



CITY OF HELSINKI

ANNUAL REPORT 2007



HELSINKI

Helsinki – as the capital of the country – is the centre of administrative, economic and cultural life in Finland. Helsinki with its neighbouring cities forms a metropolitan area with about 1,3 million inhabitants and more than 50 000 companies. Helsinki is the heart of one of the fastest growing metropolitan areas in the European Union.

Helsinki offers safe and pleasant surroundings in which to live and work, plus a wide range of excellent transport connections. Helsinki is also the centre of expertise of a very high standard where universities and research institutes combine cutting edge competence on an international scale to provide an innovative business environment.

Finland is a member state of the European Union since 1995 and adopted the euro in 1999.

HELSINKI OFFERS:

- A high standard of living
- Exceptional high-tech resources and capabilities
- A well-educated workforce
- Good availability of efficient business services
- Top competitiveness and creativity
- Benefits of the Eurozone membership
- Excellent infrastructure, ideally placed to serve the Russian and Baltic markets

EUROPEAN UNION IN 2007





City of Helsinki Annual Report 2007

A Message from the Lord Mayor	4	Cultural and Personnel Affairs	16
Development in the hands of the City Council	6	Financial statements 2007	18
The Mayor's sector	8	Bericht des Oberbürgermeisters	24
City Planning and Real Estate	10	Rapport du maire de Helsinki	25
Public Works and Environmental Affairs	12	Обзор мэра города	26
Social Affairs and Public Health	14	Brief Facts about Helsinki	31



PERTTI NISONEN



A Message from the Lord Mayor

The year 2007 was economically good for the City of Helsinki. Tax revenues accrued more than anticipated and the good result of Helsinki Energy contributed to the financing of basic services. The inhabitants were provided with a wide range of services and the urban environment was spruced up.

The annual margin covered depreciation and 85 per cent of the investments. However, it must be noted that in recent years the balance of Helsinki City's finances has been rather dependent on the good results of the City's public utility companies. If the City's economy is examined while excluding the public utility companies, the annual margin only covers 85 per cent of depreciation and less than half of the investments.

The objective is to gradually remove the dependence on the entering of additional income from

Helsinki Energy and in that way bring the financing of basic services onto a more sustainable basis. The future prospects for economic development are overshadowed by a growing insecurity in the international economy, which may also influence the development in Finland and the Helsinki Metropolitan Area. In the next few years, the tax base will also be weakened by a scarcity in the workforce supply caused by the aging of the population.

Consequently, various measures have been taken to strengthen the tax base. The aim is to create more jobs in Helsinki by means of an economic and industrial policy that promotes entrepreneurship. The aim in the housing policy is to increase housing production to 5,000 housing units per year. Large areas that become vacant in ports will be planned so that a versatile resident structure is ensured.



The enhancement of Helsinki's attractiveness is in full swing. Last year Helsinki was at its most vibrant in May, at the time of the Eurovision Song Contest. Our reputation as a good event organiser and an interesting travel destination increased in the eyes of the international audience. The aim is to develop the centre of Helsinki into a scene of events that will attract both residents and tourists all year round. A company named Helsingin Leijona Oy has started reviving the City Hall quarters.

In 2007, concrete results were reached in the cooperation between the Helsinki Metropolitan Area and the 14 municipalities that belong to Helsinki Region. Mutual understanding was reached on an urban-region cooperation plan to be presented to the Government, as well as a programme for the implementation of land use,

housing and transport. Länsimetro Oy, Helsinki Metropolia University of Applied Sciences and MetropoliLab – all established in 2007 – show that the Metropolitan Area Cities are able and willing to function for the good of their inhabitants across municipal boundaries. ■

Jussi Pajunen
Lord Mayor

Development in the hands of the City Council



PERTTI NISONEN

Chairman of the City Council
Rake Hiltunen
Social Democrat



PERTTI NISONEN

First Deputy Chairman
Harry Bogomoloff
Conservative



PERTTI NISONEN

Second Deputy Chairman
Minerva Krohn
Green

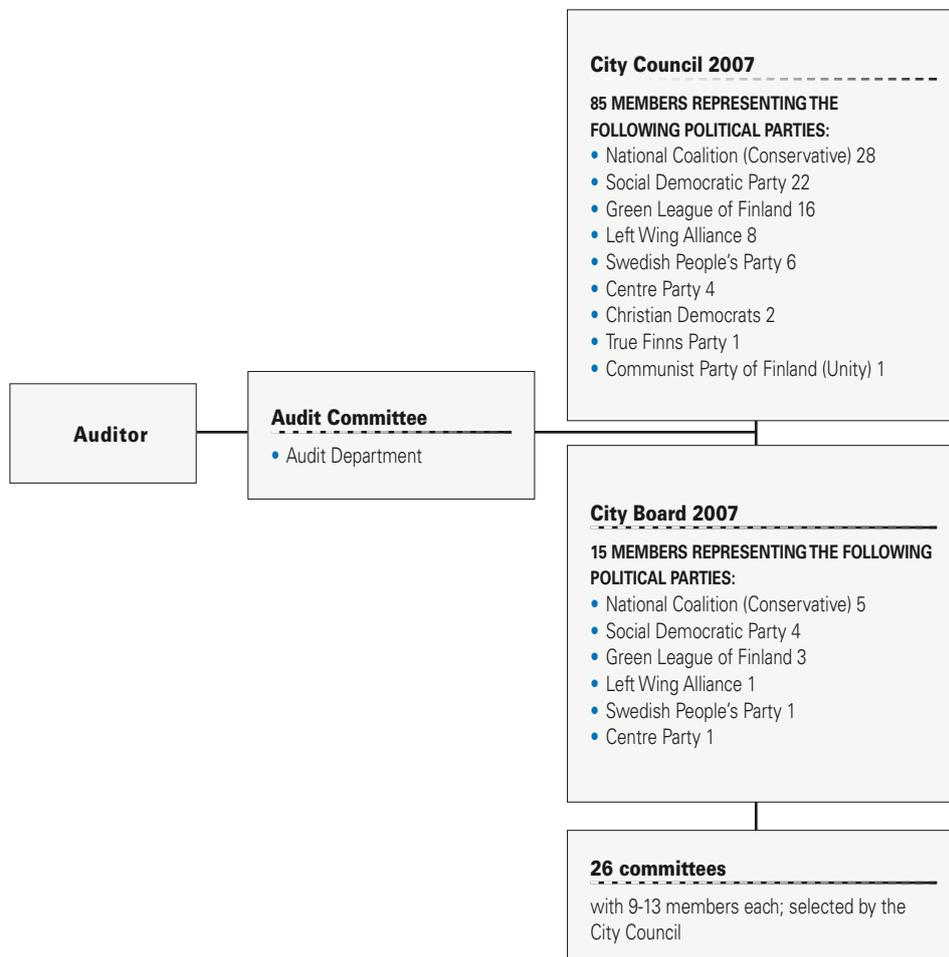
Under the division of powers between central and local government in Finland, municipalities enjoy autonomy in the administration of many of their affairs. Certain basic tasks are stipulated in the Local Government Act, and in addition to these, municipalities may voluntarily assume others. The only 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
Suvi Rihthniemi
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
 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 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

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

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	4914.5
THE LORD MAYOR'S SECTOR	
Operating income, EUR million	888.4
Operating expenses, EUR million	560.4
Operating expenses/inhabitant, EUR	986
Investments, EUR million	275.2
Personnel	2,663
Of the entire personnel, %	6.9

The economic development of Helsinki City and region

According to a preliminary estimate, production in Helsinki Region grew by 4.6 per cent. This figure is about half a percentage point higher than that of the whole country. From the year 2000, production in Helsinki Region had grown by 27 per cent, whereas the increase in the whole country was 2.4 per cent. It is expected that the economic growth will soon pass the culmination point. Furthermore, the international economic outlook is more insecure than before.

In the last quarter of 2007, the number of those in employment in Helsinki Region grew almost by two per cent as compared to the corresponding period in 2006. The number of unemployed decreased slightly less than in the whole country.

The population in Helsinki Region increased by 14,500 residents, which is almost 900 more than in the previous year. At the end of the year, there were 568,400 people living in Helsinki, which is about 4,000 more than a year before.

Measured by tax revenues and operational achievements, Helsinki had a good year. The tax revenue increased and additional income was entered from Helsinki Energy's good results for financing the city's operations.

The City of Helsinki decided to strengthen the tax base in various ways. The aim is to increase the number of jobs by means of an economic and industrial policy that promotes entrepreneurship. The building of 5,000 new housing units per year was proposed as the objective of the housing policy. Helsinki's attractiveness is to be increased by reviving the City Hall quarters. Helsingin Leijona Oy has been established to administer the facilities.

Structures were developed in the City's own operations. The supply of electronic services was increased and diversified. The City intensified Group steering, organised training for the leadership of the subsidiary organisations and implemented a Group bank.

Financial development of public utility companies

Helsinki Energy's turnover was EUR 622.2 million. There was a EUR 9 million increase on the previous year when the influence of the corporatisation of Helsinki Energy's electrical network operations on the turnover is taken into account. Both the sales of electricity and heat decreased.

