

City of Helsinki Annual Report

2017



Helsinki

Helsinki

As Finland was part of Sweden in the 16th century, King Gustav Vasa founded Helsinki in 1550. The town was moved from its original place at the mouth of the Vantaa River to its present-day location during the reign of Queen Christina in the 1640s. Tsar Alexander I of Russia named Helsinki the capital of Finland in 1812, three years after the country became an autonomous Grand Duchy of the Russian Empire. Finland became an independent nation in 1917, and Helsinki remains the nation's capital. At year-end 2017, the population of Helsinki was 643,272. The city is the core of an economic area of 1.5 million people and 700,000 jobs.

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Mayor's foreword

Helsinki is in the midst of a highly remarkable stage of urban evolution. The city's population continues to grow rapidly and at an accelerating rate. Step by step, construction yards right at the edges of the inner city will evolve into new city districts with streets, parks, homes and day care centres.

According to the vision of the Helsinki City Strategy approved by the City Council in the autumn, the goal of the City of Helsinki urban development is to make Helsinki the world's most functional city. Helsinki is already highly functional by many respects. We have been ranked high in a large number of international surveys on the quality of life, education, the environment and safety. Tourism numbers reaching record high levels tell their story about Helsinki's international appeal and charm.

However, competition for new residents, enterprises and visitors will not ease in the future but will become increasingly intense as the pull of the biggest cities grows globally. In order to be the world's most functional city, Helsinki must become a little bit more modern, more service-minded, more fun and more international day by day.

The role of cities in solving the major global challenges of our times will inevitably be growing.

The role of cities in solving the major global challenges of our times will inevitably be growing. Cities are solution-oriented and agile in searching for answers to the challenges of social segregation, climate change, public participation and digitalization. As the world's most





functional city, Helsinki can best solve the problems related to people's everyday lives, so that Helsinki is a good place to live, to be an entrepreneur, to work and to visit.

Today the state of Helsinki's economy is stable. But the ability of a growing city to invest has to be secured, with regard to the best interests of the city and citizens, and with adherence to the principles of long-range economic policies. The proposed regional government, health and

social services reform, if realized, would introduce significant instability to the City economy.

The Helsinki City organization was fundamentally transformed last year, when more than 30 City depart-

ments and municipal enterprises were reorganized into four divisions. The organizational reform was coupled with a new political governance system. The Mayor and four Deputy Mayors, elected by the City Council from among its members, are elected officials chosen by Helsinki residents. As a result of the organizational reform, the City administration can become more flexible, more resident-oriented and less bureaucratic. This, too, is an important step towards being a more functional city.

A functional city offers its citizens a good everyday life. That is an outcome of good services, a safe and welcoming environment and attention paid to resident needs. The components of a good everyday life include high-level education, good early childhood education and equal access to social and health care services. Key components of a good everyday life and a fun urban life are versatile cultural experiences and opportunities for enjoyable sports activities.

Helsinki grows and develops strongly. Helsinki is Finland's only metropolis. It is in the best interests of the whole nation to ensure that Helsinki, together with the other big cities of Finland, will be successful and create wealth for all of Finland.

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develops strongly.
Helsinki is Finland's only
metropolis.

Jan Vapaavuori
Helsinki Mayor

City Manager's overview

On 1 June 2017, the City of Helsinki underwent its biggest transformation for decades. The City's top management and the entire City organization of 37,000 employees were reformed.

The transformation was not evident to citizens immediately, but the purpose of the reform is to make visible changes in the near future. The goals of the City with the reform are to produce services more smoothly and efficiently and to be more customer oriented. The City strives to achieve these goals with an organizational structure that replaces more than 30 former City departments and municipal enterprises with four divisions and Central Administration.

The reform was carried out because of the challenges to the City administration caused by the fractured nature of the organization, some overlaps and bureaucracy. The reform should result in better, faster and more flexible services to citizens, businesses and communities. That is the cornerstone of the reform.

At the same time with the organizational reform, the City adopted a new mayoral system. According to this system, the new Helsinki Mayor and four Deputy Mayors are politically elected officials. According to the former system, the Mayors were office holders.

The goal of the new mayoral system is to strengthen democracy. The results of municipal elections are reflected on the City's governance more directly, when the Mayor and Deputy Mayors are elected after municipal elections for one City Council term at a time. The goal is also to strengthen the roles

I extend by sincere gratitude to all makers of the transformation.

of the City Council, the City Board and other elected bodies in governance.

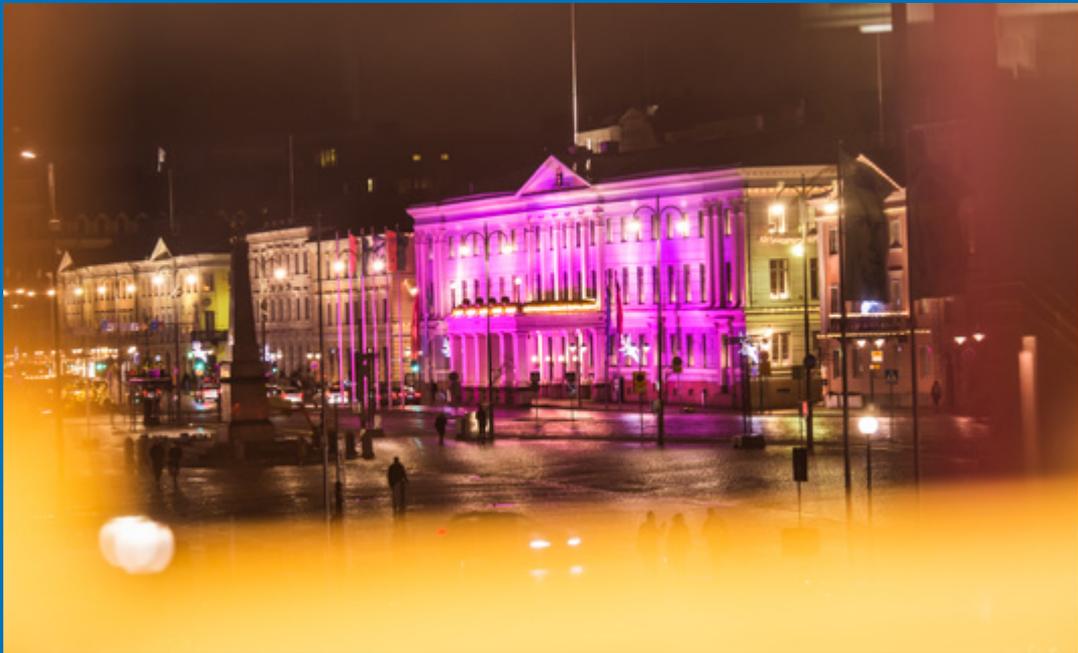
The success of the reform can be thoroughly evaluated only with time and more experience. But after more than half of the first year behind us, it is possible to draw some preliminary conclusions.

First of all, the City organization as a whole and individual actors have carried out the transformation process excellently, and I extend my sincere gratitude to them for the achievement. The transformation required major preparations to make it work from day one. We have learned new things fast, as old structures have been removed and job descriptions have changed.

Another conclusion is that the transformation is far from finished – which is to be expected. We are still learning, and many more things will change. Some pieces still wait to find their places. We have more to develop and work on. But we are absolutely moving in the right direction.

