



# CITY OF HELSINKI

ANNUAL REPORT 2006







# City of Helsinki Annual Report 2006

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PERTTI NISONEN



## A Message from the Lord Mayor

The continuing good economic performance by the Helsinki region in 2006 acted as a support to stable economic growth in the rest of Finland. According to preliminary estimates, output in the region increased by about six per cent, exceeding that for the rest of the country. The growth rate has been 21 per cent since the turn of the millennium. The service sector's prominence in the region's commercial structure continued to be significant. However, there is also a strong increase in industrial output, and it will be essential to have access to a skilled workforce to maintain this growth momentum in the future. This is especially important now when the baby boomers are starting to retire and the employment rate is expected to continue to grow.

Although the economic base was good, the City of Helsinki's tax revenue for 2006 was lower than anticipated and once again remained below the average increase in municipal tax revenues for the rest of Finland. A good job was made of balancing the City's finances, and after four years of deficit a surplus was recorded. However, the annual coverage is still not sufficient to cover depreciation in the service activities. Therefore, the profit made by the commercial enterprises, Helsinki Energy in particular, will be transferred to finance other operations. The City's economy must be based on stable cash flow financing in the coming years. This will pose a challenge to the development of expenditure on operations and investment.



Extensive industrial and housing policy measures will be required to strengthen Helsinki's tax base. The aim is to concentrate primarily on developing the City's industrial policy and on strengthening its international competitiveness.

A significant step was taken towards regional cohesion in 2006 when the PARAS project, which involves the restructuring of local government and services, was adopted by the municipalities of the metropolitan area and the Helsinki region. Helsinki assumed a leadership role in implementing the project. The aim of the project is to form voluntarily a common region without boundaries. History was made in May, when the Helsinki, Espoo, Vantaa and Kauniainen city councils reached agreement on the progression of

the cooperation in the metropolitan area at their first general meeting. However, determining common ground on the most important questions concerning matters such as housing, land use, the transportation system, education and services across municipal borders will entail a lot of work. One more point worth mentioning is the significant decision to continue the metro line to Espoo. With the realization of this project, the cities of Helsinki and Espoo will be able to show their ability to work together as a team in a tangible way. ■

**Jussi Pajunen**  
*Lord Mayor*

# Development in the hands of the City Council



PERTTI NISONEN

Chairman of the City Council  
Rakek Hiltunen  
Social Democrat



PERTTI NISONEN

First Deputy Chairman  
Harry Bogomoloff  
Conservative



PERTTI NISONEN

Second Deputy Chairman  
Minerva Krohn  
Green

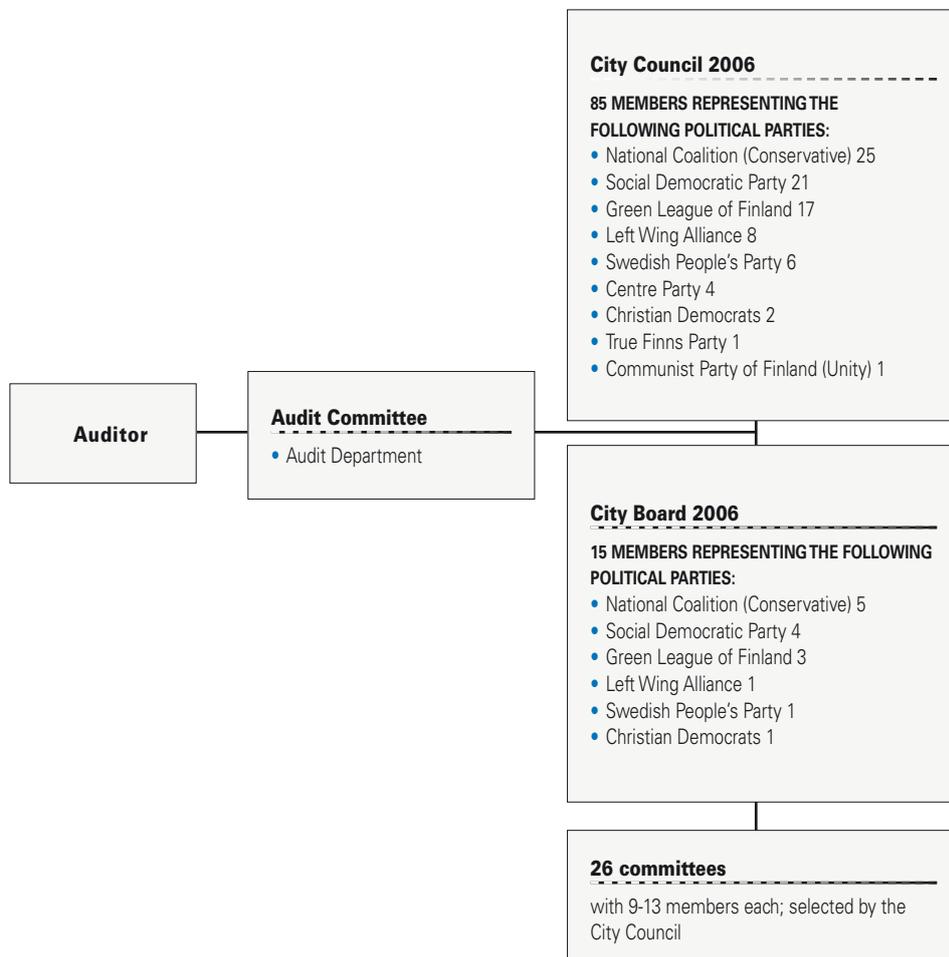
Under the division of powers between central and local government in Finland, municipalities enjoy autonomy in the administration of many of their affairs. Certain basic tasks are stipulated in the Local Government Act, and in addition to these, municipalities may voluntarily assume others. The only way in which the tasks entrusted to municipalities can be altered is by amending the Local Government Act or by special legislation.

## The City Council

The most important decision-making body in Helsinki is the City Council, the 85 members of

which are elected by direct popular vote every four years. The City Council elects its own Chair and two Deputy Chairs, the members of the City Board as well as the members of the various committees in proportion to the relative strengths of the various parties represented on it. The other main tasks of the City Council include deliberating budgets and balancing accounts, in addition to setting the general goals to be striven for by the City.

The City Council meetings are open to the public and media, if not otherwise decreed by the Council on special occasions.





PERTTI NISONEN

Chairman of the City Board  
Jan Vapaavuori  
Conservative



PERTTI NISONEN

First Deputy Chairman  
Otto Lehtipuu  
Green



PERTTI NISONEN

Second Deputy Chairman  
Sirkka-Liisa Vehviläinen  
Social Democrat

### City Board

The City Board is responsible for

- administration and financial management
- preparatory processing of business to be dealt with by the City Council
- implementation of Council decisions
- examining the legality of Council decisions

The fifteen members of the City Board are elected by the City Council for two-year terms and in proportion to the Council's political composition.

### Mayor and Deputy Mayors

The Mayor and the four Deputy Mayors are each responsible for distinct sectors of work and report to the City Board. They follow activities in their respective segments and oversee the implementation of decisions. They are also responsible for preparatory processing of business within their remits and for reporting to the City Board on these matters. ■

## DEPARTMENTS AND OFFICES

### LORD MAYOR

Administration Centre  
Finlandia Hall  
Audit Department, General  
Administration  
Economic and Planning Centre  
Helsinki Energy  
Helsinki Water  
Port of Helsinki

### DEPUTY MAYOR FOR CITY PLANNING AND REAL ESTATE

City Planning Department  
Real Estate Department  
Housing Production Bureau  
Building Regulation  
Department

### DEPUTY MAYOR FOR CULTURAL AND PERSONNEL AFFAIRS

Educational Department  
Helsinki Polytechnic  
Finnish Adult Education Centre  
Swedish Adult Education  
Centre  
City Library  
City Art Museum  
Cultural Centre  
City Museum  
Bureau of the Helsinki  
Philharmonic Orchestra  
Helsinki Zoo  
Youth Department  
Sports Department  
Human Resources Department  
Occupational Health Centre  
Helsinki Urban Facts

### DEPUTY MAYOR FOR PUBLIC WORKS AND ENVIRONMENTAL AFFAIRS

City Transport Department  
Service Centre  
Helsinki Wholesale Market  
Supplies Department  
Helsinki Textile Services  
Centre of the Environment  
Public Works Department  
Fire and Rescue Department

### DEPUTY MAYOR FOR SOCIAL AFFAIRS AND PUBLIC HEALTH

Social Service Department  
Health Centre

# The Mayor's Sector

MIKA LAPPALAINEN



**Lord Mayor of Helsinki**  
**Jussi Pajunen**

- General planning and management
- Budget and financial planning
- Accounts
- Internal auditing
- International affairs
- Information services and promotion of tourism
- Energy supply
- The Port of Helsinki: harbour services for freight and passenger traffic
- Water supply and sewage treatment

## KEY FIGURES

### THE ENTIRE CITY

Expenditure, EUR million	4 542.9
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### THE LORD MAYOR'S SECTOR

Operating income, EUR million	922.5
Operating expenses, EUR million	604.5
Operating expenses/inhabitant, EUR	1,071
Investments, EUR million	305.9
Personnel	2,675
Of the entire personnel, %	7.0

## Financial developments in Helsinki and the Helsinki region

The good economic performance by the Helsinki region supported the stable economic growth in the rest of Finland. Output in the region grew by 6%, exceeding that for the rest of the country. The service sector continued to be prominent in the region's commercial structure. In order to maintain strong growth in industrial output, it will be essential to have access to a skilled workforce in the future.

At the end of the year, the population of Helsinki was 564,400, an increase of 3,780. The population of the region increased by 13,660.

Although the economic base was good, the City of Helsinki's tax revenue for 2006 once again remained below the average increase in municipal tax revenues for the rest of Finland. Accumulated tax revenue came to almost EUR 2.1 million. Central government transfers amounted to EUR 174 million, but EUR 2.45 million was paid to other municipalities to balance out tax revenues.

Although the City's economy became more stable, the annual margin was not sufficient to cover depreciation. Therefore, EUR 150 million of the profit made by the commercial enterprises, Helsinki Energy in particular, will be transferred to finance other operations. Outstanding loans were reduced to EUR 1,205 per inhabitant.