The tight competition affected the electricity sales. The sales of heat were decreased by the exceptionally warm weather. Profit before appropriations was EUR 262.5 million, which is EUR 61 million higher than the comparable figure for the previous year. In the background of this financial development there are successful operations in the electricity market.

Helsinki Water's turnover was EUR 99.0 million, which is slightly less than in the previous year. The sales of water to Helsinki decreased by 1.4 per cent. The surplus before reserves was EUR 12.4 million, which is less than the year before. This result was particularly affected by keeping the tariffs the same despite the growth in the cost level.

Cargo traffic through the Port of Helsinki grew into record breaking high volumes. The busy passenger traffic remained at the level of the previous year. The turnover was EUR 95.0 million, i.e. 16 per cent more than the year before. The surplus before reserves was EUR 33 million.

Public utility companies made investments

Helsinki Energy's investments were EUR 48.4 million, the majority of which concerned the district heating plants and network.

The investments made by Helsinki Water were EUR 35.8 million, which is a significantly higher figure than in the previous years. The investments mostly concerned the water supply network.

The total investments by the Port of Helsinki were EUR 170.9 million. The most significant investment object, EUR 149.4 million, was still the Port of Vuosaari. The building of the port and the planning of its operations progressed favourably.

Regional cooperation and national urban policy

Among the important regional cooperation forums are the Helsinki Metropolitan Area Advisory Board and Coordination Group as well as the Helsinki Region Cooperation Committee.

The proposals for the 14 cooperation projects established for the implementation of the Cooperation Agreement between the Cities in the Helsinki Metropolitan Area were completed.

In a joint meeting, the Metropolitan City Councils approved an urban-region cooperation plan dealing with the local government and service structure reform. This reform contains means by which the



use of services across municipal boundaries is facilitated in the Helsinki Metropolitan Area and by which land use, housing and transport are arranged in Helsinki Region.

The Helsinki Region Cooperation Committee, in which 14 municipalities of Helsinki Region were represented, made preparations for a 2017 programme for implementing land use, housing and transport, and for a letter of intent between the municipalities in the Region and the State for increasing the supply of housing and plots. The municipalities in the Region, together with the State, organised an international ideas competition named the Greater Helsinki Vision 2050.

The Finnish Government started preparations for a metropolitan policy for the special matters pertaining to the Helsinki Metropolitan Area. The aim is to strengthen and extend the letter of intent practices of the State and the Metropolitan Area municipalities as well as partnership cooperation with the different State administrative sectors.

Practical implementation of cooperation

The Cities of Helsinki and Espoo established a joint company to administer, implement and maintain a metro line between Ruoholahti and Matinkylä. Helsinki, Espoo and Vantaa established Helsinki Metropolia University of Applied Sciences and MetropoliaLab, which is specialising in research of food, water and environmental samples. The decision on a joint public transport organisation and integrating the water and sewerage systems was shifted to the beginning of 2008.

International activities

Among the pillars of Helsinki's international operations are coordinated activities, multiculturalism, a regional viewpoint, national partnership, cooperation in the Baltic Sea region, influence in Europe, and global competitiveness and visibility.

Helsinki influenced the development of the innovation policy, joint marketing and infrastructure projects of the Baltic Sea region during her presidency of the Baltic Metropolises (BaltMet)

network for the capitals of the region. The BaltMet Inno Project, led by Helsinki, the starting point of which was the innovation strategy process in Helsinki Region was completed. As a result of this project, the networks of the public sector, higher education institutions and enterprises were strengthened. Additionally, the project led to several concrete development projects that cross organisational boundaries and support the City of Helsinki economic and industrial strategy.

Helsinki and Turku started a challenge campaign in order to improve the state of the Baltic Sea. A new strategy was created for Helsinki-Tallinn Euregio in order to improve the economic, social and cultural cooperation in the Helsinki-Tallinn City twinning. The possibilities for service cooperation between the departments and offices of the Cities of Helsinki and Tallinn were examined. A conference for Nordic capitals and a conference of finance directors held in Helsinki intensified mutual cooperation. Helsinki and Moscow entered into a cooperation agreement for 2007–2010. The Helsinki Days organised in St Petersburg culminated in the meeting of the mayors and a concert given by Helsinki Philharmonic Orchestra.

Helsinki acted in the expert forums of the Eurocities organisation as well as in the Lisbon Regions Network, an organ for the most competitive urban areas.

Communications and urban marketing

As in previous years, regional cooperation was one of the focal areas in communications. The functionality of the City's popular website was further enhanced.

Among the traditional urban events were the Helsinki Day and a provincial event. The New Year celebration in Senate Square was organised for the second time as a family event.

In 2007 Helsinki was at its most vibrant in May, when hosting the Eurovision Song Contest. The song contest and its social programme increased Helsinki's publicity as an event organiser and travel destination.

International marketing events were organised in China, St Petersburg and the United States. ■



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	490.4
Operating expenses, EUR million	166.3
Operating expenses/ inhabitant, EUR	293
Investments, EUR million	104.7
Personnel	913
Of the entire personnel, %	2.4

City Planning and Real Estate

Advances in significant component master plans

Construction in the areas that will be vacated from port use in Jätkäsaari and Sompasaari can be started immediately after the new Port of Vuosaari starts operating at the beginning of 2009.

The City Council did not discuss new component master plans but the committee completed plan proposals for both Sörnäistenranta-Hermanninranta and Kuninkaantammi. The drafts for component master plans and land use in Kruunuvuorenranta were approved as a basis for further planning. Component master planning work for Hernesaari and Koivusaari was started.

A boost in town planning

A total of 540,586 m² gross of town plan proposals were completed for housing construction and a total of 289,575 m² gross of town plan proposals for the construction of offices and other premises. This amount is significantly higher than in 2006. Town planning has focused on large project areas and complementary construction.

Progress in plans for rail projects

Länsimetro, a joint project plan between Helsinki and Espoo, creates a basis for the project decisions, further planning and construction conducted by both City Councils.

It was decided that the main direction of the rail line in Kruunuvuorenranta and other parts of Laajasalo would be from Pohjoisranta along the side of Tervasaari to Sompasaari and, via the northern end of Korkeasaari, to Kruunuvuorenranta and other parts of Laajasalo.

Green light to cultural and recreational projects

The heated market situation in the construction field obstructed making a contract agreement for the music hall project. However, construction has progressed on time as subcontracts.

The inhabitants' recreational opportunities are to be improved with a planned extension of the everyman's golf course in Paloheinä and a spa plan for the Taivallahti shore area, as well as

a town plan for the Latokartano sports hall and the Uutela recreational area.

The share of public transport slightly below the target

The share of public transport in morning traffic heading towards the city centre on the border of the cape of Helsinki was 70.4%. Hence the target of over 71% was not quite reached.

Suburbs as focal points

Distinctive suburbs have a major significance for the vitality and security of Helsinki. The modern architecture in Pihlajamäki was protected with a town plan and the housing companies were given renovation guidelines for buildings. The Herttoniemi allotment garden received a conservation area plan, and a plan including new housing construction was approved for the surroundings of the shopping centre and the metro station. Complementary construction was also planned for Konala, Tapulikaupunki and Myllypuro. The refurbishment of the Jakomäki shopping centre surroundings was planned. The advancement in the Myllypuro shopping centre refurbishment project was ensured.

A strengthened regional perspective

The results of the Greater Helsinki Vision 2050 international ideas competition were announced in December. The winner was "Emerald" of WSP Finland. The shared second prize was given to two entries from Germany and one from Finland. A total of EUR 500,000 was awarded in prizes.

A letter of intent was negotiated between Helsinki Region municipalities and the State in order to speed up housing production and the supply of plots.

Land sale and acquisition and ground rents

Land sale revenues amounted to EUR 112 million. EUR 48.6 million was spent on land acquisition. The main object was the areas comprising about 58 hectares in Malminkartano and Hakuninmaa bought from a State company with a pre-emption right.



TUULIKKI HOLOPAINEN



FIB

The ground rent revenues were EUR 165.8 million, of which the share of external rents was EUR 117.7 million. Income from land use agreements totalled EUR 12.7 million.

The housing market looking for a direction

A total of 3,308 housing units was completed, of which 2,881 were new units and 427 extensions to existing buildings and alterations in the use of existing buildings. That is significantly more than in the previous year when fewer than 2,400 units were completed.

In the City's own production, a total of 807 units were completed but the construction of only 365 units was started. A total of 453 rental housing units were completed, of which 94 were service flats for senior citizens. The production was decreased by the scarcity of plots for rental and right-of-occupancy housing, and by the high contracting prices for owner-occupied dwellings.

The renovation of 942 housing units was started and the repairing of 601 units was completed.

The wooden block of flats built in Omenmäki, Vuosaari, received an honourable mention in Wood Award 2007.

Housing construction slowed down in the last months of 2007 chiefly because of the decreased demand caused by the rise in interest rates and because of the high price level in construction. The prices of low-rise plots increased by about 11 per cent. In 2007 a total of about 2,550 proposals for plot reservations or other prerequisites for housing implementation were recorded.

Building rights on housing plots handed over totalled 116,000 m² gross, of which 72 per cent were rented and the rest sold. Competitive tendering was organised for the sales of the plots of Arabianranta blocks of flats and Marjaniemi low-rise plots. It was decided that a housing division be established at the Real Estate Department's Premises Centre.

