extraordinary items	-67	-14	195	139	-135

The net costs for the activity accounted during the year amounted to SEK 13 138 m, which was SEK 333 m lower than budget. During all these years, the activity has provided a surplus in relation to budget. Despite negative budget discrepancies on taxes and contributions during certain years, significant surpluses in the activity have led to the total budget discrepancy being positive in spite of this.

The results forecast in connection with the interim reports for January – August (IR2) were somewhat lower in the final accounts. The discrepancy is explained by the increased financial cost which arose through the lowering of the internal rate of return in respect of pension calculation.

CONCLUDING COMMENTS

The City of Malmö has, for a number of years, found itself in a very expensive phase. The population and commerce is growing rapidly, imposing heavy demands on service as well as investments in infrastructure and installations for the municipal service. It is therefore important for the municipal economy to be developed in a way that can meet the anticipations imposed in the short- and longer term. The financial analysis shows that Malmö has had, and will continue to have, good prerequisites for a positive economic development.

The result development has been favourable. The accounted results have exceeded the established objectives for a good economic development by good margin. The value assurance of all pension undertakings and the equity capital has been satisfied within the accounted results.

Despite the fact that, during recent years, Malmö has had an investment level significantly higher than the average municipality, the self-financing of investments has been in line with the municipal sector's levels. The high level investment has, however, led to a weakened financial position and a lower solidity. The total interest-bearing net assets have diminished by SEK 787 m during the year.

The solidity remains strong. the proportion of liabilities is lower than for the average municipality.

If the result development cannot be maintained at a high level, a continued high level of investment will lead to the municipality having to finance investments through new borrowing to an ever greater extent.

If any one of the other accounted measurements give rise to vigilance, it is the share of income. Malmö is, to a high degree, dependent on income from the equalisation systems and, thereby, the economy may be influenced to a large degree by any decisions regarding the formulation of these systems. In April 2011, a parliamentary committee presented its overview of the municipal equalisation system. The committee's proposal involved, however, only marginal changes if carried out in 2013.

The economic control is good. Boards and committees display good sensitivity in respect of budget, the activity's net costs have been lower than budget. The municipality's forecasts for budgetary outcome have, if anything, been characterised by significant care. The accounted result in the core activity has exceeded the forecast results.

FINANCIAL INSTRUMENTS

In accordance with the Financial Accounting Standards Board's recommendation (RR 27) Financial instruments: Information and classification, we have chosen to explain and account, in the following section, how financial instruments affect the municipality's result, position and cash-flow in those parts that we regard as being relevant to the municipality's activity.

CLASSIFICATION AND EVALUATION OF FINANCIAL INSTRUMENTS

Investments in the money markets are entered as short-term investments among current assets, whereupon discounting instruments are entered at acquisition value while bonds are entered at the acquisition rate. On the balance sheet day, the assets are assessed at market value (actual value). If the portfolio's actual value is less than the entered value, the assets are written down by a corresponding amount which also impacts on the result (reduced interest income). Otherwise, original entered value is maintained.

Loans taken up are entered at the rate which applied at the time of them being paid out. Loans taken up in foreign currency which are secured by currency swap agreements are accounted in Swedish kronor. Changes deriving from a market evaluation of the loan liability, or swaps connected to the loan liability, are not entered. Accumulated interest costs are charged to financial costs.

INTEREST RISK

The city's interest risk is understood to mean the risk of a rapid change to market interest rates affecting the city's net financial items negatively. The interest risk management shall be aimed at avoiding major and rapid impact on the net financial items.

The interest risk for the city arises in connection with borrowing and lending, upon investments and when making use of interest derivatives, both in relation to external counterparties and within the group. The management of the interest risks shall be divided up into a strategy for the city's borrowing and lending as well as associated derivatives.

Following up of the interest risk as at 31-12-2011 in accordance with the financial policy:

Interval	< 1 year	1-3 year	3-5 year	5-7 year	7-10 year	> 10 year
Maximum proportion maturity	60 %	40 %	40 %	20 %	10 %	0 %
Minimum proportion maturity	20 %	10 %	10 %	0 %	0 %	0 %
Outcome	39 %	27 %	34%	0 %	0 %	0 %

A calculated change to the interest rate of 1 percentage point on the balance sheet day means a change of the value of interest bearing investments by □ SEK 20 500.