## Strategic, economic and industrial policy

The City Board convened monthly to deal with strategic policy issues related to the City's development. Strategic policy training was organized for both senior management and operational and financial planners. City Departments and offices were asked to plan their operations in accordance with joint City strategies.

There are high hopes for the Economic Development and the review of the economic and industrial strategy. The regional business marketing company Greater Helsinki Promotion Ltd began its operations in the autumn. Business guidance was provided for small and medium-sized businesses, in particular. Preparations for hosting the 2007 Eurovision Song Contest have required the Economic Development to cooperate with stakeholders in a number of fields.

The Helsinki City Tourist & Convention Bureau was transferred to the Economic Development Unit. The 2006 travel year was record-breaking with the number of overnight stays recorded by accommodation providers rising to an all-time high. The convention year was good, partly due to Finland's EU Presidency.

## Better productivity and new technology

New information technology and applications were taken into use in financial administration. Efficiency improvements were made, for example, in the meal services at the Social Services Department, in procurement and storage functions, and in competitive tendering for support services.

Development of the new IT strategy got underway. In the City centre, the public was offered free, wireless WLAN technology. The majority of offices moved over to telephone numbers starting with 310.

The guidance, monitoring and reporting of the Helsinki Group was improved. A series of training and information sessions were organized for the community of subsidiaries.

Housing policy frequently made it to the headlines. A concern that the City may lose its vitality is acting as an incentive to find the means to rectify the situation. The housing programme was transformed into a programme on housing and land use and was attached to the regional strategy development project.

## Finlandia Hall

The operations of Finlandia Hall were corporatised as of June 1, 2006. A total of almost 1,000 events were organized at the Hall, and all in all, the financial year was excellent.

## Commercial enterprises show positive financial development

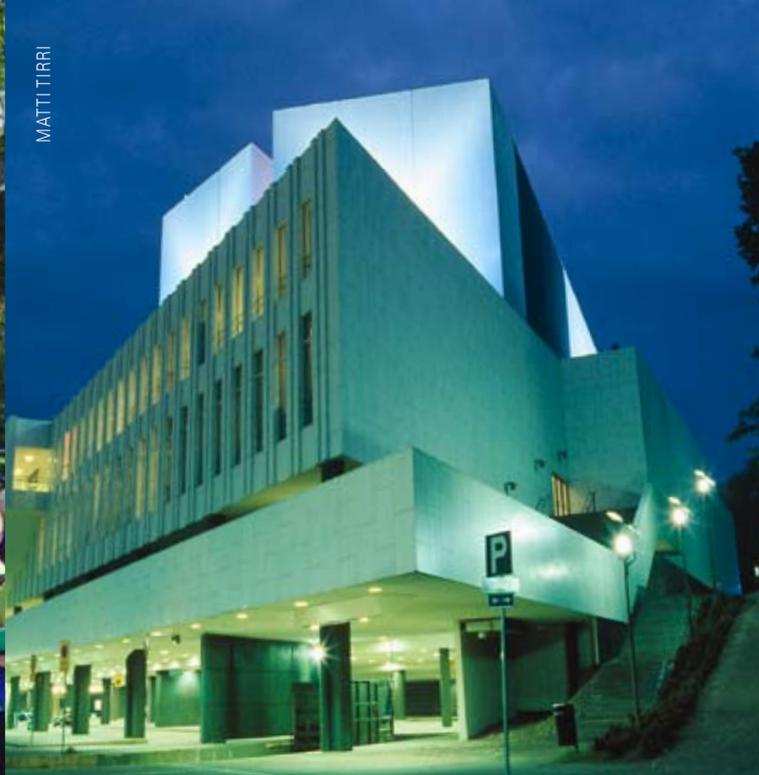
Helsinki Energy's turnover was EUR 674.3 million, an increase of almost 20% on the previous year. Profit before appropriations was EUR 359.8 million, including a one-off sales profit of EUR 136 million generated by the sale of its energy network operations to the new network company. The good result was particularly affected by the rise in the price level on the electricity market and the significantly increased sales of wholesale electricity.

Helsinki Water achieved its result targets. Total water sales increased, and turnover, at EUR 100.2 million, was larger than the previous year. The good result was particularly affected by an increase in water sales and cost savings.

Cargo traffic through the Port of Helsinki grew, while passenger traffic was down slightly on the previous year. Turnover, at EUR 81.8 million, was up on the previous year. Surplus before reserves was EUR 25.6 million, which is better than the year before. Construction of the harbour and operational planning for the Vuosaari Harbour project continued apace.



MILKA LAPPALAINEN



MATTI TIRRI

### Investments by commercial enterprises

Fixed asset investments by Helsinki Energy totalled EUR 71.4 million excluding the capital stock subscription of EUR 84 million for the new energy network company. The biggest individual investment projects were the heat-pump plant in Katri Vala Park and the expansion of the district cooling network.

Investments by Helsinki Water totalled EUR 23.4 million and were mainly directed at the construction and renovation of the water supply network.

Total investments by the Port of Helsinki amounted to EUR 126.3 million. The Vuosaari Harbour project remains the most significant investment target. Extensions to the West Terminal were completed, and the West Terminal 2007 project begun.

### Regional cooperation and national city policy

Important forums for regional cooperation are the Helsinki Metropolitan Area Advisory Board and the Helsinki Region Cooperation Committee. The regional city boards provided their comments on the Metropolitan Area Advisory Board's proposed core policies on the local government and service structure reform, which will be approved separately by each city council.

The metropolitan city councils approved the Helsinki Region Cooperation Agreement in their first joint meeting. The aim is to improve and expand cooperation between the cities, and improve cooperation with central government.

The Helsinki Region Cooperation Committee, in which fourteen municipalities in the Helsinki region are represented, agreed on a joint position on the local government and service structure reform, among other things, and made a decision to develop an integrated plan on land use, housing and transport. In addition, the municipalities

agreed to seek new ideas for regional land use through an international ideas competition.

The Helsinki Region Advisory Board, the joint body for the central government and the region, dealt with development projects at the regional administration level and the Helsinki Metropolitan Area urban programme.

### International activity

Helsinki acted as the National Focal Point in the European Urban Knowledge Network and continued to chair the urban research group within the Eurocities organization. Helsinki also acted as one of the chairs of the Baltic Metropolises network and is a principal partner in the Interreg-funded BaltMet Inno project. Helsinki hosted the network's annual meeting of mayors, and the Baltic Development Forum, which formed part of the ancillary programme during the EU Presidency and brought about 600 influential university and corporate leaders and politicians to Helsinki from the Baltic region.

In the autumn, a cooperation protocol between St. Petersburg and Helsinki was signed. A cooperation agreement between Helsinki Water and St. Petersburg Vodokanal to commence the Northern collector sewer project was signed in December.

### Communications and urban marketing

Cooperation between the Helsinki metropolitan area and the Helsinki region, and the revamping of the City's website remained the focus areas for communications. Finland's EU Presidency and the related big meetings brought Helsinki a significant amount of international publicity. During the Asem 6 summit, Helsinki maintained its own information stand at the press centre in the Helsinki Fair Centre. The traditional New Year's reception in Senate Square was held as a family event with broader appeal than previously. ■



FIB

PERTTI NISONEN



MIKA LAPPALAINEN

# City Planning and Real Estate

## Deputy Mayor Pekka Korpinen

- Urban and traffic planning
- Land purchases and transfers
- Real-estate management
- Municipal housing – production and repair
- Building regulation

### KEY FIGURES

Operating income, EUR million	480.3
Operating expenses, EUR million	153.4
Operating expenses/inhabitant, EUR	272
Investments, EUR million	107.3
Personnel	908
Of the entire personnel, %	2.4

## Kamppi Center and some major master plans completed

The above-ground parts of the Kamppi Center were finished ahead of schedule. The finished building won the Steel Structure of the Year award for 2006. All objections to the 2002 Helsinki Master Plan but one were rejected and the component master plans for Jätkäsaari and Keski-Pasila were approved. A design competition was held for model blocks in Jätkäsaari, aiming to generate new visions for housing construction in the 2010s.

## Music Centre under construction, Western Metro planned

The final arrangements for the Kamppi–Töölölahti areas were incorporated into the 1986 agreement on land policy in the area, which created the basis for city planning irrespective of ownership boundaries. Construction of the Music Centre on Töölölahti bay began.

Following approval of the scheme by Espoo City Council, both Helsinki and Espoo started master planning the Ruoholahti–Matinkylä stretch of what will be the Western Metro (Länsimetro).

## Working towards a pedestrianized centre

Construction work began on the planned service road under Helsinki city centre. This will make it possible to expand the Stockmann and City-Center shopping complexes and the pedestrian centre overall. Planning of the pedestrian centre was advanced by the completion of townscaping plans for the streets Keskuskatu, Kalevankatu and Yrjönkatu.

The important targets had been set of raising the public transport share of morning traffic into the city centre to over 70% and of reducing serious road accidents by over 2%. Both were reached.

## Planning focus on housing

Plans were made for a total of 291,000 m<sup>2</sup> gross of housing and 150,000 m<sup>2</sup> gross of office space. Some 214,500 m<sup>2</sup> of the housing was high-rise and 76,000 m<sup>2</sup> low-rise. The total planned was less than in 2005, but there will be an upturn in the next few years.

Certain areas formerly used for industrial and warehousing purposes, e.g. in Pasila and Kona-la, were converted for housing use. Much-needed opportunities for low-rise housing became available in areas such as Maunula, Torpparinmäki and Mellunkylä's Linnanpelto.

Construction work started on the Salmisaari non-residential area after the old coal stack on the site had been moved underground. Building also got fully under way on the logistics area for Vuosaari harbour.

## Major competition launched for a regional vision

As a result of Helsinki Region cooperation over land use, housing and transport, 13 major land use projects were selected. In December, an international ideas competition, 'Greater Helsinki Vision 2050', was announced, arranged jointly by 14 local municipalities and the Finnish government. The aim is to seek development ideas to form a basis for the Helsinki Region's land use vision. The total prize money is EUR 500,000.