Sami Sarvilinna
City Manager





City Manager Sami Sarvilinna

- Planning, preparation and executive body for the City Council and the City Board
- Overall development of the city
- Internal auditing

Central administration organizations

Board of Service Centre

- Service Centre municipal enterprise

Board of Financial Management Helsinki

- Financial Management Services (Talpa) municipal enterprise

Board of Occupational Health Helsinki

- Occupational Health Helsinki municipal enterprise

Board of Construction Services

- Construction Service (Stara) municipal enterprise

Key figures

Operating income EUR 86 million

Operating expenses EUR 321 million

Operating expenses per capita EUR 498

Personnel * 4258

share of total personnel 11 %

** Including the personnel of Helsinki Zoo, Service Centre, Construction Service (Stara), Financial Management Services (Talpa), Audit Department and Occupational Health Helsinki*

City Executive Office

The Helsinki City Executive Office is the planning, preparation and executive body for the City Council and the City Board. The City Executive Office is responsible for the overall development of the city and for central administration. The office is subordinate to the City Board.

The main task of the City Executive Office in 2017 was to launch the City's new governance system and new organization based on four divisions. The office executed these tasks smoothly and without major disruptions to operations.

The City underwent a major transformation at the beginning of June, when the new City Council took their seats. The City adopted a new mayoral system, and some of the first tasks of the new City Council were to elect the Mayor and four Deputy Mayors. The new organizational structure went into effect at the same time, replacing the more than 30 departments and municipal enterprises of the former organizational structure.

The new governance system has brought many changes to the operations of Central Administration and the preparation of issues for decision-making. The goals are to abolish overlaps and to provide increasingly efficient services for residents.

The preparation of the new Helsinki City Strategy, which was named The Most Functional City in the World, was a methodical process that included seminars involving the City Council and division committees. Officials of the City Executive Office provided assistance for the process. The City Council approved the City Strategy for 2017–2021 at its meeting of 27 September.

The new mayoral system represented a major transformation in governance.

New procurement structure

The year was particularly demanding for the City's financial management because of the governance system reform. Alterations to the format of the original 2017 budget and to appropriations to comply with the new organizational structure were prepared and passed on to decision-making by the City Council.

The reform also reorganized the City procurement. The operations of the former Procurement Centre, which was an independent department, were transferred to the procurement and competitive bidding unit of the City Executive Office's Economic Development and Planning division. The unit issues public bids for joint City procurement and the City Executive Office's own procurement. The unit steers procurement and tackles the grey economy. The City divisions conduct their own procurement outside joint procurement.

The operations of the former Urban Facts were incorporated into the City Executive Office. The unit for urban research and statistics published 83 research and statistical reports during the year. They provided a multidimensional presentation on the demo-



graphics, wellbeing, housing, the integration of immigrants and urban culture in Helsinki.

The City Executive Office's Legal Services division serves the Helsinki City Group in legal matters. The division assists the City Group in the preparation of issues, provides specialist legal services and conducts the City's legal advocacy. Among other issues, Legal Services has handled complaints concerning the City Plan, that is, the City's long-term land use plan. Cases handled by Legal Services attracting public interest include a cartel of asphalt paving companies, fraud and corruption in the Public Works Department, misuse related to equipment purchases in the Education Department, and a fake physician employed by the City health care services.

Support for startups

Helsinki seeks to be Europe's most business-friendly city. One of the outcomes of this endeavour is the highly successful Maria 01 tech startup community operating in the premises of the former Maria hospital of Helsinki. At year-end, Maria 01 was the home base of close to 100 startups, 700 employees and 10 investment funds. The entire hospital campus is projected to develop into the biggest startup and tech venture hub in the Nordic countries.

NewCo Helsinki is a business advisory and startup services provider for new entrepreneurs and startups. It helps startups to develop their business ideas and to find contacts.

The City business advisory services helped to found more than 1,000 new businesses, and one-third of the customers were foreign born. The City is an active player in International House Helsinki, which is a new centralized, one-stop station that provides information and public authority services for immigrants.

The City has a new brand

A new brand was developed for the City and approved. The goal with the brand is to make Helsinki increasingly well recognized and a more attractive city on the basis of

Helsinki seeks to be Europe's most business-friendly city.

Helsinki's own strengths and action. The City staff committed themselves to fulfilling the brand promise of "powerful deeds done together".

Helsinki also adopted a new visual identity, which is applied in all symbols and materials of the City with the exception of some special uses and occasions. The new visual identity promotes a uniform and easily recognizable image of Helsinki. The identity is based on the shield shape of the old Helsinki symbol and the word Helsinki. The traditional symbol of Helsinki continues to represent the City but only in ceremonial occasions.

A new public participation and interaction model was produced for the City, and it was approved by the City Board. A local public guide is hired for every district to further public participation. A new policy of participatory budgeting will allow citizens to influence the allocation of some of the City budget. Participatory budgeting will be applied by every City division.

City Executive Office transformed

The personnel of the City Executive Office grew by more than one hundred new employees, as Urban Facts, Procurement Centre and the Oiva Akatemia training institute joined the office. The total number of personnel at the City Executive Office is about 750.

The municipal enterprises Service Centre, Occupational Health Helsinki, Financial Management Services Talpa and Construction Service Stara are part of Central Administration.

Helsinki Zoo, which used to be an independent City department, became a Helsinki City Group foundation at the beginning of 2018.



Deputy Mayor Pia Pakarinen, National Coalition Party

Chair of Education Committee

Liisa Pohjolainen, Executive Director

- Early childhood education, preschool education, comprehensive education
- General upper secondary and vocational education including Finnish Adult Education Centre
- Swedish-language education including Swedish Adult Education Centre Arbis

Key figures

Operating income	EUR 73 million
Operating expenses	EUR 1099 million
Operating expenses per capita.....	EUR 1704
Personnel.....	12 877
share of total personnel.....	39 %

Education

The Education Division is responsible for the City of Helsinki's early childhood education, preschool education, comprehensive education, general upper secondary education, Finnish-language vocational education and adult education

The Education Division is implementing a major pedagogical reform aiming at good learning for children, youth and adults. The main theme of the reform is digitalization of teaching and learning.

The goal with digitalization is to effect a permanent change in the pedagogical culture, and schools have been encouraged to develop their digital skills. Digitalization pilot programmes have been carried out at more than 60 schools. The teaching staff and principals have been trained extensively. More than half of teachers have reached a skills level to meet the digi.fi requirements.

Close to 16,000 computers were acquired for use by students in 2016–2017. All teachers received laptop computers by the end of 2017. Nearly all day care centres, schools and other educational institutions are connected to a wireless network, and the goal is to have the rest connected soon.

The physical learning environments of schools have been developed to render them open and flexible. They should enable varied learning methods and strengthen group learning. New schools are designed and old ones renovated according to these principles.

Phenomenon-based learning

Helsinki had 128 comprehensive schools educating more than 51,000 students in 2017. City-owned Finnish-language comprehensive schools had 37,627 students and Swedish-language comprehensive schools

3,532 students. Private and State-owned comprehensive schools had 9,912 students. There were 38 general upper secondary schools, 15 of which were owned by the City. The City's Finnish-language general upper secondary schools had more than 7,000 students and Swedish-language general upper secondary schools more than 1,200. Private and State-owned general upper secondary schools had about 5,800 students.

Helsinki's phenomenon-based learning was recognized with Helsinki Design Award. Phenomenon-based learning was strengthened at all schools. This is a method of learning by which phenomena are explored from the perspectives of more than one school subject. Every student studies at least two such multidisciplinary topics during a school year. Students participate in the planning of the topics and selection of working methods.