Construction of premises continued at a record speed

Brisk construction was chiefly due to the building of the Port of Vuosaari. The market was also

increased by a need for high-quality office space and the fact that Helsinki remained the preferred area for the real estate investment market. Towards the end of the year, more than 600,000 m² gross of new premises was being constructed.

The City of Helsinki has 2.5 million square metres of built premises in its possession.

A total of EUR 83.6 million was spent on investments in housing construction. It is anticipated that the need for renovation of buildings will increase to EUR 160 million by the year 2010.

Building permits sought and granted at a record rate

The number of building permit applications for new construction exceeded 6 million cubic metres for the first time. The corresponding figure for the granted permits was 5.15 million, which is only slightly lower than the 5.63 million cubic metres in the record year 1989. Most of the growth took place in industrial and warehouse construction.

The building permits for blocks of flats contained 16% fewer flats than in the previous year. That is being slightly compensated by the reviving low-rise construction. The one-dwelling and two-dwelling low-rise buildings contained 39% more dwellings than in the previous year.

The Building Regulation Department launched a project scanning microfilmed drawing material. That will allow a gradual shift towards electronic transactions. A home page for the builders of low-rise dwellings was created on the Department's website.

New Deputy Mayor

After having led the sector for 16 years, Deputy Mayor Pekka Korpinen retired in October. His work culminated in the preliminary debate on Helsinki's architectural policy programme conducted by the City Council. In this discussion both the programme and Mr. Korpinen's life's work were abundantly acknowledged by the City Council members. Mr. Hannu Penttilä was appointed Mr. Korpinen's successor. ■



Public Works and Environmental Affairs

PERTTI NISONEN



**Deputy Mayor
Pekka Sauri**

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

KEY FIGURES

Operating income, EUR million	613.2
Operating expenses, EUR million	682.0
Operating expenses/inhabitant, EUR	1,200
Investments, EUR million	165.5
Personnel	6,086
Of the entire personnel, %	15.8

Public transport in full swing

The World Congress of the International Association of Public Transport (UITP) was held in Helsinki. Helsinki City Transport (HKL) and the Helsinki Metropolitan Area Council (YTV) acted as hosts and received plenty of positive feedback on the congress arrangements. The metro had its 25th anniversary. The jubilee year began with the opening of the Kalasatama metro station on 1 January 2007. The long journey of the Helsinki metro was celebrated, for example, by an exhibition in the Päivälehti Museum.

A working group that focused on the re-organisation of the Metropolitan Area public transport submitted its report at the end of August. The reaching of a solution on arranging the public transport planning and purchasing activities on a regional basis was shifted and will be made in 2008.

Helsinki City Transport continued preparations for the metro automation and participated in the planning of Länsimetro. The renovation of Itäkeskus metro station was started and the metro bridges were repaired. Rails were constructed for the Kamppi rail line.

Involved in events

Helsinki City Transport, the Public Works Department, Palmia Service Centre and the City of Helsinki Rescue Department participated in the arrangements for the Eurovision Song Contest and other public events with tasks such as cleaning and flagging, as well as safety and security issues. The success of the events raised Helsinki's reputation as an event organiser and a city with efficient public transport.

The city architect's post was established 100 years ago. The street laboratory of the Public Works Department celebrated its 70th anniversary. The parking inspectors got new blue uniforms.

The city was spruced up

Littering of public areas was brought under control. People were encouraged towards a responsible use of parks by means of a campaign with the motto „Little things can be big issues“. More deep collection containers and rubbish bins were installed in the parks and the number of complaints about litter decreased.

The Public Works Department continued to coordinate the construction work in the street areas in order to decrease the inconvenience caused. The construction work is also being speeded up with a new pricing for excavating permits.

Kolmikulma Park was completed in the very centre of Helsinki. Kaj Franck street, with its works of art, was opened in Arabianranta. The first trees for the Cherry Park were planted at the base of the Roihuvuori water tower. The stump of the willow tree in Paasikivi Square was moved to be part of the landscape in the Vuosaari hill site.

Besides the construction work on Hakamäentie, the construction of rail line 9 was among the most visible street construction sites. Roundabouts and noise barriers were constructed. Safety rails were built on Vuotie.

Reforms in procurement

An electronic system for the handling of purchase orders was implemented. The aim of this system is to intensify the handling of orders and to produce information on procurement. The procurement reporting and analysis models were developed.

The City Hall's copying centre was transferred from the Procurement Centre to the Administration Centre and the City's internal post services are to be handled by Itella Corporation from 1 January 2008 onwards. The digi printing activities at the Kallio office building were discontinued.

The intensifying of the procurement cooperation between the Metropolitan Area Cities was examined and the work will continue in 2008.



Satisfied customers

The turnover of the Palmia Service Centre increased by EUR 6.3 million on the previous year. Safety services had the largest growth. Customer satisfaction improved and the personnel were content with their work.

Furthermore, the satisfaction with the service among the customers of Helsinki Textile Services was further increased. The possibilities for co-operation with the joint authority of the Hospital District of Helsinki and Uusimaa (HUS) were examined.

The design for a new freezing plant for the City of Helsinki Wholesale Food Market as well as the development of retail and wholesale areas were started. The preliminary report on the order management system and logistics project of the enterprises in the area was completed.

Increase in rescue assignments

The number of fire and rescue, emergency ambulance service and emergency medical care calls grew by about 9 per cent from the previous year. Especially the number of structural fires, traffic accidents and ambulance service calls increased. The number of alarm calls increased by about 7 per cent. The Emergency Response Centre caused some false alarms, delays in setting off to emergencies and some increase in the number of emergency medical care assignments. The response time in emergency medical services became longer. However, the surviving percentage of the ventricular fibrillation patients detected by laymen was kept at the level of at least 32 per cent.

In January, the Rescue Department prevented a flood incident that threatened East Helsinki. The situation was facilitated by the thorough flood prevention plans as well as the effective co-operation between the authorities and other actors.

A risk analysis of exceptional circumstances in Helsinki and a preparedness plan for ex-

ceptional circumstances drawn up by the Rescue Department were completed. Merlot Medi, an electronic management and reporting system for emergency medical care, and the Merlot fire inspection programme were taken into use. The Rescue Department obtained new equipment and the Rescue School moved to new premises in Steniuksentie.

Reports on environmental issues

The City Board approved a preparedness plan for a sudden increase in airborne impurities. The Climate Strategy for the Helsinki Metropolitan Area up to 2030, prepared by the Helsinki Metropolitan Area Council and the cities of Helsinki, Espoo, Vantaa and Kauniainen was completed. A noise assessment was completed in summer 2007, and measures were taken to draw up an action plan for noise prevention in accordance with the EU Directive on Environmental Noise. The supervision plans for environmental health care were completed. The prohibition of smoking in restaurants significantly increased the number of smoking control tasks.

The Internet-based Helsinki Nature Information System and environmental statistics were opened to the public. Turku and Helsinki committed to improving the state of the Baltic Sea and presented a challenge to the other cities located by the Baltic Sea as well as to businesses and higher education institutions.

The largest scale soil purification work was conducted at the Music Hall plot as well as in the Viikinmäki shooting track area and the Pasila engineering works area, both to be turned into housing areas.

A decision was made on establishing a joint commercial enterprise named Metropolilab for the Metropolitan Area. From 1 January 2008 on, the laboratory will produce the research services on the food, water and environmental samples needed by the Metropolitan Area. ■



Social Affairs and Public Health

MAR HORTARI

PERTTI NISONEN



**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	240.0
Operating expenses, EUR million	1,958.1
Operating expenses/inhabitant, EUR	3,445
Investments, EUR million	45.3
Personnel	20,083
Of the entire personnel, %	52.0

Care chain intensified

The care chain of Social Affairs and Public Health was intensified by joint measures conducted by the City of Helsinki departments. The implementation of the Case Manager System made the care chains more flexible. At the same time, the cooperation between the departments was intensified and the customers received a care setting that corresponded to their needs. The penalty fares payable to the Hospital District of Helsinki and Uusimaa (HUS) significantly decreased. In order to support the care chain, 25 acute care beds were bought and 30 new service housing places were established for those long-term hospital patients under 65 years who had queued for a bed in continued care. Additionally, 10 places were bought for mental health rehabilitees. Furthermore, a 30-bed convalescent ward for demented customers was opened in summer 2007.

Focus on the promotion of health and wellbeing

Several projects, such as a Social Affairs and Public Health project named Lapaset Family Network Project, were launched to enhance the health and wellbeing of those Helsinki inhabitants who were in danger of social exclusion. New forms of cooperation, such as a family training model, were implemented in order to support and advance the health of families with small children. The social exclusion of conscription-aged young men was attended to in the Time out! project together with the National Research and Development Centre for Welfare and Health (STAKES) and the Finnish Defence Forces.

A hard autumn in the labour market

The autumn was quite challenging in the labour market. In October, Tehy, the Union of Health and Social Care Professionals, announced that more than 400 members would resign from the Social Affairs and Public Health of the City of

Helsinki unless a solution was reached in pay negotiations. As a precautionary measure, the Health Centre, together with the Hospital District of Helsinki and Uusimaa, started operations by means of which it would have safeguarded the emergency medical care for Helsinki inhabitants if the resignations were carried out. A labour market settlement was reached and the resignations did not enter into force.