In June the City Council put forward a plan to incorporate into Helsinki a 5000-hectare area comprising a 'wedge' of Vantaa and western parts of Sipoo. It argues that this is necessary in order to ensure balanced long-term development of the region's urban structure. The Government appointed a special adviser to make a proposal on the matter, and the size of the area proposed for incorporation was greatly reduced.



### Housing prices still rising

Housing prices continued to edge upwards, and demand remained brisk despite a slight increase in interest rates. The prices of plots for low-rise housing soared a full 11%. Even an increase in real estate tax proved ineffective in prompting private individuals to sell land.

Though housing programme production targets were not reached in 2006, the potential was created for the construction of some 1,900 new housing units. Building rights on housing plots handed over totalled some 194,000 m<sup>2</sup> gross, nearly 60% being leased and the rest purchased.

The City is the sole owner of the planned high-density areas in Jätkäsaari and Sörnäistenranta–Hermanninranta. This provides good potential for future urban development through physical planning and land policy.

### Helsinki attractive to investors

The desire felt by many companies to improve the quality of their facilities and concentrate operations was reflected as interest in building something completely new. The emptying of existing facilities kept the vacancy rate at a rather high level, however. Foreign investors' interest in the Finnish real estate market intensified, and there are already over 40 such parties operating in Finland. This has improved real estate companies' liquidity and thus made their return on investment more competitive. Along with good economic prospects, this has made Helsinki one of Europe's most attractive real estate markets.

### Land sale and ground rent revenues at an encouraging level

Helsinki's revenues from ground rent came to EUR 160.1 million, with EUR 112.9 million coming from outside. Other income, e.g. from land use agreements, totalled EUR 14.9 million.

Revenues from land sales came to EUR 114.3 million. Some EUR 96 million was entered as income, nearly double the budgeted target. The main sales concerned land in Vuosaari's Aurinkolahti, Herttoniemenranta, Eiranranta and Espoo's Leppävaara.

When work on the bus depot area in Ruskeasuono is finished, some 65,000 m<sup>2</sup> gross of office space will be added to the building stock.

### Little housing completed, but plenty of permits granted

Exactly 2,395 housing units were constructed in 2006, 300 less than in 2005. As only 336 of these were built by the City, it fell far short of its housing programme target of 1,130 units, primarily because of a lack of plots ready for building.

The Housing Production Department launched the construction of 390 units. Renovation work was completed on 1228 homes and started on 1281. The number of permits for low-rise housing fell, but 43% more permits were granted for high rise than in 2005.

### Searching for new forms of housing

A proposal for a new architectural policy programme for Helsinki was drafted under Deputy Mayor Pekka Korpinen. This aims to represent a more ambitious and also more international approach to the capital's architecture. There is good potential for this, especially when Vuosaari port releases some important shoreline areas with existing links to the city centre.

The Building Regulation Department and City Planning Office jointly devised a set of low-rise housing models suitable for infill building. These are equally well suited to new and existing locations. The interest shown by prefabricated housing producers exceeded all expectations. ■



PAUL WILLIAMS

SEYYAR NASRETDIN



**Deputy Mayor  
Ilkka-Christian Björklund**

- General and vocational education and training
- Adult education services
- City library services
- Cultural affairs
- Sports
- Youth activities
- Personnel policy

KEY FIGURES	
Operating income, EUR million	59.1
Operating expenses, EUR million	736.7
Operating expenses/inhabitant, EUR	1,305
Investments, EUR million	24.3
Personnel	8,821
Of the entire personnel, %	23.2

# Cultural and Personnel Affairs

## Student numbers dropping

The total number of schools and educational institutions in Helsinki has dropped. This is due to a decrease in the number of pupils in the lower forms of comprehensive school. Last year, however, the number of pupils in classes 7 to 10 and those receiving remedial education and education for immigrants was still growing.

The allocation of hours and group sizes in basic education were increased by one per cent. New curricula were introduced in both basic education and upper secondary schools. Modern studies, included in the national matriculation examination, are now subject based.

A new curriculum for vocational education was also introduced. A professional competence committee was set up to develop competence-based qualifications and to supervise the legal protection of students.

A more compact school network was achieved by dismantling school classes held in temporary premises, making the use of space more efficient and integrating comprehensive school administration. The City Education Department commissioned a survey on the development requirements of the school network. The results of the survey will be used as backup material for the further development of the network.

## Culture an increased attraction

A strategy project launched by the Cultural Centre was used as the basis for the management re-organization that came into effect at the beginning of 2007. The goal of the independent festival strategy is to develop Helsinki into an increasingly attractive action-packed centre of events.

International influences continued to be strongly in evidence in the varied events organized by museums and the Helsinki Philharmonic Orchestra.

The number of online services offered by the City Library continued to increase. The main library was

re-opened after the completion of renovations and basic reconstruction work, and the Pohjois-Haaga library was completely renovated.

Cooperation between the libraries in the Helsinki Metropolitan Area, which has continued successfully over a longer period of time became even more concentrated.

A working group was appointed by the Lord Mayor to study the feasibility of establishing a new central library.

Several sets of statistics and studies were compiled and information services and special reports were provided by the Helsinki Urban Facts on, for example, population, housing, jobs and economic affairs. More information was made available via the Internet and regional cooperation continued to expand.

## Helsinki Ice Park a great success

The Helsinki Ice Park artificial skating rink opened at Rautatientori near the railway station in November. The multi-purpose ice rink, which fully meets international standards, is conveniently located in the heart of Helsinki and offers a wide variety of events and supplementary services. The rink was open every day in spite of warm weather and rain. By the end of 2006, almost 30,000 people had visited the rink.

A functional and adaptable outdoor skateboarding area called 'Mikropolis' was opened at the Eläintarha sports field in August. The area also doubled as a place for recreation and as an environmental work of art for non-skating city dwellers.

2006 was designated 'water sports' theme year. During the year, a varied range of water sports activities were organized, including a swimming instruction programme for schoolchildren and a spare-time activity programme arranged by the swimming schools, which placed particular emphasis on water safety and life-saving procedures. A campaign specif-



TUULIKKI HOLOPAINEN



MARI HOHTARI

ically aimed at involving pupils from comprehensive school classes 5 and 6 in afternoon swimming activities was introduced.

A physical activities action plan for senior citizens for 2006-2010 was drawn up in joint cooperation with the Health Centre and Social Service Department.

### Weekend activities attract young people

There was an increase over the previous year in the number of young people taking part in weekend activities organized by the Youth Department. This increase was due to the young volunteers who were the organizers behind the inviting and entertaining evening programmes. Training was provided for 80 adults who were interested in voluntary work assisting at the weekend activities.

During the winter holiday break Finland's largest youth centre, Reaktori (Reactor) was set up and it attracted over 5,000 visitors.

The Youth Department's activities were monitored by comparing them with other municipalities in the metropolitan area. An application of the 'Kent model' was developed and tested in cooperation with metropolitan area municipalities to improve the quality and effectiveness of youth work. Another joint project of the metropolitan area communities was a study called Atomisoitunut sukupolvi (the atomized generation) which dealt with the concepts of youth and the services geared towards young people.

### New personnel strategy steers operations

The personnel strategy for 2006-2008 was approved by the City Council at the beginning of February. Its strategic goals are to ensure efficient use of personnel resources, promote competence and innovation, develop a more competitive overall reward sys-

tem, and to improve the management of change situations through participation and cooperation. Almost 40 city and department-level measures were taken to achieve these goals.

The City carried out an internal questionnaire study among personnel on employer image, and in cooperation with the cities of Espoo and Vantaa, an external employer image survey was carried out among residents living in the Helsinki Metropolitan Area. An employer image development plan was drawn up on the basis of the results received.

Tulevaisuuden johtaja Helsingissä (Manager of the Future in Helsinki) training was organized for office managers and heads of department in order to boost their strategic thinking, encourage networking and create common management practices. Various wellbeing-at-work projects were introduced to support supervisors and management.

At the beginning of September renewed principles on relocation of personnel came into effect. An urban level recruitment plan was drawn up by a team of personnel managers. Vocational education in the form of apprenticeship training was completed by 67 students, slightly over one fifth of whom were immigrants.

### Hospital for animals living in the wild opens at Korkeasaari

An animal hospital dedicated to the care of animals living in the wild was opened at Helsinki Zoo on Korkeasaari island. The hospital operates in the quarantine building and accepts injured mammals, birds and other animals found in the wild.

Events such as the 'Night of the Cats', the 'Art meets Ice' ice sculpture competition and 'Easter Island' organized for the general public by the Zoo attracted tens of thousands of visitors. Last year, the zoo attracted more than half a million visitors altogether. ■



# Public Works and Environmental Affairs

## Deputy Mayor Pekka Sauri

- Public transport services
- Municipal engineering and maintenance services
- Environmental affairs
- Fire and rescue services

KEY FIGURES	
Operating income, EUR million	570.9
Operating expenses, EUR million	623.7
Operating expenses/inhabitant, EUR	1,121
Investments, EUR million	117.3
Personnel	5,830
Of the entire personnel, %	15.3

## Streetscape improved for the EU Presidency

During Finland's EU Presidency the City's Public Works Department focused on keeping the city clean, decorating key locations and making the traffic arrangements called for by the various events. Disruptive street works in the city centre were pared down. The Rescue Department contributed to the security arrangements for the Asia-European summit meeting (Asem).

There were far more fire and rescue assignments and first-aid and ambulance calls than in 2005. The increase in first aid was over 4,000 calls, i.e. some 11%. Because of the record dry summer, there were five times the number of fires in the open than in 2005. There was also a fierce fire at the old VR warehouses, which caused the Rescue Department a great deal of work, though it did not claim any lives.

In the spring, special attention was given to preventing the risk of avian flu, and a separate animal rescue unit was set up to deal with any suspected cases. Information and advice about avian flu were given to the media, the authorities and local people.

## Improvements in public transport

Cross-city public transport services improved markedly in August when bus no. 550 went into more frequent service under the name 'Jokeri'. The main stops are all at traffic nodes where there are good links with rail services, for instance. Preferential treatment at traffic lights helps ensure that the buses keep to timetable.