According to a new school health survey, the health of elementary school students in Helsinki is good, and their lifestyles seem to have improved. Challenges include sedentary lifestyles, increasing overweight and lack of sleep.

Health differences between general upper and vocational secondary school students have narrowed, as the overall health of vocational students has improved by many measures, whereas the overall health of students in general upper secondary education has weakened. The number of young people who do not drink or smoke has increased.

However, the school health survey also indicates alarming trends. Children in Helsinki feel somewhat healthier than the national average, but one in five girls in secondary education feel that their health is poor. Girls



are more tired and depressed than boys, and one in three skips the school lunch.

According to the survey, the learning environment has improved at Helsinki schools but bullying still occurs despite active anti-bullying efforts. Too many young people feel lonely.

Delight in day care

Two out of three 1–6 year olds participate in City-provided early childhood education and preschool education. The number of children in Finnish-language day care centres was more than 23,000 and that in Swedish-language day care centres nearly 1,900. More than 1,200 children were placed in contracted day care or family day care. Both Finnish and Swedish-language early childhood education adopted a new early childhood curriculum.

A programme to provide the services of maternity and child health clinics at day care centres was extended to 40 new day care centres. The services comprise a health check for 3 year olds at day care centres and a meeting among the parents, a day care employee, a nurse and a dental nurse. Parents can choose whether to have their 3 year old checked at the day care centre or a maternity and child health clinic.

Parents rated early childhood education very good in a customer survey. One parent commented, “Good pals and play are things that the child talks about and enjoys. The day care centre’s safe routines are important to the child.”

“Children greatly enjoy themselves in day care.” Parents gave this statement the mark 4.5 on a scale of 1–5. Placement in day care and questions related to day care placement options received weaker marks.

Preconditions for integration

Helsinki Vocational College organized the National Skills Competition Taitaja 2017 at the Messukeskus Helsinki convention and expo centre. This was the main event for vocational education celebrating the Finland 100 centenary year of Finnish independ-

Helsinki’s phenomenon-based learning was recognized with Helsinki Design Award.

ence. Nearly 600 young people competed in vocational skills ranging from Autobody and Repair to Caring to Pastry Cook catering services. The three-day event attracted nearly 100,000 visitors.

The City Board allocated an appropriation for better integration of asylum seekers and immigrants. Helsinki Skills Center was founded as part of the efforts to facilitate the access of immigrants to training, to help immigrants to find a job and to promote the opportunities of immigrants to acquire adequate Finnish language skills.

The Finnish Adult Education Centre remained popular. Courses were provided for more than 82,000 persons, and classes totalled nearly 104,000. Customer satisfaction was high according to a survey. An important theme at the Finnish Adult Education Centre to celebrate the Finland 100 centenary year was forest. The main event of the centre’s programme highlighting the role of forest for all of us was a forest festival.

The Swedish Adult Education Centre Arbis organized Swedish-language reading and writing classes for immigrants. The first employment-related Swedish-language immigrant integration programme in the Helsinki metropolitan area was completed in the autumn.

As part of the City governance reform, the former Education Department, Department for Early Education and Care, the Finnish Adult Education Centre and the Swedish Adult Education Centre Arbis were combined into the Education Division. The division employs about 13,000 education professionals.



Deputy Mayor Anni Sinnemäki, Greens

Chair of Urban Environment Committee

Mikko Aho, Executive Director

- Land use and city structure
- Buildings and public areas
- Services and permits

Division organizations

Rescue Committee

- Helsinki City Rescue Department

Executive Board of Helsinki City Transport

- Helsinki City Transport (HKL)

Key figures

Operating income EUR 1060 million
 Operating expenses EUR 703 million
 Operating expenses per capita EUR 498

Personnel* 3442
 share of total personnel 9 %

** Including the personnel of Helsinki City Rescue Department and Helsinki City Transport*

Urban Environment

The Urban Environment Division is responsible for the planning, construction and maintenance of Helsinki's urban environment. The division is also responsible for building control and environmental services.

The City Council approved a new City Plan, that is, a long-term land use plan, in late 2016. An implementation programme has been drawn up for the execution of the plan. Related studies on an expansion of the tram network and further development of public transport in the inner city were completed in 2017.

Residential zoning was continued especially in large project areas including Hernesaari, Pasila and Kruunuvuorenranta. The zoning of the Malmi airport area was continued.

Zoning for infill construction was carried out extensively to increase density in many areas, and detailed plans were completed for the Herttoniemi hospital area, the Laajasalo shopping centre area, Aromikuja in the centre of Vuosaari and the Töölö hospital. These areas will be developed with extensive residential construction.

Residential construction plans for more than 700,000 square metres of floor area were approved. Infill construction represented just over half of the floor area. The majority of the new homes will be located in the vicinity of the current or planned commuter rail system. Plans were completed for more than 170,000 square metres of non-residential and public buildings.

Busy construction activity

Construction activity was robust. The numbers of new building permits, construction projects started and completed buildings

**Nearly 5,000
new homes were
completed.**

were higher than average both in residential and non-residential construction.

The number of homes completed was 4,890, more than 90 per cent of them in multi-storey buildings especially in the Länsisatama area, Vuosaari, Lauttasaari and Herttoniemi. Construction activity will remain robust, as more than 5,000 new homes were started during the year.

Extensive non-residential construction is also underway. The main non-residential projects are the Kalasatama shopping centre Redi, the Tripla complex in Central Pasila, the Hartela project in Pasila's Ilmala and the third phase of Technopolis in Salmisaari.

The in-house construction services provider of the Urban Environment Division completed building construction projects worth EUR 268 million and infrastructure projects worth EUR 170 million. The main City construction projects are the Central Library Oodi, a new campus for Helsinki Metropolia University of Applied Sciences in Myllypuro and the renovation of the Helsinki Olympic Stadium. The Stadium renovation is half financed by the Finnish Government.

The internal rental income of the City's Premises Services was EUR 216 million and external rental income about EUR 60 million. The City's external land lease income was EUR 211 million. Fixed assets were sold for



the sum of EUR 143 million. Buildings and equity were sold for EUR 46 million. City premises were in efficient use, as only 3.7 per cent of them were in low or no use.

Efficient digital services

The Urban Environment Division seeks to make services for Helsinki residents as smooth as possible. The division introduced a central customer service for permits and other urban environment questions. Customers are now served at a single phone number. Several projects were launched to improve customer experience.

A key goal of the division is to improve e-services. Digitalization of services was furthered, for example, by developing the Building Control's Lupapiste permit portal and the Arska service that gives customers online access to drawings and permit documents. Today all building permit applications are submitted online, and all planning documents are published on the City's map portal.

According to the Helsinki City Strategy, Helsinki seeks to become carbon neutral by 2035, and the Urban Environment Division began to draw up an action plan to achieve that goal.

The City boosts energy efficiency in its operations. One example is the replacement of conventional lights with LED lights in all street and park lighting. The energy consumption of outdoor lighting was reduced despite an increase in the lighting.

Major increases in rail transport

The public transport system of Helsinki and the whole metropolitan area was transformed in November, when the West Metro (Länsimetro) went into service. This extension of the metro system comprises the Lauttasaari and Koivusaari metro stations in Helsinki and six stations in Espoo. The West Metro is operated by Helsinki City Transport HKL, which runs the stations and systems and maintains the tracks.