New management structure in child day care

Five hundred children more than anticipated were tended at the municipal day care centres and private purchased service day care centres. The number of those receiving child home care allowance was further decreased but the number of those receiving private day care allowance grew from the previous year.

The new management structure for the day care units was introduced at the beginning of August. In this new management structure, the sizes of the day care units were made uniform and their management became a separate professional task. The training for supporting this change has been started. As regards to a customer questionnaire on applying for a day care place and starting in day care, the parents estimated the quality of information provision and customer service as very good.

From August onwards, families moving from one city to another within the Metropolitan Area were given a chance to keep their child's current day care place until the child started school.

Changes in the Child Welfare Act and in child psychiatric care

The City Council decided to shift the care responsibility for child psychiatric care from family counselling offices to the Hospital District of Helsinki and Uusimaa from the beginning of 2008 onwards. It was determined that the task of the family counselling offices was to provide counselling in upbringing and family matters in accord-



PERTTI NISONEN



PERTTI NISONEN

ance with the Social Welfare Act and that the customers were children aged 0–17 years and their families. Previously, the age limit was 13 years. As the resources of the family counselling offices remain the same, this change means, in practice, a significant focus on early support and youth.

In child welfare, preparations were made due to the new Child Welfare Act by organising training for the personnel, renewing instructions and developing customer information systems. The family centres strengthened the working forms for early support.

Decrease in need for social assistance

The employment situation continued to be good and the number of people receiving social assistance decreased by 1,448 (2.8%) from the previous year. On the average, it took less than 7 days to receive a decision on the granting of social assistance. The need for social assistance was reduced by intensifying the initial assessment of new customers and customer guidance, activation of those under 25 years of age and employment measures, as well as financial and debt counselling. A total of nearly 5,000 people (4,500 in 2006) were involved in the employment services of the Social Services Department.

A substance abuse service project that utilises community methods was launched in Myllypuro. The planning of the project on individual housing for people with mental and developmental disabilities was started. Housing counselling activities were organised in six of the City's real estate companies.

Smoke-free Helsinki

The life style changes of Helsinki inhabitants are supported with the Smoke-free Helsinki programme (2007–2015). The City of Helsinki was declared to be smoke-free from the beginning of 2007 onwards. That was a substantial decision for the creation of a healthier environment for Hel-

sinki inhabitants. A smoking cessation clinic was established in connection with the Kallio Health Station, where inhabitants received group or personal guidance in order to stop smoking.

Launch of the Healthy Helsinki Programme

With the Mayor's decision, the Healthy Helsinki Programme (2007–2010) was started. Besides the Health Centre, the central actors in this programme are the Social Services Department and the Education Department. A real-life test environment (Living Lab) was created, with the aim to develop service channels that improve service availability, as well as solutions that would help the inhabitants take more responsibility for maintaining and promoting their own health. The central idea in this development work is wide cooperation between the inhabitants and the different city administrations, the business sector and NGO's.

Electronic services in dental care and at clinics

Electronic services were tested in dental care and at two maternity and child health clinics. This test is part of a larger electronic services project of the City of Helsinki. The City intends to increase the amount of online services in its basic services, and, in this respect, the test conducted by the Health Centre was pioneering. The aim is to provide the customers with a service that is not dependent on time and place, and to free health care personnel resources for nursing.

The queue for dental care was cleared

The queue for non-emergency dental care was cleared by means of a service voucher, purchased services in dental care, a hired workforce and the queue clearing efforts taken by the personnel. Dental services also offered its customers an opportunity for electronic communication and reminded its customers of their appointments by means of SMS messages. ■



PIRJO MALAMMI

Cultural and Personnel Affairs

PERTTI NISONEN



**Deputy Mayor
Tuula Haatainen**

- 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	62.3
Operating expenses, EUR million	781.8
Operating expenses/ inhabitant, EUR	1,375
Investments, EUR million	57.9
Personnel	8,878
Of the entire personnel, %	23,0

The number of comprehensive school pupils in decline

The number of pupils attending comprehensive school decreased by almost 1,100 from the previous year. At the same time, the number of pupils with special needs and pupils from an immigrant background grew. The number of students in upper secondary schools and vocational institutions increased. Moreover, the number of pupils attending afternoon activities grew by more than 300.

In basic education, the number of lessons for classes 1–6 was increased to the level preceding the savings decisions, which decreased the average size of the study groups.

The Education Department made preparations for the development of the network for the comprehensive schools and upper secondary schools. This work was based on age group forecasts drawn up by the City of Helsinki Urban Facts and the set aims and constraints. The City Council decided to merge eight schools in 2009 and 2010.

The Ministry of Education granted 280 additional vocational education places to the City of Helsinki.

A decision was reached to combine the Helsinki Polytechnic Stadia and EVTEK University of Applied Sciences into a limited-company-based Helsinki Metropolia University of Applied Sciences.

The Finnish and Swedish Adult Education Centres of Helsinki also worked in close cooperation at the metropolitan area level. The Finnish Adult Education Centre is still the largest liberal adult education institution in Europe.

International cultural year

The City of Helsinki Cultural Office was responsible for the versatile city events in connection with the Eurovision Song Contest. In the spirit of the Eurovision songs, the Ourvision singing contest was created by the International Cultural Centre Caisa. A Chinese New Year event, held for the first time in February 2007, was a success with about 25,000 visitors.

The organisation of the cultural office was renewed at the beginning of 2007. There are currently three divisions: cultural policy, cultural services and joint services.

In 2007 the exhibitions at the Helsinki City Art Museum attracted more than 180,000 visitors and the number of visitors to the Helsinki City Museum also grew vigorously.

In its 125th jubilee season, the Helsinki Philharmonic Orchestra received wide publicity in Finland and abroad. The orchestra received the Disc of the Year title in Finland and a prestigious international disc award in Great Britain. A successful tour was made in Austria and Germany in spring 2007. The orchestra performed at the premises of the St Petersburg Philharmonic Orchestra in November. In the early part of the autumn season, the orchestra played all Sibelius' symphonies and organised concerts for thousands of its 'godchildren' as a festive completion of the 7-year-long godchild project.

Information available

The number of virtual visits to the Helsinki City Library exceeded the number of customer visits to the library for the first time. The particular development object of the library was the adoption of an interactive customer service culture.

The Helsinki Metropolitan Area Libraries (HelMet) obtained a joint procurement system for library material.

Among the most significant products of the City of Helsinki Urban Facts were a new City of Helsinki research programme named "Helsinki tutkii 2007–2009"; the City of Helsinki statistical yearbook 100 years jubilee edition; a broad statistical comparison of the six major cities in Finland; an operating environment analysis named Helsinki – State and Development drawn up for use at an evaluation seminar held by the City Council; a population and service needs analysis of the Metropolitan Area for 2015 and 2025; and the completion of the Urban Programme for the Helsinki Metropolitan Area 2005–2007. The



City Archives gave support to various branches of administration in the electronic formation of archives, electronic archiving and document management.

The Internet utilised in youth work

The Youth Department used media and the web in a versatile way in youth work. Netari.fi, a youth house project on the Internet, was extended nationwide with 13 participating municipalities. The theme of the opening days in the autumn was media and the utilisation of the Internet. A three-year cooperation agreement was made with the Ministry of Education on a national development project for network-based youth work.

The Youth Department started implementing the operational and premises strategy drawn up for 2007–2012. The northeastern major district was the first object of the analysis that was conducted on the service network and service capacity. The youth and other inhabitants in the northeastern major district were consulted in three events.

Versatile sports for people of all ages

The local sports facilities completed in Lautasaari Sports Park offer children and youth an opportunity for over twenty different sports. The project was implemented in cooperation with the Cultural Department and the Public Works Department.

To celebrate the theme year of health-promoting sports, a special day for health-promoting sports was organised at Liikuntamylly Sports Hall, where the participants were able to try different sports and familiarise themselves with sports guidance.

The year 2007 was also a Vire-X theme year, which emphasised the importance of wellbeing at work. The major individual event dealing with wellbeing at work attracted 4,500 City employees to Töölö Sports Hall.

Helsinki Ice Park in Railway Station Square re-

ceived an Unelmien Helsinki award (“a Helsinki of Dreams award”) and a Best of Helsinki award. The grounds for receiving these awards were that the artificial ice skating rink had made Helsinki a better and more fun place to live in.

Happy family occasions at Helsinki Zoo

The year 2007 was the 118th operational year of Helsinki Zoo and the number of visitors was more than half a million. The renovation and extension project of Pukki Restaurant, which dates from 1884, was launched in September. The building will be taken into use again in May 2008.

Some species that are rare in wildlife obtained progeny at Helsinki Zoo. Among these were a hyacinth macaw, two Amur leopards, three wolverines, seven manuls, one takini and two Przewalski wild horses.

Recruiting across municipal boundaries

The aim of the projects dealing with the City’s personnel strategy was to safeguard adequacy of personnel resources, to develop know-how and work equipment, to promote rewarding and innovation, and to improve the management of change. The first City-level recruiting plan was drawn up together with the departments and the public utility companies. All Metropolitan Area Cities participated in the implementation.