Helsinki City Transport, the Helsinki Metropolitan Area Council, VR and the Finnish Rail Administration ran a campaign to boost the

safety of travellers and personnel and to make travelling more pleasant. The rapid action taken to clamp down on disturbances and people travelling without tickets reduced problems and produced a lot of positive feedback. Work to improve travel information yielded results, as the number of people satisfied with the information given on disruptions in services rose by seven percentage points on 2005.

## Clearer procurement strategy

The working group on procurement strategy appointed by the Mayor issued its report, and work was begun on drawing up strategies for the administrative branches. Ways of improving the organization and running of the Supplies Department began to be studied. The necessary skills were built up by arranging training, also attended by staff from neighbouring municipalities.

## Good weather for road work

Green belt plans for the Herttoniemi – Roihuvuori and Pukinmäki – Tapaninkylä – Ylä-Malmi areas were completed, as were plans for improvements on Seurasaaari island, and in the parkland around Lapinlahti Hospital and Haaga's Laajasuonpuisto park. Street construction plans were completed for Leppäsuo, the Vallila engineering works area, the junction between Koskela and the Lahti motorway, and a new tramline (no. 9). Construction work on tramline 9 in Pasila and on the Kamppi tram loop began in the autumn. The new Kalasatama metro station was finished, ready for opening at the beginning of 2007. Extension of the metro line westwards finally got under way in the autumn when Espoo City Council decided on



MIKA LAPPALAINEN



MARI HOHTARI

a metro as the main public transport solution for southern parts of the city.

Thanks to the mild weather, street construction continued at full speed right up to the end of the year. Sites included streets in the Tilkka area, a noise barrier along Suutarilantie, ramps on Hermannin rantatie and cycleways in Haaga. The renovation of Hakamäentie road began in early June as a joint project with the Finnish Road Administration. New parks were built in Viikki and Vuosaari. The Tullinpuomi, Torpparinmäki and Iso-Antti play parks and Aarrepuisto park in Vesala were all renovated. Meilahti arboretum and rose garden were given a face-lift. Thanks to the mild winter and minimum snow, the cost of winter maintenance was lower than average. Only about half the usual amount of snow had to be carried away for dumping.

Under the 'Helsinki for All' project, local accessibility plans were drawn up for the city centre and for the Lauttasaari, Ala-Malmi, Myllypuro and Hakaniemi areas. Various user groups were invited to test new features enabling obstacle-free access such as kerbstone designs at pedestrian crossings.

#### **Polluted land poses a challenge**

Work to rehabilitate the Myllypuro landfill site continued, while other major rehabilitation sites included the seashore at Arabianranta and the Viikki shooting range. The need for such work on areas that will no longer be used for harbour purposes in Jätkäsaari and Sörnäinen and by the oil harbour in Laajasalo began to be studied. The Public Works Department was awarded a Countdown prize by the World Wide Fund for Nature and the Euro-

pean Union for its landscaping of the former landfill site and soil dump in Vuosaari.

#### **More intensive parking control**

Considerable attention was given to information provision concerning the functions and objectives of parking control, for instance through theme weeks dealing with topics such as engine idling, off-road parking, pedestrian crossings, the areas round schools, pavements and pedestrian streets. Parking control was increased during the evening. Some 15% more parking fines were issued than in 2005, and revenues rose by around 13%. In December, a higher fine of EUR 50 was introduced in the city centre.

#### **Commercial enterprises operated successfully**

The Palmia Service Centre's main aim in its fourth year of operation was to increase profits. Here it succeeded well, showing a surplus of EUR 6.1 million for the year. Helsinki Textile Services' turnover rose on the previous year. The Wholesale Market worked on its aim of becoming the most attractive supplier of foods and flowers in the Helsinki area. A new magazine was introduced, aimed at businesses in the sector and their customers.

Nearly half of the 54 measures in Helsinki's Ecological Sustainability Programme were fully or partly implemented. Planning began on a new metropolitan area laboratory in Viikki, to study food, water and environmental samples from Helsinki, Espoo, Kauniainen and Vantaa.

A joint Helsinki, Espoo and Vantaa animal shelter was opened in Viikki in October. In the remaining months of the year, 267 animals were taken into care. ■



PIRJO MALAMMI



PERTTI NISONEN



# Social Affairs and Public Health

**Deputy Mayor  
Paula Kokkonen**

**Social Affairs**

- Children's day care
- Social welfare services
- Services for the elderly and the handicapped
- Immigration affairs

**Public Health Care**

- Municipal health services
- Municipal hospital services

KEY FIGURES	
Operating income, EUR million	240.8
Operating expenses, EUR million	1,882.5
Operating expenses/inhabitant, EUR	3,335
Investments, EUR million	11.5
Personnel	19,800
Of the entire personnel, %	52.1

**Teamwork in the metropolitan area**

In 2006, the Sector of Social Affairs and Public Health was fully occupied with the reform of the national municipal and service structure, which will increase cooperation in the metropolitan area. The reform focuses on issues such as more flexible services and increasing freedom of choice for residents.

**Flexible care chain**

Plans have been made to speed up the Social Affairs and Public Health Care chain so that Health Centre no longer would have to be fined for patients who, having been treated in a Helsinki and Uusimaa District (HUS) hospital and who then could be referred to a city hospital for follow-up care, must stay on more expensive beds at a HUS hospital due to lack of beds in city hospitals. Social Affairs and Public Health Care services will be treated as one entity. The Social Services Department was allotted a significantly higher number of 24-hour care places than originally planned and this has eased the situation for elderly patients waiting to be admitted to an emergency care hospital.

**Lifecycle model at the Social Services Department**

Within two years, the units that were organized in accordance with the Social Services Department's lifecycle model had consolidated their operations. Fine-tuning of joint working practices is continuing. Procedures and care chains for the elderly in particular are being developed further.

The Department's most important joint development projects were to intensify the financial control system, complete the programme of services for the elderly, develop the services strategy, and prepare an equality and staff plan.

**Quality services for children**

More children were placed in municipal child day-care facilities than was anticipated. Following last year's trend, the number of recipients of home care support has declined. Early childhood education plans relating to the growth and development of the child and parent participation were prepared at child daycare centres. A decision was taken to renew the management structure of daycare units.

The number of children and adolescents requiring foster care increased dramatically. More institutional care places for adolescents, in particular, were required than originally estimated in the budget.

Work started on developing play park activities and service networks. Collaboration with different groups focussed special attention on early support services.

**Need for income support down**

With the improvement in the employment situation the number of persons receiving income support decreased by 4.7%. The need for income support was reduced by increasing customers' active participation and boosting employment potential, and by providing counselling on matters of finance and debt. Costs per customer continued to approach the average for the five largest cities in Finland. The average processing time for income support was less than seven days.

The City Council approved the plan to build the Hietaniemi service centre for the homeless. Housing advice operations were started at six real estate companies in the city. An additional 30 sheltered housing places for persons recovering from mental health problems were established.

**Estimate of service needs for the elderly**

An operational model was developed by services



PERTTI NISONEN



PERTTI NISONEN

for the elderly and home care services to evaluate the social services requirements of persons over the age of 80. Services were improved and care chains made more efficient.

Social workers concentrated more clearly than before on tracking and prevention. The focus was on customers who still do not receive any home help or other services.

The health of those living in old people's homes is poorer than before and the number suffering from dementia has increased.

### A smoke-free Helsinki

The City Council made a significant public health decision in November by endorsing the Smoke Free Helsinki programme to prevent and cut down cigarette smoking.

The 'Kundit Kondikseen' (Better health for guys) programme was another important project carried out by the City Council in conjunction with the Helsinki branch of the Finnish Heart Association. An invitation was sent to every male resident of Helsinki who turned 40 in 2006 to take part in a health event arranged at their local health stations. The programme was well-received by the media and was awarded a Finnish Heart Association prize.

### Equal care treatment

The health station network is being developed by integrating operations into larger units. The aim is to increase the reliability of the health stations and ensure equal services in every area of Helsinki. In the first phase Vironniemi health station services were transferred to Viiskulma, Myllypuro health station services to Itäkeskus and Viikki health station services to Pihlajamäki health station.

The patient's charter legislation regarding non-urgent care entered into force in 2005. The Health

Centre managed quite well in the first year of the treatment guarantee, except for dental care.

Helsinki University Central Hospital (HUCH) succeeded in clearing its backlog of patients who had been waiting for specialist medical treatment for more than six months. There were 7,147 patients on the waiting list in December and by the end of the year the number of patients was down to 526.

### Satisfied customers

According to the results of surveys carried out on customer satisfaction, health station customers and their next-of-kin are satisfied with both out-patient care and hospital treatment.

Swedish-speaking customers at the new Swedish-speaking health station units were clearly pleased with the services they were offered. Feedback concerning home care especially emphasised the friendliness and unhurried approach of the contact workers. Dental patients gave good marks for service and treatment despite the long waiting times for appointments.

The next-of-kin of residents living in sheltered housing and old people's homes were slightly less satisfied than before with the daily treatment administered to the elderly. The next-of-kin wanted more information about the everyday life of residents, and their opportunities for outdoor activities, excursions and recreation.

### Are there enough staff?

The greatest challenge the Social Services are facing is getting enough qualified and permanent staff. The challenge has been met by, for example, making long-term replacement staff and substitute staff permanent, concentrating cooperation with the medical schools and taking part in recruitment events. There was also an increase in apprenticeship training. ■

# Financial statements 2006

The financial statements of the City of Helsinki indicate that the City's economy improved on the previous year. However, it is still not in balance. After four years in deficit, the result for the financial year, excluding commercial enterprises, is in surplus. The annual margin excluding commercial enterprises still did not cover depreciation or investments. The annual margin including commercial enterprises was greater than depreciations, but still did not cover investments.

The cash flow from operations and investments was positive due to revenue from the sales of assets.

The City's financial statements for 2006 show a EUR 228 million surplus. The surplus was mainly due to good performance by commercial enterprises owned by the City, particularly Helsinki

Energy. Energy's good result was also affected by the sales profit generated by the corporatisation of its energy network operations.