The tram network was extended with a new track on the street of Välimerenkatu in Jätkäsaari. Tram lines were redrawn. Plans

The City Bikes have been a major success.

for the Raide-Jokeri light rail line moved forward, and the project's service providers were selected in late 2017.

77 per cent of all journeys to the city centre during the morning peak hours were made by public transport, which showed a 2.6 per cent increase over 2016. However, public transport use declined somewhat in east-to-west traffic. The share of public transport, bicycling and walking of all journeys went up.

The City Bikes bike-share programme has been a major success. The programme was expanded to comprise 140 docking stations and 1,400 bikes, nearly tripling the programme. The number of registered users grew to 34,000.

The city's public areas were kept functional and safe. Street maintenance categories were updated for snow ploughing. Two more bicycling routes were added to the routes maintained systematically over the winter months. Supervision of the winter maintenance of public transport stops was intensified.

Smooth services

The reform of the City organization, which took effect in June, combined seven separate departments into one division. The division is responsible for three types of operations: land use and city structure; buildings and public areas; and urban-environment related services and permits. The personnel of the Urban Environment Division numbered about 1,460 at year-end.

Helsinki City Transport and Helsinki City Rescue Department are included in the Urban Environment Division as separate organizations.



Deputy Mayor Nasima Razmyar, Social Democratic Party

Chair of Culture and Leisure Committee

Tommi Laitio, Executive Director

- Culture
- Sports services
- Youth work

Key figures

Operating incomeEUR 29 million
Operating expenses EUR 227 million
Operating expenses per capita..... EUR 352

Personnel..... 1814
share of total personnel..... 5 %

Culture and Leisure

The Culture and Leisure Division offers Helsinki residents services for mental and physical wellbeing as well as opportunities for education and active citizenship, supporting the dynamism of the city. The division comprises the City's cultural services: general cultural services, Helsinki City Library, Helsinki Art Museum (HAM), Helsinki City Museum, The Helsinki Philharmonic Orchestra, Sports Services and Youth Services. The division employs more than 1,800 people.

The seven cultural centres of the division developed resident-oriented cultural activities and events, which were successful in reaching out to Helsinki residents. Savoy Theatre celebrated its 30th anniversary and achieved a new record with a total audience of more than 95,000. Espa Stage cooperated with enterprises, the public sector and the third sector, and its free performances were some of the main summer attractions of Helsinki.

Helsinki City Library recorded 6.5 million visitors and an increase in the use of online library services, despite shorter opening hours than planned. Loans totalled close to nine million.

The structures of the new Helsinki Central Library Oodi went up in Helsinki's Töölönlahti area. The building will be completed in late 2018. Helsinki City Library professionals have been developing the Oodi operations for several years.

Helsinki City Library reaches annually more than four out of five Helsinki residents. It has 37 branches throughout the city and two touring library buses. Helsinki City Library also maintains 10 institutional libraries and a home service for those who cannot reach a library by their own means.

Library Oodi was under construction.

Museums enjoyed a successful year

The exhibitions and events of Helsinki Art Museum, HAM for short, attracted altogether 203,000 visitors to the museum's home base in Tennis Palace. The year's most popular exhibition was *Modern Life!*, which explored Finnish modernism and modernism's international dimension.

Other highly popular exhibitions at HAM were a retrospective of Japanese artist Yayoi Kusama, the story of Tyko Sallinen, and the exhibitions of Eero Nelimarkka, Pekka Kauhanen and Ole Kolehmainen. A Winter War memorial by Pekka Kauhanen was unveiled on the anniversary of the beginning of the war, 30 November. The memorial was presented to the City of Helsinki.

Helsinki City Museum also reached a new record. Museum visits numbered 434,000, and the total audience including online visitors was nearly 1.4 million. The new Helsinki City Museum, located at the Senate Square, recorded 362,000 visitors. The Helsinki City Museum family also includes Villa Hakasalmi, Worker Housing Museum, Tram Museum and the newly renovated Burgher's House Museum.

Helsinki City Museum conducted pioneering work with its helsinkiphotos.fi service, consisting of 50,000 high-resolution images, which anybody can browse and use for free. The museum won the Finnish Museum of the Year Award and other, international awards.

City of Helsinki museum activities were reinforced with a new joint collections



centre for HAM and Helsinki City Museum, located in Turvalaakso, Vantaa.

Helsinki Philharmonic Orchestra tours

The Helsinki Philharmonic Orchestra gave 46 ticketed symphony concerts at its home venue Helsinki Music Centre (Musiikkitalo). Popular music concerts numbered 5 and children's concerts 23. The orchestra also gave concerts at Helsinki Festival and Baltic Sea Festival in Stockholm, and it performed in the International Maj Lind Piano Competition in Helsinki.

The orchestra's autumn season included a chamber music week, during which ensembles of orchestra members performed at Helsinki museums and regional cultural centres. Many of the orchestra's dress rehearsals are open to the public, and some of the concerts are webcast on the City's Helsinki-kanava web channel and by the Finnish Broadcasting Company Yle.

The Helsinki Philharmonic Orchestra concerts had a total audience of 110,000. The orchestra's symphony concerts were sold at the high rate of 91.7 per cent of all seats.

Sports Services receive positive feedback

City sports services were used a total of 9 million times. Sports and swimming halls recorded a total of 1.8 million visits. Weather conditions presented challenges to outdoor sports, both in summer and in winter. However, visits to beaches totalled 760,000, exceeding projections. Owing to low snowfall, only a few ski tracks could be opened and maintained.

Customer satisfaction with City sports services improved further. On a scale of 1–5, customer satisfaction was 4.18, up from 4.07 in 2016.

The management of school sports halls for leisure activities during off-school hours was transferred to Sports Services on 1 June. The national action programme Finnish Schools on the Move was extended as a pilot project to secondary education, both

to general upper secondary schools and vocational schools.

Helsinki residents were encouraged to be physically active with various happenings for all ages. Several sports events organized in Helsinki were supported by the City with cooperation agreements. They included the world figure skating championships, Eurobasket, the aesthetic group gymnastics world championships, the traditional Helsinki Cup football tournament for children and young people, and outdoor ice hockey games on the Kaisaniemi field under the theme Helsinki Ice Challenge.

A fun Helsinki for all

Helsinki is a fun place for all young people – this is the goal of the City's Youth Services. The means to achieve the goal include leisure and small-group activities, courses, events, camps and international youth exchange. Altogether 2,820 groups were active during the year. The most popular youth leisure activity continues to be sports.

All 9th graders received a summer job voucher, which helped nearly 1,500 young people to find a summer job. The Youth Services projects included Safe Stadi (Safe City) to counteract hate speech.

The operations of the Ruuti public participation system for young people were expanded. The Ruuti participatory budgeting system, Ruuti Budjetti, was applied at 54 upper comprehensive schools. The system enables young people to exert influence on youth recreational opportunities and the contents of youth leisure activities. A total sum of 200,000 euros was presented at the Ruuti gala to activities proposed by young people, such as the development of café operations in Eastern Helsinki.

Ruuti Core Group elections were held at schools. Voter turnout rose markedly and was 39.9 per cent. The City Board approved the proposal to transform the Ruuti Core Group into the Youth Council, and 20 councillors aged 13–17 were elected.