In its first operational year, the work conducted by the Immigration Division focused on defining the role, goals and tasks of the division, and providing information thereon, as well as on starting the work for drawing up an immigration policy programme.

The personnel’s work capacity is supported

The Occupational Health Centre intensified the examination of work ability problems and the rehabilitation measures by establishing a special rehabilitation group. In addition to the early-stage support for maintaining work ability, a support model was developed for those returning to work from a long sick leave. ■

Financial statements 2007

The result for the City of Helsinki in the financial year 2007 indicated EUR 363.0 million and the surplus after adjustments to reserves and funds was EUR 257.8 million. The surplus was chiefly due to the tax revenues, which were EUR 123.0 million higher than the budget estimate, and a EUR 217.6 million surplus from Helsinki Energy.

The annual margin of EUR 544.8 million covered depreciation (EUR 294.2 million) and 84 per cent of the investments (EUR 648.6 million). The annual margin per inhabitant was EUR 958. In the past five years the annual margin per inhabitant has varied from EUR 587 to EUR 958.

The situation looks different if the City's economy is examined without the public utility companies. Excluding the public utilities, the annual margin was EUR 167.2 million, depreciation EUR 197.8 million and the original acquisition costs of investments EUR 347.9 million. In other words, the annual margin excluding public utility companies only covered 85 per cent of depreciation and 48 per cent of the investments.

The annual margin excluding public utility companies was EUR 294 / inhabitant. This annual margin has grown in the past five years from EUR 87 / inhabitant in 2003 to EUR 294 / inhabitant in 2007.

INDICATORS FOR THE FINANCIAL STATEMENTS 2007

Indicators for the profit and loss statement	2007	2006
Share of operating revenue from operating expenses, %	43	44.9
Annual margin, million euros	544.8	470.7
Share of annual margin from depreciation, %	182.4	158.8
Annual margin, euros/inhabitant	959	834
Annual margin excl. public utility companies, euros/inhabitant	294	230
Number of inhabitants	568,400	564,521
Indicators for the funds statement	2007	2006
Internal financing of investments, %	85.3	84
Internal financing of capital expenditure, %	70	55.9
Debt servicing margin	4.5	5.8
Cash 31 December, 1,000 euros	780,553	728,069
Cash sufficiency, days	67	63
Indicators for the balance sheet	2007	2006
Gearing ratio, %	76.9	76.6
Relative indebtedness, %	35.3	34.1
Debt-to-equity ratio, %	-0.9	-0.7
Loan portfolio, 31 December, million euros	718	680
Loans, euros/inhabitant	1,263	1,205
Loan receivables, 31 December, million euros	1,021	976

Calculation formulae for indicators for the financial statements 2007

Indicators for the profit and loss statement

Share (%) of operating revenue from operating expenses

= 100 * Operating revenue / (Operating expenses - Manufacturing for own use)

Share (%) of annual margin from depreciation

= 100 * Annual margin / Depreciation

Annual margin, euros/inhabitant

A municipality-specific target value for this indicator can be obtained by dividing the average level of investments by the number of inhabitants.

Indicators for the funds statement

Internal financing of investments, %

= 100 * Annual margin / Original acquisition costs of investments

Internal financing of capital expenditure, %

= 100 * Annual margin / (Original acquisition costs of investments + Net increase in lending + Loan amortisations)

Debt servicing margin

= (Annual margin + Interest expenses) / (Interest revenue + Loan amortisations)

Cash 31 December

= Financing securities as well as cash in hand and bank receivables

Cash sufficiency, days

= 365 days x Cash 31 December / Cash payments in the financial year

Indicators for the balance sheet

Gearing ratio, %

= 100 * (Capital + Depreciation difference and voluntary reserves) / (Balance sheet total - Advances received)

Relative indebtedness, %

= 100 * (Liabilities - Advances received) / Revenue

Debt-to-equity ratio

= 100 * (Interest-bearing liabilities - Cash in hand and financing securities) / Capital

Loan portfolio 31 December

= Liabilities - (Advances received + Accounts payable + Accruals + Other payables)

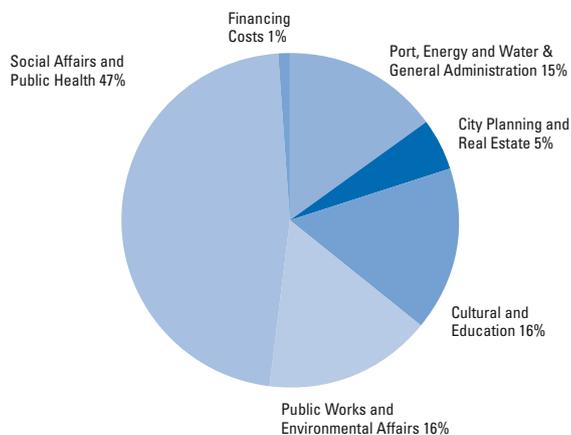
Loans, euros/inhabitant

The amount of loan per inhabitant is calculated by dividing the above-mentioned loan portfolio by the number of inhabitants in a municipality on the last day of the financial statements year.

Loan receivables 31 December

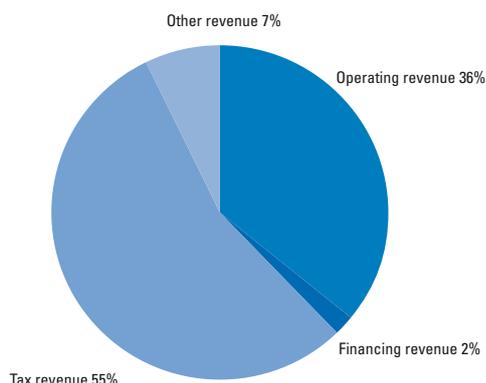
= Bond receivables and other loan receivables entered as investments

Distribution of expenditure 2007



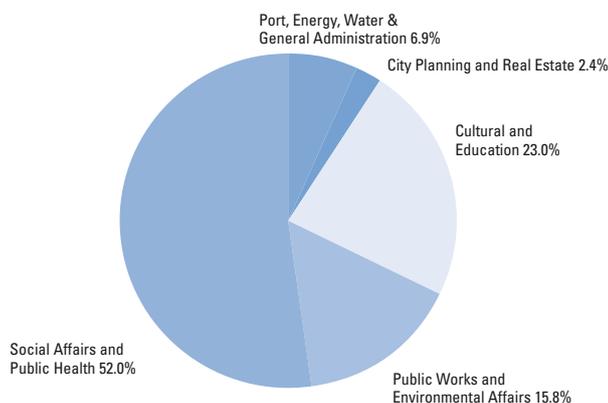
Total 3,872.7 million euros

Distribution of revenue 2007



Municipal tax 17,5%
Total 4,133.2 million euros

Personnel by sector 2007



Total 38,623

According to the 2007 financial statements estimates, the average annual margin of the municipalities in mainland Finland was EUR 368 / inhabitant and covered 131 per cent of depreciation.

The comparison of the 2007 profit and loss statement with the previous year is complicated by the corporatisation of the electrical network operations of Helsinki Energy into a separate limited company on October 1, 2006. The figures for 2006 include the electrical network operations from January 1 to September 30, 2006, which can be seen particularly when comparing the operating revenue and the operating expenses with the previous year.

The City's operating revenue decreased by one percentage unit from the previous year, whereas the operating expenses grew by 3.5 per cent. The operating revenue excluding public utility companies increased by 2.1 per cent and the operating expenses by 5.3 per cent. In the past five years the share of operating revenue from operating expenses has remained at the same level, varying from 41.5 per cent to 44.9 per cent.

In 2007, a total of EUR 117.0 million was entered as incidental income, chiefly sales profits from fixed and long-term assets. A total of EUR 74.4 million was transferred to funds from the EUR 363 million profit for the financial year. The most significant transfer was EUR 47 million to the Kamppi-Töölönlahti Area Investment Fund. EUR 17.5 million was entered as income from funds. Additionally, an increase in the investment reserves reduced the profit by EUR 48.4 million, of which the Port of Helsinki share was EUR 33 million. In that way, the surplus for the financial year was EUR 257.8 million. The surplus for the financial year includes the public utility companies' surpluses, i.e.: Helsinki Energy EUR 217.6 million, Helsinki Water EUR 2.9 million, Palmia Service Centre of the City of Helsinki EUR 3.3 million and Helsinki Textile Services EUR 11,642. The Port of Helsinki and Helsinki City Transport reported a zero result.

At year-end the cash affets were EUR 52.5 million higher than at the beginning of the year.

The cash received was EUR 5,027.9 million and cash paid EUR 4,916.6 million. At year-end the cash sufficiency was 67 days. In other words, the cash could cover the cash payments for 67 days. In the past five years, cash sufficiency has varied from 57 days to 67 days, which indicates that the City's liquidity has remained good throughout the whole period.

In recent years, the indicator for internal financing of investments has grown steadily from 69.8 per cent in 2003 to 85.3 per cent in 2007. This indicator tells about the sufficiency of the annual margin for the original acquisition costs of investments.