Operating income increased by 15.9% from the previous year, and operating expenses by 6.9%. Operating income excluding commercial enterprises grew by 13% and operating expenses by 6%. Budgeted operating expenses were exceeded by EUR 30.4 million.

## Tax revenue increased, but not as strongly as in other municipalities

Accumulated tax revenue came to a total of EUR 2,094 million. The increase from last year was EUR 111 million. Tax revenue

## FINANCIAL STATEMENT INDICATORS

CITY	2006	2005
Operating revenue/operating costs, %	44.9	41.5
Annual margin/depreciation, %	158.8	110.8
Annual margin, euros/inhabitant	834	587
Annual margin excl. utilities, euros/inhabitant	230	99
Gearing ratio, %	76.6	75.7
Financing assets, euros/inhabitant	-542	-889
Relative indebtedness, %	34.1	38.3
Cash-flow financing of investments, %	84.0	80.2
Interest-bearing loans, December 31 (million euros)	680	739
Interest-bearing loans, euros/inhabitant	1,205	1,318
Debt servicing margin	5.8	4.4
Cash in hand, December 31 (million euros)	728	578
Annual cash payments (million euros)	4,224	3,689
Cash sufficiency, days	63	57
Loans receivable, December 31 (million euros)	976	754
Number of inhabitants, December 31	564,521	560,905
<b>GROUP</b>		
Gearing ratio, %	62.1	61.8
Loan portfolio, million euros	2,736	2,523
Loans, euros/inhabitant	4,846	4,497

### CALCULATION FORMULAE FOR INDICATORS

**Operating revenue/operating costs** = 100 x operating revenue/operating costs – manufacturing for own use.

**Gearing ratio, %** = 100 x (capital + depreciation difference + voluntary reservations)/(balance sheet total – advances received)

**Annual margin/depreciation, %** = 100 x annual margin/depreciation

**Financing assets, euros/inhabitant** = (receivables + financing securities + cash in hand and bank receivables – liabilities + advances received)/number of inhabitants, December 31

**Relative indebtedness, %** = (liabilities - advances received)/(operating revenue + tax revenue + state subsidies)

**Loan portfolio December 31 (million euros)** = liabilities - (advances received + accounts payable + accruals + other payables)

**Debt servicing margin** = (annual margin + interest costs)/(interest costs + loan amortization)

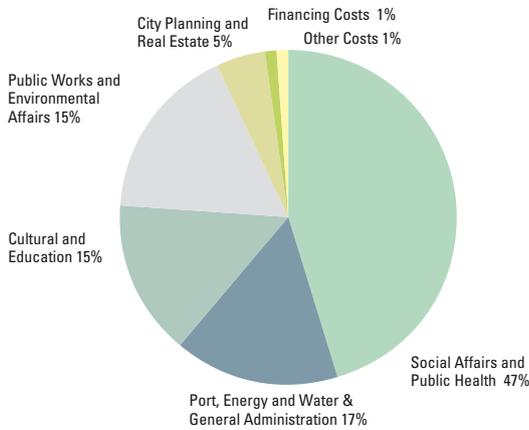
**Cash-flow financing of investments, %** = 100 x annual margin / original acquisition costs of investments

**Loans receivable, December 31** = bond receivable entered as investments and other loans receivable

**Cash payments:** from the profit and loss statement: operating costs - manufacturing for own use + interest revenue + other financial expenses and from the funds statement: + fixed asset investments + additions to lending + reduction in long-term loans.

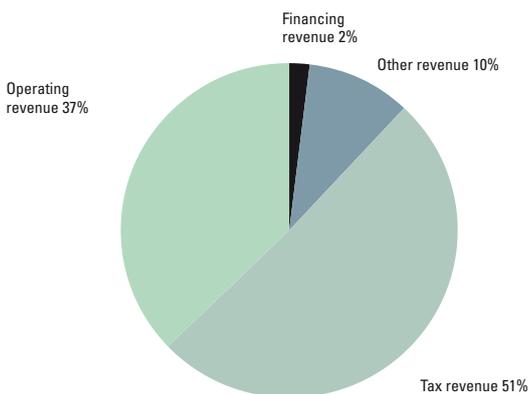
**Cash sufficiency** = 365 x Cash in hand December 31/Cash payments for the fiscal year

### Distribution of expenditure 2006



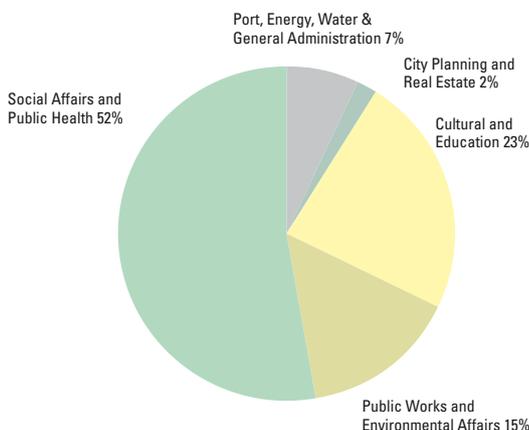
Total 3,763 million euros

### Distribution of revenue 2006



Municipal tax 17,5%  
Total 4,065 million euros

### Personnel by sector 2006



Total 38,034

exceeded the budget estimate by EUR 71 million, of which income tax amounted to EUR 48 million and corporate tax to EUR 22 million.

Tax remittances grew by 5.6% on the previous year, compared with 6.4% for all municipalities. The rise is mainly due to an increase in the proportional share of tax remittances of the joint municipal board and the increase in tax remittances from previous years.

Central government transfers amounted to EUR 174 million, which is EUR 1 million less than budgeted and EUR 41 million more than in 2005. These figures include EUR 245 million to balance out tax revenue in 2006, and EUR 283 million in 2005.

### Annual margin

The budgeted annual margin excluding commercial enterprises that is comparable with other municipalities was EUR 130 million, the annual margin per inhabitant was EUR 230/inhabitant (EUR 99/inhabitant in 2005).

The accounting margin for the financial year was EUR 471 million. The annual margin covered depreciation (EUR 297 million), but not investments (EUR 566 million).

Incidental income amounting to EUR 243 million includes profit from real estate sales and the sales profit generated by the corporatisation of the electrical network operations of Helsinki Energy, which is reported as internal income for the Helsinki Group.

### Investments

Total investments including commercial enterprises were EUR 566 million.

The implementation rate for investments (excluding commercial enterprises) was 62%.

### No new loans

No new loans were taken during the financial year, and existing loans were amortized by EUR 59 million. At the end of the year, outstanding loans amounted to EUR 680 million, i.e. EUR 1,205/inhabitant.

Monetary income amounted to EUR 4,780 million and monetary expenses to EUR 4,543 million. Cash adequacy in days was 63 days at the end of the year, whereas it was 57 days in 2005.

### Balance sheet and solvency

The balance sheet total was EUR 9,784 million, which is EUR 414 million more than in 2005. The solvency ratio was 77 (76 in 2005).

### Helsinki Group

The Helsinki Group comprises the City of Helsinki, 118 subsidiaries, 9 affiliated foundations and 3 joint companies. During the year, four subsidiary companies joined the Group and 10 left, 9 of which were the result of mergers.

The Group's balance sheet total was EUR 12,034.4 million, an increase of EUR 697 million on the previous year. Total borrowing by the Group stood at EUR 2,736 million (EUR 2,523 million in 2005), i.e. EUR 4,846/inhabitant (EUR 4,497/inhabitant in 2005). The Group solvency ratio, calculated from the consolidated balance sheet, was 62.1%.

### Increase in personnel

At the end of the year, the City employed 38,034 people, of whom 32,042 were permanent and 5,992 fixed-term employees. There were 159 (0.4%) more employees than at the end of the previous year. Personnel has grown the most at the Health Centre and the Social Service Department.

Total payroll for 2006 amounted to EUR 1,083.2 million, 3.4% less than the previous year.

### OUTLOOK AT THE START OF THE FINANCIAL YEAR

The growth in total output of the Finnish national economy is expected to slow down in 2007, but remain at around 3%. The employment situation in Finland, and particularly in the Helsinki metropolitan area, has improved. According to information provided by the Ministry of Labour, the unemployment rate in Helsinki at the end of December was 7.9%, compared with 9.0% a year earlier. Although the overall employment rate has improved, significant regional and structural differences in employment remain a problem for Helsinki.

The City's tax revenues have clearly grown more slowly in recent years than those of other major cities. In comparisons with other major cities, the growth in earned income, and the wages and salaries included, has been one of the slowest over the last three years. Furthermore, the proportion of income from capital has been higher in Helsinki than in the country as a whole. The percentual increase in corporate tax revenue has also remained weaker than in other cities in recent years.

In 2007, the growth in municipal tax revenue is expected to slow down slightly on the previous year. Tax revenue is expected to increase by 5.7%. The tax base will be increased by an estimated 3.6% growth in earned income, and a reduction in the earned income deduction in municipal taxation.

The term of the current incomes policy agreement will expire on September 30, 2007. The agreement does not provide for general pay increases for 2007. The total payroll for the municipal sector is generally expected to grow by about 3% in 2007.

The basis for the economy over the next few years remains uncertain. In the 2007-2009 planning period, the annual margin excluding commercial enterprises will cover, on average, 20% of depreciation. In other words, the objective of using the annual margin to cover depreciation remains remote. The growth in both municipal and corporate tax revenue would appear to remain weak, and therefore the aim is to continue to strengthen the tax base through economic, industrial and housing policies. ■



## PROPOSAL BY THE CITY BOARD FOR DEALING WITH THE PROFIT AND LOSS FOR THE FINANCIAL YEAR

The profit for the financial year before adjustments to reserves and funds amounts to EUR 395,334,636.85. This includes the results from off-budget funds and commercial enterprises, which according to the accountancy legislation be dealt with separately in their own accounting.

The City Board proposes that the profit/loss for the financial year is dealt with as follows:

**Helsinki Energy:** In accordance with the proposal by the Technical Committee, the Helsinki Energy surplus for the financial year of EUR 220,295,153.88 be transferred to the Helsinki Energy balance sheet as capital.