CURRENCY RISK

The municipality has no financial positions in foreign currency other than one transaction account in EUR. The currency risk is therefore deemed to be insignificant.

CREDIT RISK

The surplus liquidity is invested in the money markets on the basis of requirements of creditworthiness as well as, in certain cases, term-times and amount limits. The liquidity is invested in securities issued by the Swedish state, Swedish municipalities, credit market

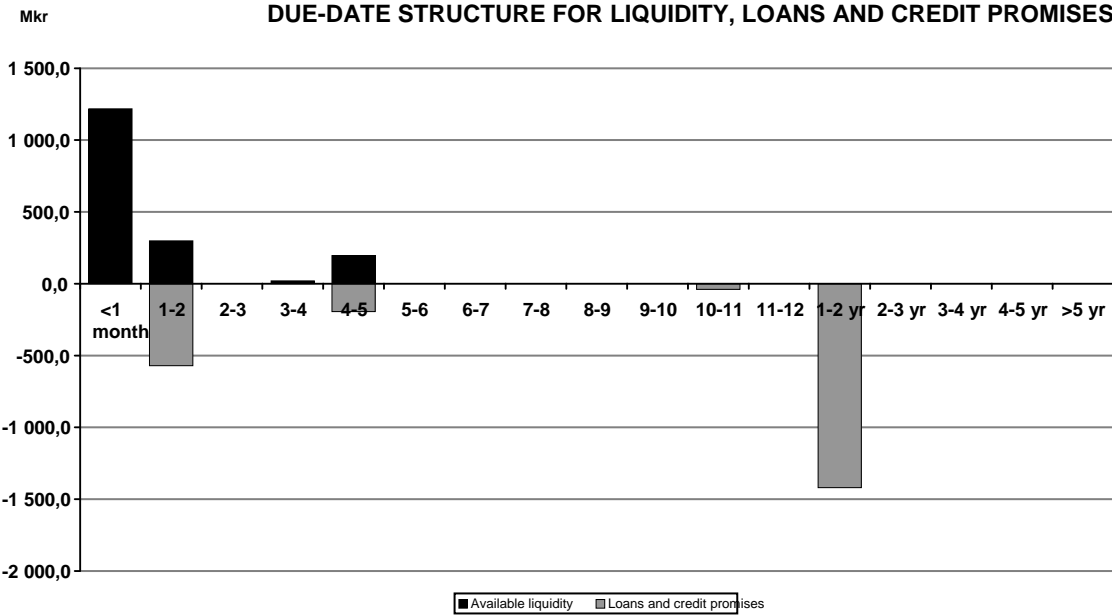
institutions and businesses. For credit market institutions, there is also a requirements imposed of good long-term creditworthiness as the investment horizon can amount to 5 years. For investments in businesses, for which the term amounts to a maximum of three months, requirements are imposed regarding the best short-term creditworthiness. Amount limits per credit market institution and business means that significant concentrations of credit risk are avoided.

LIQUIDITY RISK/REFINANCING RISK

Investments in the interest markets are made in securities with good liquidity, i.e. where official purchase rates are constantly set which, upon selling, reduces the risk of the pricing diverging from the actual value.

Upon investments being made, the terms are, moreover, suited to the greatest possible extent to future payment flows, which minimises the number of sales due to payment obligations which have to be discharged.

The municipality shall maintain funds of SEK 300 m available through confirmed credits (loan promises) or through its own liquidity.



month	< 1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	11-12	>12
Due-date structure investments	1 218.7	297.9		20.0	196.0								
Due-date structure Loans and credit promises		571.3			196.2						40.0		1 421.0

CONTROL OF FINANCIAL RISKS

Risk exposure regarding financial items is measured on an ongoing basis in the municipality's financial system. Each month, a financial report is drawn up with balance sheet, profit & loss accounts and risk reconciliation, and submitted to the city executive board.