In 2007 the debt servicing margin was 4.4. This indicates the sufficiency of cash-flow financing for the payment of interests and amortisations on liabilities. The municipality's debt servicing capacity is considered good if the indicator rate exceeds 2. In the past five years, the City's debt servicing margin has remained over 2.

On December 31, 2007 the balance sheet total was EUR 10,212.3 million. There was a EUR 428.1 million growth from the previous year. On the Assets side, the largest increase was EUR 194.3 million at the point of advance payments and construction in progress, which was due to the investments in progress in the Port of Vuosaari. By means of land acquisitions, there was an increase of EUR 81.2 million in the balance sheet value of land and water areas. On the Liabilities side of the balance sheet, the largest increases were EUR 311.2 million in capital due to the surplus for the financial year, as well as EUR 75.2 million in long-term liabilities due to loans taken by the Port of Helsinki.

The repayments on borrowings totalled EUR 93.9 million. A new loan of EUR 130 million was taken by the Port of Helsinki for the investments to be made in the Port of Vuosaari. Relative indebtedness, which indicates what percentage would be needed from a municipality's revenue in order to pay back the lia-

bilities was 35.3 per cent. In the past five years, the value of the relative indebtedness indicator has varied from 34.1 per cent to 39.6 per cent. At year-end the loan portfolio was EUR 718 million, i.e. EUR 1,263 / inhabitant.

The gearing ratio, which measures a municipality's solidity was 76.9 per cent. In the past five years, the gearing ratio has varied from 74.7 per cent to 76.9 per cent. An average of 70 per cent solvency is considered a good target level for municipal finances.

The aim is to create a situation in the medium term where the funding for basic services is on a more stable ground than today, and the service level is not dependent on the entering of additional income from business operations, chiefly from Helsinki Energy. In this target situation, the budgeted annual margin of actual operations covers depreciation, whereas the annual margin for 2007 only covered 85 per cent of depreciation.

Because of the positive economic development in 2007, the significantly improved employment situation and the tax revenue development that was more positive than in previous years, followed by a peak in the national economic cycle, the City's finances can be balanced on a long term basis. It is important to bring the finances into balance as the future economic development is overshadowed by the growing insecurity in the international economy and its possible reflections on the development in Finland and the Helsinki Metropolitan Area, as well as by the influence of the ageing population on the workforce supply and the tax base.

The City Board proposes to the City Council that the profit of EUR 363,027,081.73 before reserve and fund entries be dealt with as follows:

In accordance with the proposal by the Technical Committee, the Helsinki Energy surplus of EUR 217,563,608.88 be transferred to the Helsinki Energy balance sheet as capital.

In accordance with the proposal by the Technical Committee, the Helsinki Water surplus of EUR 2,861,047.88 be transferred to the Helsinki Water balance sheet as capital.

The Port of Helsinki surplus/deficit for the financial year amounts to EUR 0.00.

The Helsinki City Transport surplus/deficit for the financial year amounts to EUR 0.00.

In accordance with the proposal by the Commercial Services Committee, the Helsinki Textile Services surplus of EUR 11,642.65 be transferred to the Helsinki Textile Services balance sheet as capital.

In accordance with the proposal by the Commercial Services Committee, the Palmia Service Centre surplus of EUR 3,276,242.71 be transferred to the Palmia Service Centre balance sheet as capital.

The Housing Loan Fund surplus of EUR 1,504,174.88, the Housing Production Fund surplus of EUR 22,733,795.23, the Sports and Recreation Fund surplus of EUR 884,618.27, the Insurance Fund surplus of EUR 2,178,043.80 and the Innovation Fund deficit of EUR 3,575,968.69 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 that the results for the financial period from other operations be dealt with as follows:

An amount of EUR 5,204,928.34, 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 land sales income of EUR 46,961,007 from the Kamppi-Töölönlahti area be transferred to the Kamppi-Töölönlahti Area Investment Fund.

An amount of EUR 8,651,109.84, equivalent to the actual expenditure, be entered as income from the Suburban Fund.

As proposed by the Housing Production Commission, an amount of EUR 29,000 be transferred from the profit of the Housing Production Department for the financial year to the Housing Production 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 surplus of EUR 34,082,483.05 for other operations after reserve and fund entries be entered under Helsinki City capital as surplus/deficit from previous financial years.

Additionally, the City Board proposes to the City Council that EUR 200,000,000 from the retained earnings of the Helsinki Energy balance sheet be entered under Helsinki City capital as surplus/deficit from previous financial years in accordance with the proposal by the Technical Committee.



CITY OF HELSINKI PROFIT
AND LOSS STATEMENT

	MILLION EUROS	
	Dec 31 2007	Dec 31 2006
OPERATING REVENUE		
Sales revenue	946.4	975.3
Fee revenue	145.3	139.9
Support and subsidies	66.6	72.6
Rent revenue	250.7	241.8
Other revenue	68.8	62.5
	1,477.7	1,492.1
MANUFACTURING FOR OWN USE	102.5	94.2
OPERATING EXPENSES		
Personnel expenses		
Salaries and fees	-1,159.7	-1,111.9
Personnel social expenses		
Pension expenses	-346.4	-313.0
Other personnel social expenses	-88.0	-83.2
Purchases of services	-1,146.2	-1,086.0
Materials and supplies:		
Subsidies	-265.5	-257.5
Rent expenses	-120.1	-115.7
Other operating expenses	-272	-54.9
	-3,538.3	-3,418.4
OPERATING MARGIN	-1,958.2	-1,832.2
Taxes and state subsidies		
Tax revenue	2,262.3	2,093.7
State subsidies	181.5	174.0
	2,443.8	2,267.7
Financial revenue and expenses		
Interest revenue	75.4	46.6
Other financial revenue	19.3	15.5
Interest expenses	-34.9	-26.3
Other financial expenses	-0.8	-0.6
	59.1	35.2
MARGIN FOR THE FINANCIAL YEAR	544.8	470.7
Depreciation and write downs		
Depreciation according to plan	-294.2	-296.3
Write downs	-4.5	0.0
	-298.7	-296.3
Extraordinary revenue and expenses		
Extraordinary revenue	117.0	242.6
Extraordinary expenses	0.0	-21.6
	117.0	221.0
RESULT FOR THE FINANCIAL YEAR	363.0	395.3
Change in reserves and funds		
Change in depreciation difference	0.0	2.3
Change in reserves	-48.4	-134.2
Change in funds	-56.9	24.3
	-105.2	-107.7
NET PROFIT/LOSS FOR THE FINANCIAL YEAR	257.8	287.7

CITY OF HELSINKI FUNDS
STATEMENT

	MILLION EUROS	
	January 1 - December 31 2007	2006
CASH FLOW FROM ACTUAL OPERATIONS		
Annual margin	544.8	470.7
Extraordinary items	117.0	221.0
Cash-flow financing adjustment items	-140.6	-235.3
	521.2	456.4
CASH FLOW OF INVESTMENTS		
Investment expenditure	-648.6	-566.4
Financing portion of investment costs	9.6	5.7
Proceeds from sale of fixed and long-term assets	123.9	507.7
	-515.1	-52.9
CASH FLOW FROM ACTUAL OPERATIONS AND INVESTMENTS	6.0	403.4
FINANCING OPERATIONS CASH FLOW		
Changes in lending		
Increases in lending	-66.0	-247.2
Reductions in lending	21.1	25.5
	-44.9	-221.7
Changes in loan portfolio		
Increase in long-term loans	130.0	0.0
Reduction in long-term loans	-93.9	-58.9
Change in long-term loans	1.1	0.0
	37.2	-59.0
Changes in capital	-0.2	8.2
Other changes in liquidity		
Changes in assignment assets	11.4	-12.4
Changes in current assets	-7.9	12.2
Change in receivables	-9.4	-24.3
Non-interest bearing debts	60.3	43.2
	54.3	18.6
FINANCING OPERATIONS CASH FLOW	46.5	-253.8
CHANGE IN CASH IN HAND	52.5	149.6
Change in cash in hand		
Cash in hand 31.12.	780.6	728.1
Cash in hand 1.1.	-728.1	-578.5
	52.5	149.6

CITY OF HELSINKI BALANCE SHEET

	MILLION EUROS	
	Dec 31 2007	Dec 31 2006
ASSETS		
FIXED AND LONG-TERM ASSETS		
Intangible assets		
Intangible rights	36.8	37.4
Other long-term expenditure	32.5	39.0
Advance payments	0.3	0.3
	69.7	76.7
Tangible assets		
Areas of land and water	2,665.4	2,584.2
Buildings	1,392.8	1,410.1
Fixed structures and equipment	1,712.0	1,662.1
Machinery and equipment	200.5	200.6
Other tangible assets	9.4	9.0
Advance payments and construction in progress	583.4	389.1
	6,563.4	6,255.1
Long-term investments		
Shares and holdings	797.3	788.4
Bonds receivables	279.2	225.1
Other loan receivables	741.8	750.9
	1,818.3	1,764.4
RESERVES FOR ASSIGNMENTS		
State assignments	384.2	391.6
Donated funds special margins	4.0	3.8
Other reserves for assignments	259.9	249.5
	648.1	645.0
INVENTORIES AND SHORT-TERM ASSETS		
Current assets		
Materials and supplies	69.6	64.1
Unfinished products	3.2	0.8
	72.9	64.9
Receivables		
Long-term receivables		
Loan receivables	0.1	0.1
Other receivables	3.6	4.4
	3.7	4.4
Short-term receivables		
Accounts receivable	92.0	84.0
Loan receivables	0.9	1.2
Other receivables	58.1	50.9
Accrued revenue and deferred expenditure	104.7	109.4
	255.7	245.6
Total receivables	259.4	250.0
Investments		
Investments in money-market instruments	550.1	719.0
Cash and bank receivables	230.5	9.0
TOTAL ASSETS	10,212.3	9,784.2