**Helsinki Water:** In accordance with the proposal by the Technical Committee, the Helsinki Water surplus for the financial year of EUR 4,531,006.28 be transferred to the Helsinki Water balance sheet as capital.

**Port of Helsinki:** After adjustments to reserves, the Port of Helsinki surplus/deficit for the financial year amounts to EUR 0.00.

**Helsinki City Transport:** After adjustments to reserves, the Helsinki City Transport surplus/deficit for the financial year amounts to EUR 0.00.

**Helsinki Textile Services:** In accordance with the proposal by the Commercial Services Committee, the Helsinki Textile Services deficit of EUR 15,660.18 be transferred to the Helsinki Textile Services balance sheet as capital.

**Helsinki Service Centre:** In accordance with the proposal by the Commercial Services Committee, the Helsinki Service Centre surplus of EUR 6,128,891.21 be transferred to the Helsinki Service Centre balance sheet as capital.

The Housing Loan Fund surplus of EUR 1,375,223.24, the Housing Production Fund deficit of EUR 17,489,804.61, the Sports and Recreation Fund surplus of EUR 699,337.96, the Insurance Fund surplus of EUR 656,338.83, and the Innovation Fund deficit of EUR 1,872,517.16 be transferred to the balance sheet of the appropriate fund as capital in accordance with the regulations of the funds concerned.

The City Board also proposes to the City Council that results for the financial period from other operations be dealt with as follows:

An amount of EUR 4,953,215.74, which is equivalent to the expenditure on investment in the Kamppi-Töölönlahti area, be entered as income from the Kamppi-Töölönlahti Area Investment Fund in accordance with the regulations of the fund. The sales income of EUR 2,490,980 from the Kamppi-Töölönlahti area be transferred to the Kamppi-Töölönlahti Area Investment Fund.

An amount of EUR 5,357,814.04, equivalent to the actual expenditure, be entered as income from the Suburban Fund.

The depreciation difference of EUR 840,939.63 resulting from the investment reserve for the City office building in Kallio be entered as income.

It is proposed that the deficit of EUR 56,724,595.13 for other operations after reserves and fund entries be entered under Helsinki City capital as surplus/deficit from previous financial years.



CITY OF HELSINKI PROFIT  
AND LOSS STATEMENT

	MILLION EUROS	
	Dec. 31, 2006	Dec. 31, 2005
<b>OPERATING REVENUE</b>		
Sales revenue	975.3	840.5
Fee revenue	139.9	123.1
Support and subsidies	72.6	34.8
Rent revenue	241.8	236.8
Other revenue	62.5	52.6
	<b>1,492.1</b>	<b>1,287.8</b>
<b>MANUFACTURING FOR OWN USE</b>	<b>94.2</b>	<b>94.9</b>
<b>OPERATING EXPENSES</b>		
<b>Personnel expenses</b>		
Salaries and fees	-1,111.9	-1,071.7
Personnel social expenses		
Pension expenses	-313.0	-286.1
Other personnel social expenses	-83.2	-83.5
Purchases of services	-1,086.0	-1,035.6
Materials and supplies:		
Subsidies	-257.5	-225.9
Rent expenses	-115.7	-113.2
Other operating expenses	-54.9	-33.3
	<b>-3,418.4</b>	<b>-3,198.4</b>
<b>OPERATING MARGIN</b>	<b>-1,832.2</b>	<b>-1,815.8</b>
<b>Taxes and state subsidies</b>		
Tax revenue	2,093.7	1,982.9
State subsidies	174.0	132.6
	<b>2,267.7</b>	<b>2,115.5</b>
<b>Financial revenue and expenses</b>		
Interest revenue	46.6	37.7
Other financial revenue	15.5	14.1
Interest expenses	-26.3	-22.0
Other financial expenses	-0.6	-0.2
	<b>35.2</b>	<b>29.5</b>
<b>MARGIN FOR THE FINANCIAL YEAR</b>	<b>470.7</b>	<b>329.3</b>
<b>Depreciation and write downs</b>		
Depreciation according to plan	-296.3	-297.2
	<b>-296.3</b>	<b>-297.2</b>
<b>Extraordinary revenue and expenses</b>		
Extraordinary revenue	242.6	89.4
Extraordinary expenses	-21.6	-5.8
	<b>221.0</b>	<b>83.6</b>
<b>RESULT FOR THE FINANCIAL YEAR</b>	<b>395.3</b>	<b>115.7</b>
<b>Change in reserves and funds</b>		
Change in depreciation difference	2.3	4.4
Change in reserves	-134.2	-28.7
Change in funds	24.3	32.8
	<b>-107.7</b>	<b>8.5</b>
<b>NET PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>287.7</b>	<b>124.1</b>

## CITY OF HELSINKI FUNDS STATEMENT

	MILLION EUROS	
January 1 - December 31	2006	2005
<b>CASH FLOW FROM ACTUAL OPERATIONS</b>		
Annual margin	470.7	329.3
Extraordinary items	221.0	83.6
Cash-flow financing adjustment items	-235.3	-133.9
	<b>456.4</b>	<b>279.0</b>
<b>CASH FLOW OF INVESTMENTS</b>		
Investment expenditure	-566.4	-423.2
Financing portion of investment costs	5.7	12.6
Proceeds from sale of fixed and long-term assets	507.7	105.1
	<b>-52.9</b>	<b>-305.5</b>
<b>CASH FLOW FROM ACTUAL OPERATIONS AND INVESTMENTS</b>	<b>403.4</b>	<b>-26.6</b>
<b>FINANCING OPERATIONS CASH FLOW</b>		
<b>Changes in lending</b>		
Increases in lending	-247.2	-82.8
Reductions in lending	25.5	27.5
	<b>-221.7</b>	<b>-55.3</b>
<b>Changes in loan portfolio</b>		
Increase in long-term loans	-35.0	-2.0
Reduction in long-term loans	-58.9	-56.9
Change in long-term loans	34.9	2.0
	<b>-59.0</b>	<b>-56.9</b>
<b>Changes in capital</b>	<b>8.2</b>	<b>0.0</b>
<b>Other changes in liquidity</b>		
Changes in assignment assets	-12.4	-4.5
Changes in current assets	12.2	9.0
Change in receivables	-24.3	9.8
Non-interest bearing debts	43.2	40.7
	<b>18.6</b>	<b>55.0</b>
<b>FINANCING OPERATIONS CASH FLOW</b>	<b>-253.8</b>	<b>-57.1</b>
<b>CHANGE IN CASH IN HAND</b>	<b>149.6</b>	<b>-83.7</b>
<b>Change in cash in hand</b>		
Cash in hand 31.12.	728.1	578.5
Cash in hand 1.1.	-578.5	-662.2
	<b>149.6</b>	<b>-83.7</b>

## CITY OF HELSINKI BALANCE SHEET

MILLION EUROS

ASSETS	Dec. 31, 2006	Dec. 31, 2005
<b>FIXED AND LONG-TERM ASSETS</b>		
<b>Intangible assets</b>		
Intangible rights	37.4	39.8
Other long-term expenditure	39.0	39.7
Advance payments	0.3	0.1
	<b>76.7</b>	<b>79.6</b>
<b>Tangible assets</b>		
Areas of land and water	2,584.2	2,545.1
Buildings	1,410.1	1,473.3
Fixed structures and equipment	1,662.1	1,848.6
Machinery and equipment	200.6	210.5
Other tangible assets	9.0	8.1
Advance payments and construction in progress	389.1	267.0
	<b>6,255.1</b>	<b>6,352.7</b>
<b>Long-term investments</b>		
Shares and holdings	788.4	697.1
Bonds receivables	225.1	139.7
Other loan receivables	750.9	614.6
	<b>1,764.4</b>	<b>1,451.4</b>
<b>RESERVES FOR ASSIGNMENTS</b>		
State assignments	391.6	388.1
Donated funds special margins	3.8	3.8
Other reserves for assignments	249.5	213.4
	<b>645.0</b>	<b>605.4</b>
<b>INVENTORIES AND SHORT-TERM ASSETS</b>		
<b>Current assets</b>		
Materials and supplies	64.1	77.1
Unfinished products	0.8	0.0
	<b>64.9</b>	<b>77.1</b>
<b>Receivables</b>		
Long-term receivables		
Loan receivables	0.1	0.1
Other receivables	4.4	4.0
	<b>4.4</b>	<b>4.0</b>
Short-term receivables		
Accounts receivable	84.0	90.8
Loan receivables	1.2	0.9
Other receivables	50.9	44.2
Accrued revenue and deferred expenditure	109.4	85.8
	<b>245.6</b>	<b>221.7</b>
<b>Total receivables</b>	<b>250.0</b>	<b>225.7</b>
<b>Investments</b>		
Investments in money-market instruments	719.0	571.3
	<b>719.0</b>	<b>571.3</b>
<b>Cash and bank receivables</b>	<b>9.0</b>	<b>7.2</b>
<b>TOTAL ASSETS</b>	<b>9,784.2</b>	<b>9,370.3</b>

LIABILITIES	Dec. 31, 2006	Dec. 31, 2005
<b>CAPITAL</b>		
Founding capital	2,972.4	2,972.4
Revaluation reserve	1,835.0	1,840.0
Other own reserves	459.4	519.1
Other equity	729.0	729.0
Surplus/deficit from previous financial years	754.3	586.5
Surplus/deficit for financial year	287.7	124.1
	<b>7,037.7</b>	<b>6,771.1</b>
<b>DEPRECIATION DIFFERENCE AND VOLUNTARY RESERVES</b>		
Depreciation difference	111.3	113.6
Voluntary reserves	338.7	204.5
	<b>450.0</b>	<b>318.1</b>
<b>STATUTORY RESERVES</b>		
Pension reserves	319.6	353.3
Other statutory reserves	47.8	10.1
	<b>367.4</b>	<b>363.4</b>
<b>ASSIGNMENT CAPITAL</b>		
State assignments	391.9	388.6
Donated foundations capital	3.8	3.8
Other assignment capital	236.5	212.7
	<b>632.3</b>	<b>605.1</b>
<b>LIABILITIES</b>		
<b>Long-term</b>		
Bonds	20.0	55.0
Loans from financial and insurance institutions	566.4	625.2
Loans from public corporations	0.1	0.3
Advances received	0.0	0.5
Accounts payable	0.0	0.0
Subscription fees and other payables	8.7	5.7
	<b>595.3</b>	<b>686.6</b>
<b>Short-term</b>		
Bonds	35.0	0.0
Loans from financial and insurance institutions	58.7	58.7
Loans from public corporations	0.2	0.2
Loans from other lenders	0.0	0.0
Advances received	12.9	9.1
Accounts payable	162.1	152.5
Other payables	81.2	72.1
Accrued expenses	351.4	333.4
	<b>701.5</b>	<b>626.0</b>
<b>Total liabilities</b>	<b>1,296.8</b>	<b>1,312.6</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>9,784.2</b>	<b>9,370.3</b>

# Bericht des Oberbürgermeisters

**D**ie im Jahr 2006 andauernde positive Entwicklung der Region Helsinki stützte den stetigen Anstieg der gesamten finnischen Wirtschaft. Entsprechend der Voraussagen wuchs die Produktion in der Region um etwa sechs Prozent an, was die Zahlen für das gesamte Land übertrifft. Seit der Jahrtausendwende betrug der Anstieg 21 Prozent.