Deputy Mayor Sanna Vesikansa, Greens

Chair of Social Services and Health Care Committee

Juha Jolkkonen, Executive Director

- Family and social services
- Health care and substance abuse services
- Hospital, rehabilitation and care services

Key figures

Operating incomeEUR 205 million
Operating expenses EUR 2 046 million
Operating expenses per capita.....EUR 3 174

Personnel.....14 699
share of total personnel..... 40 %

Social Services and Health Care

The Social Services and Health Care Division organizes social and health care services for Helsinki residents. The division provides opportunities to maintain and to improve general health and wellbeing. It prevents social and health-related problems, counteracting their adverse impacts.

Finland's social services and health sector is facing an unprecedented transformation, as the responsibilities for organizing services, internal structures and financing in the sector are about to be reorganized. Nevertheless, the City's Social Services and Health Care Division has not stood still to wait for the transformation but confidently develops its services further.

The City continued to develop a service model for health and wellbeing centres at the Töölö, Vallila and Vuosaari health stations. Development of a new health and wellbeing centre in Kalasatama continued throughout the year. The centre opened in February 2018. According to the service model, a customer can be assigned a health and wellbeing professional as needed to serve as a liaison and to coordinate the customer's service package and the collaboration of various experts for the customer's benefit.

The division developed services confidently.

In emergencies, patients were seen by a doctor at a health station on the same day. Non-urgent cases were seen by a doctor faster than in 2016. The benchmark was the average wait time to the third non-urgent appointment of a doctor, which was 13 days at Helsinki health stations. Health station visits are free of charge in Helsinki.

Wait times to oral health care were also shortened. The average wait time to the third non-urgent appointment of a dentist was 66 days, which was 12 days less than in 2016. Oral health care commissioned four mobile care units. They allow care to be targeted at risk groups and those who need high levels of care.

Support for families and the elderly

Social and health services for families have been developed according to a family-centre operation model. The goal is to build a one-stop service, in which customers can receive advice, guidance, service needs



assessments, customer service plans and family support all in one place.

The first family centre opened in Itä-keskus. It provides families with extensive basic-level and specialized social and health care services, as well as services of various organizations.

Advice and guidance to elderly residents were improved as part of the versatile-service-centre operation model. Service centres are social places that support customers' independent living at home, promote wellbeing and alleviate loneliness.

The goal is to give elderly customers and their friends and family advice, guidance and service needs assessments with regard to their strength and abilities, all at one phone number. A central information service for the elderly, called Seniori-info, was launched in December. A new website for the elderly, Stadin Seniori (City Senior), was also launched.

The share of Helsinki residents aged 75 and older living alone at home continued to rise according to plan and was 92.6 per cent at the end of 2017. The City redefined the eligibility for the family caregiver benefit.

E-services grew in popularity

The City developed services with close attention to feedback, opinions and requests gathered from customers. The approximately 4,000 online messages received were marked by an increase in positive feedback and a decline in negative feedback. For example, customers gave positive feedback on professionalism and friendliness and negative feedback on wait times to care. Feedback submitted with instant feedback devices at City service locations was mainly positive.

In addition to traditional services, the City offers more and more e-services, which have the benefit that they can be used at any time and at any place. At year-end, the customers of nine health stations could contact the stations electronically and report their concerns and requests online. The customers were replied by the next weekday.

The use of health e-services increased rapidly. E-visits exceeded 290,000, which represents nearly 6 per cent of all visits. E-services were also launched in some social services.

The Social Services and Health Care Division tested new forms of remote care, including personalized rehabilitation, memory rehabilitation and day activities. Approximately 7 per cent of the visits to customers made by Home Care Services and Service Centre were remote visits. The number of remote care customers was 1,030, averaging 600 per month. The most common reasons for remote visits were to remind customers to take medicines or to have a meal.

Narrowing welfare differences

The City's key goal in the development of Social Services and Health Care is to strengthen equality. The City seeks to reach those in need for help at an early stage and to narrow regional differences in health and wellbeing among residents and differences due to their economic and social status.

Helsinki combined social services and health care into one organization as early as the beginning of 2013. Therefore the transition in those operations was more limited than that in other City operations, when the entire City organization was reformed.

The personnel of the Social Services and Health Care Division numbered 14,700 at year-end, and nearly 80 per cent of them were permanent workers. The number of workers who spoke some other language than Finnish or Swedish as their first language was about 1,400. The turnover rate among permanent workers was about 10 per cent.

According to an occupational health survey, the strengths of the Social Services and Health Care Division include rewarding work and social capital. The main challenge is increased levels of stress experienced by the personnel.

City of Helsinki organization

The City Council, elected by direct popular vote in the municipal elections, is the highest decision-making body of Helsinki. The Council elects the Mayor and Deputy Mayors for the duration of the Council term from among the councillors and their alternates.

The Mayor chairs the City Board. The Deputy Mayors chair the division committees and serve as City Board members. The Mayor and Deputy Mayors are full-time, salaried elected officials.

City Manager and Executive Directors – the City’s highest public servants

Central Administration is led by the City Manager and the City divisions by Division Executive Directors as public servants. The Division Heads report to the City Manager.