CITY OF HELSINKI BALANCE SHEET

	MILLION EUROS	
	Dec 31 2007	Dec 31 2006
LIABILITIES		
CAPITAL		
Founding capital	2,972.4	2,972.4
Revaluation reserve	1,831.7	1,835.0
Other own reserves	516.2	459.4
Other equity	729.0	729.0
Surplus/deficit from previous financial years	1,041.8	754.3
Surplus/deficit for financial year	257.8	287.7
	7,349.0	7,037.7
DEPRECIATION DIFFERENCE AND VOLUNTARY RESERVES		
RESERVES		
Depreciation difference	111.2	111.3
Voluntary reserves	387.1	338.7
	498.4	450.0
STATUTORY RESERVES		
Pension reserves	302.1	319.6
Other statutory reserves	21.7	47.8
	323.8	367.4
ASSIGNMENT CAPITAL		
State assignments	384.5	391.9
Donated foundations capital	4.0	3.8
Other assignment capital	258.4	236.5
	646.8	632.3
LIABILITIES		
Long-term		
Bonds	20.0	20.0
Loans from financial and insurance institutions	637.7	566.4
Loans from public corporations	0.0	0.1
Accounts payable	0.0	0.0
Subscription fees and other payables	12.8	8.7
	670.5	595.3
Short-term		
Bonds	0.0	35.0
Loans from financial and insurance institutions	58.7	58.7
Loans from public corporations	1.2	0.2
Advances received	8.9	12.9
Accounts payable	175.7	162.1
Other payables	88.4	81.2
Accrued expenses	390.8	351.4
	723.8	701.5
Total liabilities	1,394.3	1,296.8
TOTAL LIABILITIES AND CAPITAL	10,212.3	9,784.2

Bericht des Oberbürgermeisters

Im Jahr 2007 konnte die Stadt Helsinki eine positive wirtschaftliche Entwicklung verzeichnen. Die Steuereinnahmen lagen über den budgetierten Summen, und zur Finanzierung der Grundversorgung trug auch das gute Ergebnis der Helsinki Energie bei. Es konnte ein vielfältiges kommunales Dienstleistungsangebot gewährleistet und das Stadtbild weiter entwickelt werden.

Die Jahresdeckung reichte zur Abdeckung der gesamten Abschreibungen sowie von 85 Prozent der Investitionen aus. Es muss dennoch berücksichtigt werden, dass das Wirtschaftsgleichgewicht in Helsinki in den vergangenen Jahren von einem guten Ergebnis der städtischen Unternehmen abhängig gewesen ist. Berücksichtigt man also bei der Betrachtung des Haushalts die städtischen Unternehmen, deckt die Jahresdeckung nur 85 Prozent der Abschreibungen und weniger als die Hälfte der Investitionen ab.

Ziel ist, die Abhängigkeit vom Jahresüberschuss der Helsinki Energia nach und nach aufzulösen, um eine stabilere Finanzierungsgrundlage für die Grundversorgung zu schaffen. Die Zukunftsperspektiven der Wirtschaftsentwicklung werden von der zunehmenden Unsicherheit der internationalen Wirtschaft überschattet, die sich auch auf die Entwicklung in Finnland und der Hauptstadtregion auswirken könnte. Die Steuerbasis der kommenden Jahre wird zusätzlich von dem durch die Bevölkerungsalterung verursachten Arbeitskräftemangel geschwächt.

Zur Stärkung der Steuerbasis wurden umfangreiche Maßnahmen unternommen. Durch eine unternehmensfreundliche Erwerbspolitik sollen in Helsinki mehr Arbeitsplätze geschaffen werden. Die wohnungspolitischen Maßnahmen zielen auf eine Steigerung des Wohnungsbaus auf jährlich 5000 Wohnungen. Die großen, in den Hafengebieten freiwerdenden Gebiete werden mit Hinblick auf eine vielfältige Einwohnerstruktur konzipiert.

Wir arbeiten mit vollem Elan an der Erhöhung der Anziehungskraft von Helsinki. Während der Austragung des Eurovision Song Contest zeigte sich Helsinki im vergangenen Mai als pulsierende Stadt voller Leben. Ihren Ruf als guter Veranstaltungsort und interessantes Reiseziel konnte die Stadt in den Augen der internationalen Öffentlichkeit weiter erhöhen. Besonders wird auf den Ausbau des Stadtzentrums gezielt, um es zu einer attraktiven Veranstaltungsbühne zu entwickeln, die das ganze Jahr Einheimische und Gäste heranzieht. Maßnahmen zur Belebung der Rathausviertel wurden bereits von Helsingin Leijona Oy, einem hierfür gegründeten Unternehmen, eingeleitet.

Die Zusammenarbeit der Hauptstadtregion und der 14 Kommunen der Region Helsinki hat 2007 konkrete Ergebnisse hervorgebracht. Es wurde ein Konsens erreicht über den dem Staatsrat vorzulegenden Stadtgebietsplan sowie das Realisierungsprogramm Bodennutzung, Wohnen und Verkehr. Die im Verlauf des Jahres gegründeten Länsimetro Oy, Metropolia Ammattikorkeakoulu (Berufshochschule) Oy und MetropoliaLab zeigen, dass die Städte der Hauptstadtregion fähig und gewillt sind, über Kommunalgrenzen hinweg zum Wohl der Bürger zusammenzuarbeiten.

Jussi Pajunen
Stadtdirektor
Oberbürgermeister

KENNZAHLEN ZUM JAHRESABSCHLUSS 2007

Gewinn- und Verlustrechnung	2007	2006
Betriebseinkünfte/Betriebsaufwendungen, in %	43	44,9
Jahresdeckung, in Mio. Euro	544,8	470,7
Jahresdeckung/Abschreibungen, in %	182,4	158,8
Jahresdeckung, Euro/Einwohner	959	834
Jahresdeckung ohne Unternehmensbetriebe, Euro/Einwohner	294	230
Einwohnerzahl	568 400	564 521
Kapitalflussrechnung	2007	2006
Selbstfinanzierung von Investitionen, in %	85,3	84
Selbstfinanzierung von Kapitalaufwendungen, in %	70	55,9
Deckungsquote über Kreditlaufzeit	4,5	5,8
Geldbestand 31.12., in 1000 Euro	780 553	728 069
Liquidität, in Tagen	67	63
Bilanzkennzahlen	2007	2006
Eigenkapitalsquote	76,9	76,6
Relative Verschuldung, in %	35,3	34,1
Verschuldungsgrad, in %	-0,9	-0,7
Kreditbestand, 31.12, in Mio. Euro	718	680
Kredite, Euro/Einwohner	1 263	1 205
Kreditforderungen, 31.12, in Mio. Euro	1 021	976

Rapport du maire de Helsinki

Du point de vue financier, l'année 2007 a été bonne pour la ville de Helsinki. Les recettes fiscales ont dépassé les estimations et le bon résultat de la société Helsingin Energia a aidé pour sa part au financement des services de base. Il a été ainsi possible d'offrir des services variés aux habitants et d'améliorer l'environnement de la ville.

La marge annuelle a permis de couvrir les amortissements ainsi que 85 % des investissements. Cependant, il ne faut pas oublier que l'équilibre économique de Helsinki de ces dernières années a été très dépendant du bon résultat des entreprises de service public. En considérant l'économie de la ville sans les entreprises de service public, la marge annuelle n'aurait permis de couvrir que 85 pour-cent des amortissements et moins de la moitié des investissements.

L'objectif est de se libérer progressivement de cette dépendance aux résultats excédentaires de Helsingin Energia et d'obtenir ainsi un financement des services de base sur un fond plus durable. L'incertitude croissante de l'économie internationale, qui peut avoir aussi un impact sur le développement de la Finlande et des environs de la capitale, assombrit les perspectives d'avenir du développement économique. La pénurie de main-d'œuvre causée par le vieillissement de la population affaiblira également la base fiscale des prochaines années à venir.

Nous avons d'ailleurs déjà pris des mesures d'actions diverses pour renforcer cette base fiscale. Nous essayons par une politique d'activités économiques favorable aux entreprises d'augmenter le nombre d'emplois à Helsinki. L'objectif de la politique du logement est d'augmenter la construction de logements à 5000 unités par an. Les projets relatifs aux grandes surfaces libérées de zones portuaires visent à assurer une structure de population variée.