Nach wie vor ist der Anteil des Dienstleistungssektors in der Branchenstruktur der Region groß. Trotzdem befindet sich auch die industrielle Produktion in einem starken Wachstum. Damit das Wachstum auch in Zukunft kräftig weitergeht, muss jedoch dafür gesorgt werden, dass kompetente Arbeitskräfte zur Verfügung stehen. Dies ist gerade jetzt ausgesprochen wichtig, wenn die geburtenstarken Jahrgänge beginnen in Rente zu gehen und man erwartet, dass die Beschäftigungsquote weiter steigt.

Obgleich die wirtschaftlichen Ausgangsdaten gut waren, entwickelten sich die Steuereinnahmen in Helsinki im Jahr 2006 nicht wie gewünscht. Hinter dem durchschnittlichen Zuwachs der Steuereinnahmen aller Kommunen landesweit blieb man zurück. Die Ausbalancierung des Stadthaushalts war erfolgreich und das Ergebnis des Wirtschaftsjahrs wies nach vier defizitären Jahren einen Überschuss auf. Die Jahresdeckung reicht allerdings noch immer nicht aus, um die Abschreibungen im Dienstleistungsbetrieb abzudecken. Daher wurde im Zusammenhang mit dem Jahresabschluss der Gewinn der Unternehmensbetriebe, besonders das gute Ergebnis von Helsingin Energia, zur Finanzierung anderer Aufgaben herangezogen. In den kommenden Jahren wird der Stadthaushalt jedoch auf einer gesunden Einkommensfinanzierung basieren müssen. Dies ist eine Herausforderung für die Entwicklung

der Leistungs- und Investitionsausgaben.

Zur Stärkung der Steuerbasis in Helsinki werden umfangreiche unternehmens- und wohnungsbaupolitische Maßnahmen benötigt. Ziel ist es daher auch, besonders in die Entwicklung der Unternehmenspolitik und die Stärkung der internationalen Wettbewerbsfähigkeit der Stadt zu investieren.

Im Jahr 2006 schritt man in breiter Front auf die regionale Einheitlichkeit zu. Die Hauptstadtregion und die Region Helsinki nahmen sich des landesweiten Projekts „PARAS“ zur Erneuerung der Kommunal- und Dienstleistungsstruktur an. Helsinki nahm bei der Umsetzung des Projekts klar die führende Rolle ein. Das Ziel besteht darin, auf freiwilliger Basis eine gemeinsame Region zu schaffen, in der die Städter die Kommunalgrenzen nicht mehr bemerken. Im Mai schrieb man Geschichte, als die Stadtverordnetenversammlungen von Helsinki, Espoo, Vantaa und Kaunainen in ihrer ersten gemeinsamen Sitzung die Fortführung der Kooperation der Hauptstadtregion vereinbarten. Viel Arbeit steht aber noch bevor, um eine gemeinsame Linie u. a. in wichtigen Fragen des Wohnens, der Landnutzung, der Verkehrssysteme, bei der Bildung und bei Dienstleistungen über die kommunalen Grenzen hinweg zu finden. Erwähnenswert ist ebenfalls die bedeutende Entscheidung, die Metrolinie nach Espoo fortzusetzen. Bei der Realisierung des Vorhabens können die Städte Helsinki und Espoo ihre Kooperationsfähigkeit konkret beweisen.

**Jussi Pajunen**  
Oberbürgermeister

## DATEN ZUM JAHRESABSCHLUSS DER STADT HELSINKI

<b>Gewinn- und Verlustrechnung, Mio. Euro</b>	<b>2006</b>	<b>2005</b>
Betriebseinkünfte & Erzeugung für Eigenbedarf	1.586,3	1.382,7
Betriebsausgaben	-3.418,4	-3.198,4
<b>Betriebsdeckung</b>	<b>-1.832,2</b>	<b>-1.815,8</b>
Steuern und Staatsanteile	2.267,7	2.115,5
Finanzierungseinkünfte und -aufwendungen	35,2	29,5
<b>Jahresdeckung</b>	<b>470,7</b>	<b>329,3</b>
Abschreibungen	-296,3	-297,2
Außerordentliche Erträge und Aufwendungen	221	83,6
<b>Ergebnis des Geschäftsjahres</b>	<b>395,3</b>	<b>115,7</b>
Veränderung bei Rückstellungen und Rücklagen	-107,7	8,5
<b>Überschuss für das Geschäftsjahr</b>	<b>287,7</b>	<b>124,1</b>
Investitionen, in Mio. Euro	566,4	492,2
Endbetrag der Bilanz, in Mio. Euro	9.784,2	9.370,3
Betriebseinkünfte / Betriebsausgaben, in %	44,9	41,5
Jahresdeckung / Einwohner, in Euro	834	587
Jahresdeckung / Abschreibungen, in %	158,8	110,8
Eigenkapital, in %	76,6	75,7
Kassenbestand 31.12., in Mio. Euro	728	578
Einwohnerzahl	564.521	560.905

# Aperçu du Maire de Helsinki

Le bon développement de la région de Helsinki qui s'est poursuivi en 2006 a renforcé l'essor constant de l'économie finlandaise toute entière. La production de cette région a augmenté, selon les estimations, d'environ 6 %, chiffre supérieur à celui du pays tout entier. La progression est de 21 % depuis le début du millénaire.

Le poids du secteur tertiaire a toujours été grand dans la structure des secteurs de la région. La production industrielle augmente toutefois aussi fortement. Pour que la forte croissance se poursuive également dans l'avenir, il faudra assurer la disponibilité d'une main-d'œuvre compétente. Cela est d'une importance particulière maintenant que les grandes tranches d'âge prennent leur retraite et qu'on peut s'attendre à ce que le taux d'emploi s'élève encore davantage.

Bien que les prémices économiques soient bonnes, les recettes fiscales de Helsinki ne se sont pas développées en 2006 de la manière espérée. Nous avons pris du retard sur l'augmentation moyenne des recettes fiscales des municipalités du pays dans son ensemble. L'équilibrage de l'économie de la ville a bien réussi et le résultat de l'exercice s'est montré excédentaire après quatre années déficitaires. La marge annuelle n'était toutefois pas encore suffisante pour couvrir les amortissements dans les services. C'est pourquoi une partie du bon rendement des entreprises de service public, notamment de Helsingin Energia, sera utilisée dans la clôture des comptes pour financer les autres activités. Dans les années à venir, l'économie de la ville devra cependant s'appuyer sur un autofinancement sain. Cela pose un défi pour l'évolution des dépenses d'exploitation et d'investissement.

Des mesures importantes en matière de politique économique et de politique du logement seront nécessaires pour renforcer la base fiscale de Helsinki. L'objectif est d'investir en particulier dans le développement de la politique économique et dans l'amélioration de la compétitivité internationale.

En 2006, nous avons avancé sur un vaste front vers une unité régionale. La région capitale et la ville de Helsinki ont adopté le projet PARAS, c'est-à-dire le projet national pour réformer la structure communale et celle des services. Helsinki a joué un rôle de locomotive dans la mise en œuvre de ce projet. L'objectif est de créer, à l'aide de mesures volontaires, une seule région unifiée dans laquelle les habitants ne remarqueraient pas les limites entre les communes. Un événement historique a eu lieu en mai lorsque les conseils municipaux de Helsinki, d'Espoo, de Vantaa et de Kauniainen se sont mis d'accord dans leur première réunion commune sur la progression de la coopération dans la région capitale. Beaucoup de travail reste cependant à faire pour que de grandes lignes communes soient trouvées par exemple en ce qui concerne le logement, l'occupation des sols, le système des transports, la formation et les services intercommunaux. Mentionnons encore la décision importante de prolonger la ligne du métro jusqu'à Espoo. Les villes de Helsinki et d'Espoo pourront faire une preuve concrète de leurs capacités de coopération dans la réalisation de ce projet.

**Jussi Pajunen**  
Maire de Helsinki

## ÉLÉMENTS COMPTABLES RELATIFS À LA CLÔTURE DES COMPTES DE LA VILLE DE HELSINKI

Compte de résultat, millions d'euros	2006	2005
Recettes réelles de fonctionnement et travaux réalisés à des fins internes	1.586,3	1.382,70
Dépenses réelles de fonctionnement	-3.418,4	-3.198,40
<b>Excédent brut de fonctionnement</b>	<b>-1.832,2</b>	<b>-1.815,80</b>
Impôts et versements de l'Etat	2.267,7	2.115,50
Recettes et dépenses financières	35,2	29,50
<b>Balance annuelle, millions d'euros</b>	<b>470,7</b>	<b>329,3</b>
Amortissements	-296,3	297,2
Pertes et profits exceptionnels	221	83,6
<b>Résultat de l'exercice</b>	<b>395,3</b>	<b>115,7</b>
Variation des provisions et réserves	-107,7	8,5
<b>Fonds de roulement</b>	<b>287,7</b>	<b>124,1</b>
Investissements, millions d'euros	566,4	492,2
Total du bilan, millions d'euros	9.784,2	9.370,3
Pourcentage des recettes et des dépenses de fonctionnement	44,9	41,5
Balance annuelle par habitant, euros	834	587
Pourcentage de la balance annuelle rapporté aux amortissements	158,8	110,8
Ratio d'autofinancement, %	76,6	75,7
Fonds de roulement au 31/12, millions d'euros	728	578
Nombre d'habitants	564.521	560.905

# Ежегодный обзор, представленный Обер-Бургомистром

**П**родолжавшееся в 2006 году положительное развитие региона Хельсинки способствовало стабильному росту экономики всей страны. По предварительной оценке, рост объемов производства в регионе составил около шести процентов, что выше соответствующей цифры по всей стране. Начиная с 2000 года, рост составил 21 процент.