City Manager

Sami Sarvilinna

Executive Director of Education Division

Liisa Pohjolainen

Executive Director of Urban

Environment Division

Mikko Aho

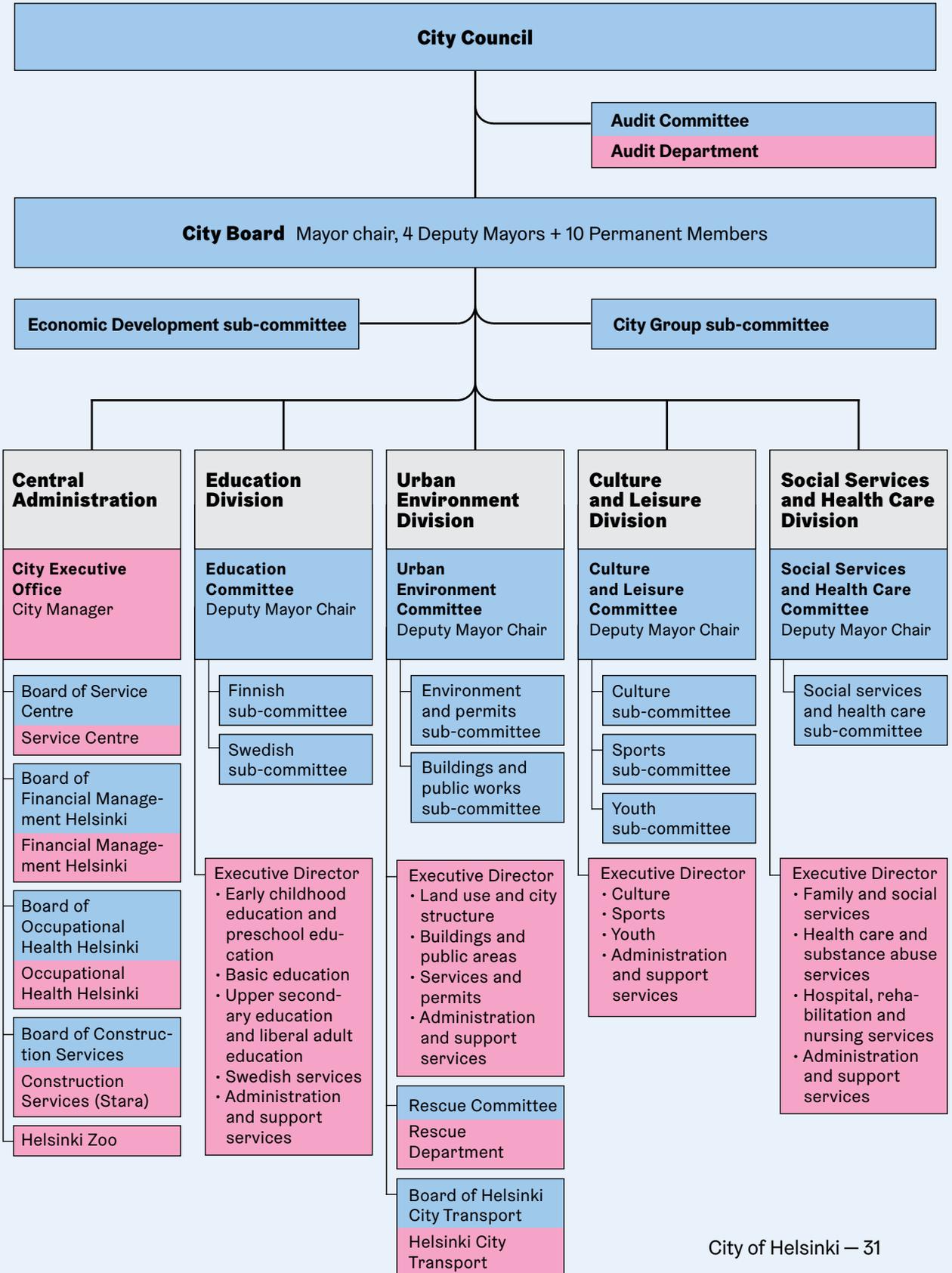
Executive Director of Culture and

Leisure Division

Tommi Laitio

Executive Director of Social Services and Health Care Division

Juha Jolkkonen





The new City Council held its first meeting in June 2017.



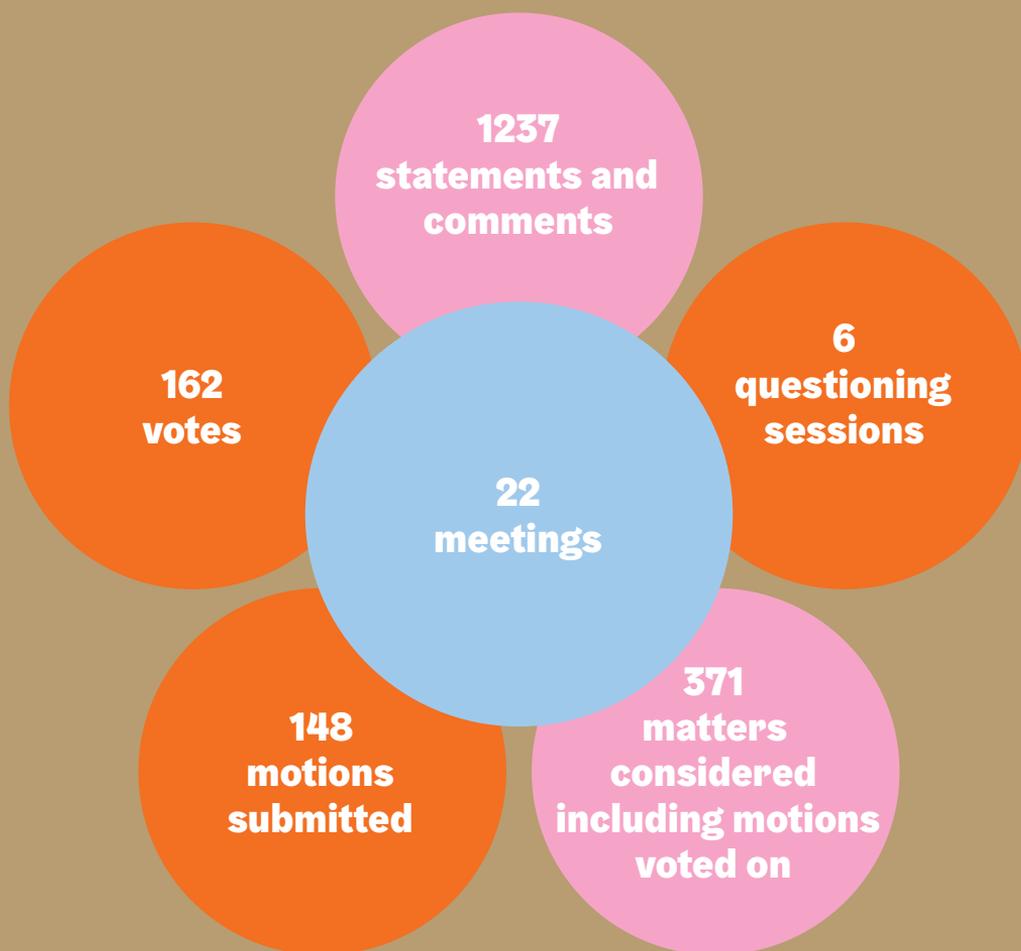
City Council

The City Council is the highest decision-making body of Helsinki. The Council governs the City by voting on proposals and passing resolutions on matters within the City's jurisdiction as well as by allocating the City budget.

The members of the City Council are elected as political party representatives by direct popular vote in national municipal elections that are held every four years. There are 85 Councillors and the same number of alternates. They serve in unpaid positions of trust.

The latest municipal elections were held in the spring of 2017, and the new City Council took their seats on 1 June. The Council represents 11 political parties and groups.

During the regular season, the City Council meets every two weeks. The meetings are normally open to the general public, who can attend the meetings at a dedicated section in the Council chamber. The Council meetings are webcast live and available on demand on the City's web channel Helsinki-kanava. The meeting agendas and decisions are published on the City website.

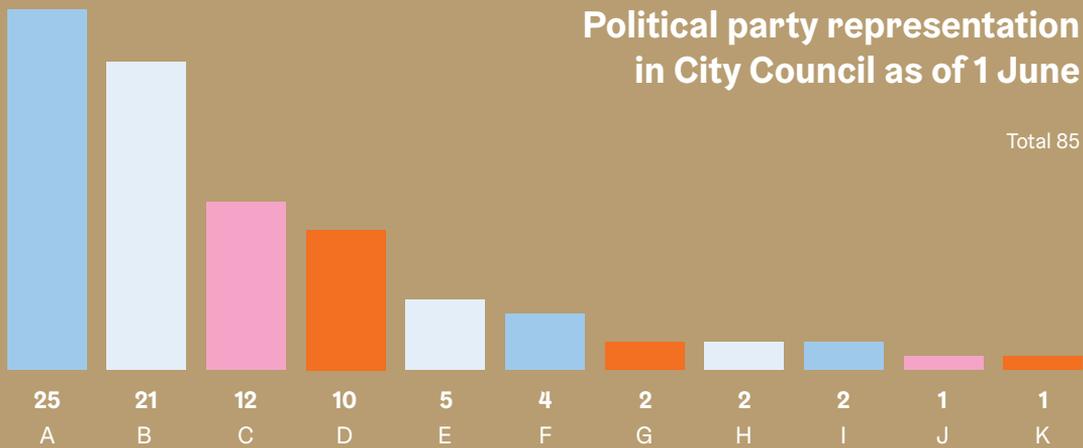




City Council chairs (from left): Harry Bogomoloff, 1st Vice Chair, Tuuli Kousa, Chair and Pentti Arajärvi, 2nd Vice Chair

Political party representation in City Council as of 1 June

Total 85



(A) National Coalition Party • (B) Greens • (C) Social Democratic Party • (D) Left Alliance • (E) Swedish People's Party • (F) Finns Party • (G) Centre Party • (H) Christian Democrats • (I) Blue Reform • (J) Feminist Party • (K) Pirate Party of Finland

Men
44 (52 %)

Women
41 (48 %)

City Board and divisions

City Board

The City Board is a Helsinki City Government body tasked to oversee administration and financial management, prepare matters for consideration by the City Council, implement the Council decisions and ascertain the legality of the Council decisions.