Quant au développement de l'attraction de la ville de Helsinki, nous sommes dans la bonne voie. La ville était à son plus animé l'année dernière en mai lors du concours Eurovision de la chanson. Notre réputation en tant que bon organisateur d'événements et de destination touristique intéressante a grandi aux yeux du public international. Le but est de développer, en parti-

culier dans le centre de Helsinki, une scène d'événements attirant tout autant les citoyens de la ville que les touristes tout au long de l'année. L'animation des pâtés de maisons entourant la mairie est déjà en cours grâce à l'efficacité de la société Helsingin Leijona Oy.

La coopération entre la région capitale et 14 communes voisines a apporté des résultats concrets pendant l'année 2007. Nous sommes parvenus à une entente aussi bien sur le plan de la région capitale présenté au Conseil des ministres que sur le programme de réalisation de l'occupation des sols, du logement et du système de transports. Les sociétés Länsimetro Oy, Metropolia Ammattikorkeakoulu (Polytechnique) Oy et MetropoliaLab, fondées au cours de l'année, ont montré que les villes de la région capitale ont la capacité et la volonté d'agir pour le bien des habitants au-delà des limites communales.

Jussi Pajunen

Maire de la ville de Helsinki

ÉLÉMENTS COMPTABLES RELATIFS À LA CLÔTURE DES COMPTES DE L'ANNÉE 2007

Élément comptables relatifs au compte de résultat, millions d'euros	2007	2006
Pourcentage des recettes et des dépenses de fonctionnement	43	44,9
Marge annuelle, millions d'euros	544,8	470,7
Pourcentage de la marge annuelle rapporté aux amortissements	182,4	158,8
Marge annuelle, euros par habitant	959	834
Marge annuelle sans entreprises de service public, euros par habitant	294	230
Nombre d'habitants	568 400	564 521
Élément comptables du tableau de financement	2007	2006
Pourcentage de l'autofinancement des investissements	85,3	84
Pourcentage de l'autofinancement des mises de fonds	70	55,9
Marge de service des emprunts	4,5	5,8
Fonds de roulements au 31.12, millions d'euros	780 553	728 069
Adéquation de caisse par jour	67	63
Bilan	2007	2006
Ratio d'autofinancement, %	76,9	76,6
Ratio dettes d'affaire, %	35,3	34,1
Taux d'endettement, %	-0,9	-0,7
Prêt portant intérêt au 31.12, millions d'euros	718	680
Emprunts, euros par habitant	1 263	1 205
Prêts au 31.12, millions d'euros	1 021	976

Обзор мэра города

2007 год стал для города Хельсинки хорошим с экономической стороны. Доходов от налогов было получено больше ожидаемого, а хорошие результаты работы Helsingin Energia помогли финансировать оказание основных услуг населению. Жителям города стали предлагать разные новые услуги и было улучшено состояние городской среды.

Годовой доход полностью скомпенсировал амортизацию и покрыл 85% от инвестиций. При этом надо учитывать, что экономическое равновесие г. Хельсинки в течение последнего года было в сильной зависимости от хороших результатов деятельности торговых предприятий. Если рассматривать экономику города без учета деятельности торговых предприятий, то годовой доход позволял бы покрыть только 95% амортизации и менее половины инвестиций.

Мы стремимся постепенно уменьшать зависимость от неординарных результатов деятельности Helsingin Energia и таким образом перевести финансирование основных услуг на более стабильную основу, чем сейчас. Будущее экономического развития осложняется растущей дестабилизацией международной экономики, что может также осложнять развитие Финляндии и ее столичного района. Количество облагаемых налогом объектов будет также снижаться из-за грозящего в ре-

зультате старения населения снижения количества рабочей силы.

Уже были предприняты некоторые меры для увеличения количества облагаемых налогом объектов. В Хельсинки стремятся к увеличению числа рабочих мест при помощи способствующей предпринимательской деятельности политики. Жилищно-политической мерой является увеличение строительства жилой площади до 5000 квартир за год. Освобождаемые большие портовые территории преобразуются для проведения там разнообразного жилищного строительства.

Много делается и для того, чтобы сделать город Хельсинки более притягательным.. В течение прошлого года самое большое оживление в Хельсинки наблюдалось в мае, во время проведения там конкурса песни Евровидения. В глазах международного общества росла слава Хельсинки как умелого организатора мероприятия и в качестве интересной цели путешествия. Была поставлена цель превратить Хельсинки, особенно центр его, в арену, где в течение всего года происходят события, притягивающие внимание как горожан, так и приезжих. Силами созданного акционерного общества Helsingin Leijona OY уже начато украшение жилых кварталов города.

Совместная работа столичного района и 14 муниципальных округов Хельсинки дала в 2007 году конкретные результаты. Они пришли к общему мнению как по представляемому правительственному совету градостроительному проекту, так и по плану реализации программ землепользования, жилищного и дорожного строительства. Созданные в течение года Länsimetro Oy, Metropolia Oy и Metropolilab показали, что города столичного района имеют и возможности и желание работать на благо жителей и за пределами округа.

Юсси Паюнен
Мэр города

ПОКАЗАТЕЛИ ГОДОВОГО БУХГАЛТЕРСКОГО ОТЧЕТА ЗА 2007 ГОД

Показатели отчета о прибыли	2007	2006
Производительность производственных расходов, %	43	44,9
Годовая валовая прибыль в миллионах евро	544,8	470,7
Годовая валовая прибыль в % к расходам	182,4	158,8
Годовая валовая прибыль в евро на жителя	959	834
Годовая валовая прибыль без учета торговых предприятий в евро на жителя	294	230
Общая численность населения	568 400	564 521
Показатели денежного оборо	2007	2006
Внутреннее финансирование инвестиций,%	85,3	84
Внутреннее финансирование затрат капитала,%	70	55,9
Обслуживание займов	4,5	5,8
Денежные средства 31.12., в 1000 евро	780 553	728 069
Достаточность кассы, дней	67	63
Балансовые показатели	2007	2006
Степень аутентности, %	76,9	76,6
Относительная задолженность,%	35,3	34,1
Степень задолженности,%	-0,9	-0,7
Ссудный капитал, 31.12. в миллионах евро	718	680
Ссуда, в евро на жителя	1 263	1 205
Поступления от возвращения долга	1 021	976



Brief Facts about Helsinki

HELSINKI

Founded in 1550
The Finnish capital since 1812

AREA AND ENVIRONMENT

Total area 686 km²
Land 186 km²
green areas and parks 31 %
Population density
inhabitants per sq. km 3,044
Shoreline 98 km
Islands 315

MEAN TEMPERATURE IN 2007

whole year 7.0°C
warmest month, June 17.6°C
coldest month, February - 7.9°C

POPULATION

Total population
2007/2008 568,531
Age groups %
0-6 6.5
7-15 8.2
16-64 71.1
65-74 7.4
75+ 6.8
Life expectancy 78.2
men 74.4
women 81.4
Finnish nationality % 93.6
Other nationals % 6.4
Finnish-speaking % 84.9
Swedish-speaking % 6.1
Other languages % 9.0

HOUSING 2006

Dwellings total 317,745
owner-occupied
dwellings 44.8 %
Housing density,
m²/person 34.0
Rented dwellings
owned by the city (2004) 53,000

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 2006 .. 35,413
Labour force (15-74 year olds) 2007
employed 297,776
unemployed 19,280
participation rate, % 72.6
Degree of unemployment, % 6.1

TRANSPORT AND COMMUNICATIONS 2007

Registered cars per 1,000
inhabitants 372
Public transport within the city,
total journeys 190 mil.
Mobile phones per 100
inhabitants (in Finland) 103
Internet users (15-74yr)
percentage of population 79%

ENERGY AND WATER SUPPLY 2006

Sales of electricity 8,532 GWh
Sales of district heating 7,183 GWh
Sales of water 74.6 M.m³
Water consumption
per capita per day 256 l
Treated waste water 93.2 M.m³

HEALTH CARE 2007

City sub-district health centres 26
City hospitals 8
Primary health care:
primary health care visits total 3.6 M
visits to health centres, etc 3.2 M
dental care visits 0.4 M
total per inhabitant 6.3
Average number of patients in
institutional care
every day 2,084
in city hospitals 2,028
in contract hospitals 56
visits per 1,000 inhabitants 3.7
Specialized medical care:
Out-patient visits total 0.9 M
in city units 0.2 M
in contract outpatient clinics 0.7 M
total per inhabitant 1.6
Average number of patients in
institutional care every day 1,267
in city units 271
in contract hospitals 996
visits per 1,000 inhabitants 2.2

SOCIAL WELFARE 2007

Child daycare places¹ per
100 1-6-year-olds 64.6
Places in sheltered
housing for the elderly 2,282
per 100 persons aged 75+ 6.0
Places in institutional care 2,402
per 100 persons aged 75+ 6.3

¹ 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 11
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 2007

City library
Book loans, millions 9.6
Loans per inhabitant 170
Museums 74
Recreational trails and
jogging tracks, km 216
Swimming pools 14
Sports halls and gyms 29

TOURISM 2007

Passengers (millions)
via Helsinki-Vantaa airport 12
via the Port of Helsinki 9
via Helsinki railway station 48
Hotel guests (millions) 1.6
overnight stays, total 2.8
of which foreigners 1.7
Hotels 47
rooms 7,717
beds 14,334
International conferences
and events 87
participants 21,670



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