В структуре экономики региона по-прежнему велика доля сектора обслуживания. Однако существенно ускорился и рост промышленного производства. Для сохранения и в дальнейшем активного роста следует, однако, обеспечить наличие квалифицированной рабочей силы. Это особенно важно сейчас, в связи с выходом на пенсию представителей крупных послевоенных поколений и предполагаемым ростом уровня занятости.

Несмотря на благоприятные экономические предпосылки, объем налоговых поступлений в бюджет города Хельсинки в 2006 году оказался ниже прогнозируемого. В муниципальных округах всей страны рост налоговых поступлений остался на более низком уровне, чем предполагалось. Однако после четырех дефицитных лет в Хельсинки удалось успешно произвести выравнивание положения в городской экономике, и финансовый результат за отчетный период оказался профицитным. В сфере обслу-

живания годовой доход, тем не менее, до сих пор не покрывает амортизационных отчислений. Поэтому в годовом балансе покрытие дефицитных статей производится за счет значительной прибыли, полученной коммерческими структурами, прежде всего энергетической компанией Helsingin Energia. В последующие годы, однако, в основу развития городского хозяйства должна быть положена система финансирования за счет доходов. Это ставит определенные задачи в области развития расходов на ведение деятельности и на инвестирование.

Для укрепления налоговой базы города Хельсинки необходимы масштабные меры в сфере предпринимательства и жилищной политики. Следует уделить особое внимание развитию политики в сфере предпринимательства и усилению международной конкурентоспособности города.

В 2006 году проведены широкомасштабные меры, направленные на достижение единства регионов. Столичный регион и регион Хельсинки активно участвуют в проекте PARAS по реорганизации структур муниципальных округов и сферы обслуживания. В осуществлении проекта город Хельсинки явно взял на себя ведущую роль. Поставлена задача - на основе добровольных преобразований создать единый регион, в котором границы муниципалитетов не имели бы значения для населения городов. В мае произошло историческое событие - муниципальные советы городов Хельсинки, Эспоо, Вантаа и Кауниайнен на первом совместном совещании согласовали вопросы сотрудничества в столичном регионе. Однако предстоит еще много работы для выработки общих направлений, касающихся, в частности, важнейших вопросов жилищного хозяйства, землепользования, транспортных систем, образования и услуг, предоставляемых через границы муниципальных округов. Следует упомянуть также важное решение о продлении линии метро до города Эспоо. В ходе осуществления проекта города Хельсинки и Эспоо смогут продемонстрировать возможности сотрудничества на конкретном объекте.

**Юсси Паюнен**  
Мэр города  
Обер-Бургомистр

## РАСЧЕТ ПРИБЫЛЕЙ И УБЫТКОВ ГОРОДА ХЕЛЬСИНКИ

Доходы от деятельности и произв. млн. евро	2006	2005
для собственных нужд	1,586.3	1,382.7
Расходы на деятельность	-3,418.4	-3,198.4
Выручка от деятельности	-1,832.2	-1,815.8
Налоги и доли государства		
Доходы от финансирования,	2,267.7	2,115.5
Расходы на финансирование	35.2	29.5
<b>Годовая выручка</b>	<b>470.7</b>	<b>329.3</b>
Амортизация	-296.3	-297.2
Внеплановые доходы и расходы	221	83.6
<b>Прибыль отчетного периода</b>	<b>395.3</b>	<b>115.7</b>
Изменения резервов и фондов	-107.7	8.5
<b>Остаток отчетного периода</b>	<b>287.7</b>	<b>124.1</b>
Инвестиции, млн. евро	566.4	492.2
Остаток баланса, млн. евро	9,784.2	9,370.3
Доход от деятельности/расход на деятельность, %	44.9	41.5
Годовая выручка на жителя, евро	834	587
Годовая выручка/ амортизация, %	158.8	110.8
Уровень самообеспеченности, %	76.6	75.7
Средства в кассе на 31.12., млн. евро	728	578
Численность населения	564,521	560,905



## Brief Facts about Helsinki

### HELSINKI

Founded in 1550  
The Finnish capital since 1812

### AREA AND ENVIRONMENT

Total area . . . . . 686 km<sup>2</sup>  
Land . . . . . 186 km<sup>2</sup>  
green areas and parks . . . . . 31 %  
Population density  
inhabitants per sq. km . . . . . 3,000  
Shoreline. . . . . 98 km  
Islands . . . . . 315  
Mean temperature in 2006  
whole year . . . . . 6.7°C  
warmest month, June . . . . . 18.9°C  
coldest month, February. . . . . -7.9°C

### POPULATION

Total population 2006/2007 . . . 564,521  
Age groups %  
0-6 . . . . . 6.1  
7-15 . . . . . 8.1  
16-64 . . . . . 70.8  
65-74 . . . . . 7.4  
75+ . . . . . 6.7  
Life expectancy. . . . . 78  
men . . . . . 74.2  
women . . . . . 81.1  
Finnish nationality % . . . . . 94.1  
Other nationals % . . . . . 5.9  
Finnish-speaking % . . . . . 86.2  
Swedish-speaking % . . . . . 6.2  
Other languages % . . . . . 7.6

### HOUSING 2005

Dwellings total . . . . . 313,695  
owner-occupied dwellings . . . 45.0 %  
Housing density, m<sup>2</sup>/person . . . . . 34  
Rented dwellings  
owned by the city (2004) . . . . . 53

### LABOUR MARKET

Jobs Dec. 31, 2004. . . . . 368,263  
primary production (SIC A-B) . . . 0.1 %  
processing (SIC C-F) . . . . . 13.5 %  
services (SIC G-Q) . . . . . 85.3 %  
- trade, finance,  
transport (SIC G-K) . . . . . 59.5 %  
- community services  
(SIC L-Q) . . . . . 35.7 %  
Number of companies in 2005 . 33,906  
Labour force (15-74 year olds) 2006  
employed . . . . . 296,680  
unemployed . . . . . 18,689  
participation rate, % . . . . . 72.6  
Degree of unemployment, % . . . . 5.9

### TRANSPORT AND COMMUNICATIONS 2006

Registered cars per 1,000  
inhabitants . . . . . 375  
Public transport within the city  
total journeys . . . . . 190 mil.  
Mobile phones per 100  
inhabitants (in Finland) . . . . . 103  
Internet users (15-74yr)  
percentage of population . . . . . 77%

### ENERGY AND WATER SUPPLY 2005

Sales of electricity . . . . . 7,570 GWh  
Sales of district heating . . . . 7,103 GWh  
Sales of water. . . . . 72.7 M.m<sup>3</sup>  
Water consumption  
per capita per day . . . . . 254 l  
Treated waste water. . . . . 99.3 M.m<sup>3</sup>

### HEALTH CARE 2006

City sub-district health centres. . . . 27  
City hospitals . . . . . 8  
Primary health care:  
primary health  
care visits total . . . . . 3.5 M  
visits to health centres, etc . . . 3.1 M  
dental care visits. . . . . 0.4 M  
total per inhabitant . . . . . 6.2  
Average number of patients in  
institutional care  
every day . . . . . 2,117  
in city hospitals. . . . . 2,059  
in contract hospitals . . . . . 58  
visits per 1,000 inhabitants. . . . . 3.8  
Specialized medical care:  
Out-patient visits total . . . . . 0.8 M  
in city units . . . . . 0.2 M  
in contract outpatient clinics. . . 0.6 M  
total per inhabitant . . . . . 1.4  
Average number of patients in  
institutional care every day. . . . 1,312  
in city units . . . . . 278  
in contract hospitals . . . . . 1,034  
visits per 1,000 inhabitants. . . . . 2.3

### SOCIAL WELFARE 2006

Child daycare  
places per 100,1-6-year-olds<sup>1</sup>. . . . 65.8  
Places in sheltered housing  
for the elderly . . . . . 2,524  
per 100 persons aged 75+ . . . . . 6.8  
Places in institutional care . . . . 2,524  
per 100 persons aged 75+ . . . . . 6.3  
<sup>1</sup> Includes municipal daycare centres, family  
centres and contract daycare centres.

### EDUCATION 2005

Educational structure:  
% of 15-year-olds and over with  
comprehensive school  
certificate only . . . . . 32  
intermediate qualification . . . . . 34  
higher vocational qualification . . . 12  
university degree or eq. . . . . 23  
Number of educational institutions in  
Helsinki:  
Universities and  
university-level institutions . . . . . 7  
Vocational universities. . . . . 6  
Vocational training institutions . . . 39  
Comprehensive schools and upper  
secondary schools . . . . . 185

### CULTURE AND LEISURE 2005

City library  
Book loans, millions . . . . . 10.7  
Loans per inhabitant . . . . . 19.1  
Museums . . . . . 78  
Recreational trails  
and jogging tracks, km . . . . . 216  
Swimming pools. . . . . 14  
Sports halls and gyms . . . . . 31

### TOURISM 2006

Passengers (millions)  
via Helsinki-Vantaa  
airport . . . . . 12  
via the Port of Helsinki . . . . . 9  
via Helsinki railway station . . . . . 46  
Hotel  
guests (millions) . . . . . 1.1  
overnight stays, total . . . . . 2.1  
of which foreigners . . . . . 1.6  
Hotels . . . . . 45  
rooms . . . . . 7  
beds . . . . . 14  
International conferences  
and events . . . . . 66  
participants . . . . . 25,440



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PEKKA HELOS