The City Board has 15 members. They comprise the Mayor, who chairs the Board meetings, the four Deputy Mayors and 10 other members elected by the City Council for a two-year term.

Mayor Jan Vapaavuori, Chair, National Coalition Party •
Otso Kivekäs, 1st Vice Chair, Greens • Paavo Arhinmäki, 2nd Vice Chair, Left Alliance



City Board chairs (from left): Paavo Arhinmäki, 2nd Vice Chair, Mayor Jan Vapaavuori, Chair and Otso Kivekäs, 1st Vice Chair

Economic Development Sub-committee

The City Board's Economic Development Sub-committee steers the City's economic development, competitiveness, immigration and employment policies.

The committee has 9 members elected by the City Council.

Jan Vapaavuori, Chair • Anni Sinnemäki, Vice Chair, Greens

City Group Division

The City Board's City Group Division oversees the operations of the Helsinki City Group ensuring that the City Group subsidiaries and foundations fulfil the functions and meet the goals defined by the City Council and the City Board.

The City Group Division has 9 members elected by the City Council for a two-year term.

Jan Vapaavuori, Chair • Jasmin Hamid, Vice Chair, Greens

Committees

Committees

Each of the four City of Helsinki divisions is overseen by a 13-member committee elected by the City Council for a four-year term. Each committee has 1–3 sub-committees. Central Administration and the City divisions also oversee the Executive Boards of municipal enterprises and the Rescue Committee. The Audit Committee reports to the City Council.

Education

Education Committee

- Finnish Sub-committee
- Swedish Sub-committee
-

Urban Environment

Urban Environment Committee

- Environment and Permits Sub-committee
- Buildings and Public Works Sub-committee

Rescue Committee

Executive Board of Helsinki City
Transport (HKL) municipal enterprise

Culture and Leisure

Culture and Leisure Committee

- Culture Sub-committee
- Sports Sub-committee
- Youth Sub-committee

Social Services and Health Care

Social Services and Health Care Committee

- Social Services and Health Care Sub-committee

Executive Boards of municipal enterprises

- Service Centre municipal enterprise
- Financial Management Services municipal enterprise
- Occupational Health Centre municipal enterprise
- Construction Services Public Utility

Other

- Audit Committee
- Elections Central Committee.
The committee convenes in conjunction with elections.



Brief facts about Helsinki

Helsinki	
Founded in 1550	
Finnish capital since 1812	

Area and environment	
Total area, km ²	719
Land, km ²	217
Population density, inhabitants km ²	2 964
Shoreline, km	123
Islands	315

Mean temperature (2017)	
Whole year	6.6°C
Warmest month, August	16.2°C
Coldest month, February	-2.0°C

Population	
Total population 2017/2018	643 272
Age groups %	
• 0–6	7.2
• 7–15	7.9
• 16–64	68.1
• 65–74	9.6
• 75+	7.0
Life expectancy	81.2
• men	78.2
• women	83.8
Finnish nationality, %	90.5
Other nationals, %	9.5
Finnish-speaking, %	79.1
Swedish-speaking, %	5.7
Other languages, %	15.2

Housing (2016)	
Dwellings total	356 975
Owner-occupied dwellings, %	41.9
Housing density m ² /person	33.8
Rental dwellings owned by the city, 2017	46 743

Labour market	
Jobs, 2016	426 500
• primary production (SIC A-B), %	0.1
• processing (SIC C-F), %	10.6
• services total (SIC G-S), %	87.7
Market services (SIC G-N, R-S), %	61.7
Public administration, welfare services (SIC O-Q), %	26.0
Other or unknown (SIC T-X), %	0.6
Number of companies, 2015	48 530
Labour force (15–74 year olds) 2015	
• employed	328 900
• unemployed	30 200
Participation rate, %	71.1
Unemployment rate, %	8.4

Transport and communications (2017)	
Registered cars per 1,000 inhabitants	412
Public transport within the city, total journeys	211 M
Mobile phones per 100 inhabitants (in Finland)	172
Internet users (aged 16-89), percentage of population	95

Energy and water supply (2016)

Electricity	6 442 GWh
Heating	6 653 GWh
Water (Helsinki Metropolitan Area)	72.6 M m ³
Daily water consumption per capita (Helsinki Metropolitan Area)	225 l
Processed wastewater	98.8 M m ³

Health care (2017)

City sub-district health centres	25
City hospitals ¹	5

Primary health care

Primary health care visits total	6.2 M
• visits to health centres, etc	5.6 M
• dental care visits	0.5 M
• total per inhabitant	9.5

Average number of patients in institutional care every day	778
• in city hospitals	697
• in contract hospitals	80
• visits per 1,000 inhabitants	1.2

Specialized medical care

Out-patient visits total	1.2 M
• in city units ²	0.4 M
• in contract outpatient clinics	0.8 M
• total per inhabitant	1.8

Average number of patients in institutional care every day	1 010
• in city units	410
• in contract hospitals	600
• visits per 1,000 inhabitants	1.6

Social welfare(2017)

Children in early childhood education ³ per 100 1–6-year-olds	61.2
Places in service centres for the elderly	2 818
• per 100 persons aged 75+	6.2
• places in institutional care ⁴	1 360
• per 100 persons aged 75+	3.0

Education (2016)

Educational structure

% of 15-year-olds and older with	
• comprehensive school certificate only	26
• secondary education	33
• tertiary education	41

Number of educational institutions in Helsinki

• Universities	3
• Universities of applied sciences	5
• Vocational training institutions	20
• Comprehensive schools and general upper secondary schools	142

Culture and leisure (2017)

City library	
• book loans, millions	8.9
• loans per inhabitant	13.9
Museums	59
Recreational trails and jogging tracks, km	216
Swimming pools	13
Sports halls and gyms	32

Travel (2017)

Passengers (millions)	
• via Helsinki Airport	19
• via the Port of Helsinki	12
• via Helsinki railway station (local traffik)	63
(long-distance traffic)	7
Hotel guests (millions)	2.4
• overnight stays, total	3.8
• of which foreigners	2.1
Hotels	61
• rooms	10 109
• beds	19 631
International conferences and events	367
• participants	72 000

¹ Herttoniemi, Laakso, Malmi, Suursuo, Haartman, Aurora.

² Including the psychiatric day hospital. Figures include visits to the city's own or to outsourced services, as well as phone calls or other consultations that replace visits.

³ Includes municipal daycare centres, family centres and contract daycare centres.

⁴ Includes institutional care and long term care for the elderly.



Financial statements: Helsinki City economy is stable

Helsinki has managed the City economy with a long-range approach, and the City economy is stable.

The year 2017 was more positive for the Helsinki City economy than projected in the City budget. Operating margin was better than projected, and tax revenue was higher than projected. Interest expenses were lower than projected in the budget. As a result, annual contribution margin exceeded the budget forecast by EUR 359 million and was somewhat higher than in the previous year.

The City's investments in relation to appreciation were markedly higher than the national city average, even higher than the investments of the other large cities of Finland.

Although the state of the Helsinki City economy is strong, the proposed regional government, health and social services reform, if realized, would introduce instability to the City's economic development and the City's ability to make medium-term investments.

Helsinki grows rapidly. The city gained more than 9,000 new residents in 2017, which is more than ever since the 1960s. To maintain sustainable growth, the City needs to invest in services, residential construc-

tion and urban infrastructure. A growing city must be able to invest under all circumstances.

Busy residential construction

The number of new homes under construction remains at the level of 7,000 homes per year for the third consecutive year. This translates into roughly 5,000 new homes completed per year. Building permits were granted in 2017 for the construction of 8,200 new homes.

The City's investments excluding municipal enterprises were EUR 546 million. Including municipal enterprises, total investments were EUR 621 million in 2017.

The main investments comprised new tram cars (EUR 39.5 million), infrastructure construction in Kalasatama (EUR 30.4 million) and Helsinki Vocational College's renovation project on Prinsessantie (EUR 29.6 million).

Good profit for financial year

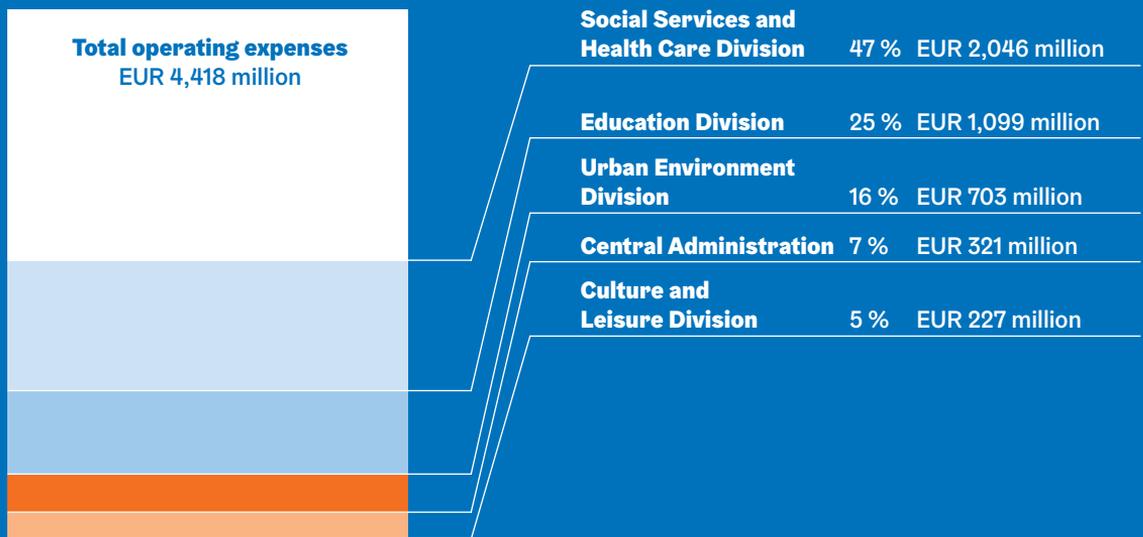
Profit for the financial year was EUR 483 million. The previous year's profit was EUR 470 million.

Annual contribution margin was EUR 838 million. Annual contribution margin indi-

Operating expenses and total income

Operating expenses

The numbers exclude municipal enterprises and funds. Internal transfers have not been eliminated.



Total income

The numbers exclude municipal enterprises and funds. Internal transfers have not been eliminated.



cates income financing available for investments and loan instalments. Annual contribution margin was EUR 359 million higher than projected in the budget, due in particular to higher tax revenue than projected.

The balance sheet total was EUR 14,497 million, up by EUR 248 million from the previous year.

The equity ratio was 79.6 per cent. The City's equity ratio has stayed above 75 per cent in recent years; the average goal in municipal economy is 70 per cent.

Growth in tax revenue

Tax revenue was EUR 3,380 million. Thus tax revenue exceeded the budget forecast by EUR 247 million and was 5.5 per cent higher than in the previous year.

Corporate tax revenue showed the biggest growth of all tax revenue (up by 33 per cent from 2016), due to a rise in Helsinki's municipality-specific apportioned share from the previous year's 26.7 per cent to approximately 29.1 per cent in 2017. National corporate tax revenue also developed favourably for reasons that include corporate divestments during the tax year 2016.

Municipal tax revenue was EUR 2,595 million (up by 0.4 per cent), with the municipal tax rate at 18.5 per cent. Corporate tax

revenue was EUR 528 million. Real estate tax revenue was EUR 257 million (up by 15.7 per cent).

State subsidies to Helsinki were EUR 220 million. A reduction in state subsidies (down by 30.3 per cent from 2016) was a result of the transfer of social assistance payments to the Social Insurance Institution of Finland (Kela) and cuts to state subsidies due to the impact of the Competitiveness Pact.

Loans amounted to EUR 1,871 per capita, down from EUR 2,157 per capita in 2016. Total loans were EUR 1,206 million at year-end 2017. The City's liquidity was 99 days at year-end. The City's liquidity includes the funds of City Group companies in the City Group account. The City's total loans (from financial institutions and insurance companies) were reduced by EUR 165 million.

The Helsinki City Group's annual contribution margin improved from 2016 to 2017 by approximately EUR 88 million and was EUR 1,393 million. The City Group's liquidity was 76 days at year-end.

Investment expenditure

Total investments, in million euros (2017)

Investment expenditure excluding municipal enterprises

Fixed assets	75.8
Buildings	192.0
Streets and other transport routes	137.5
Parks and sports areas	15.8
Acquisitions of current assets	45.3
Securities	72.4
Other equity	4.1
Helsinki Zoo	2.6
Total	545.7

Personnel

The City of Helsinki employed more than 37,000 people at year-end 2017. The number of employees went down by 2.6 per cent from 2016. Permanent employees represented 82 per cent and temporary employees 18 per cent of the total in 2017. The percentages remained unchanged from 2016. In addition to the total personnel, the City employed 765 persons under various employment programmes.

Women represented 76 per cent and men 24 per cent of the total personnel.

Total salaries and wages paid in 2017 were EUR 1.33 billion. The sum went down from the previous year, when salaries and wages totalled EUR 1.36 billion.

Number of employees by division at year-end

Division	Permanent employees	Temporary employees	All employees
Central Administration	3 833	425	4 258*
Education	10 206	2 671	12 877
Urban Environment	3 224	218	3 442**
Culture and Leisure	1 584	230	1 814
Social Services and Health Care	11 654	3 045	14 699
Total number of employees	30 501	6 589	37 090

* The numbers for Central Administration include Helsinki Zoo, Service Centre, the Construction Services (Stara) municipal enterprise, the Financial Services (Talpa) municipal enterprise, Audit Department and Occupational Health Helsinki.

** The numbers for Urban Environment include Helsinki City Rescue Department and Helsinki City Transport (HKL).

Indicators of 2017 financial statements

	Group		City	
	2017	2016	2017	2016
Financial indicators of profit and loss account				
Operating income of operating expenses, %*	60.7	61.2	29.2	31.8
Annual contribution margin, EUR million	1,393	1,305	838	807
Annual contribution margin, % of depreciation*	196.6	193.0	236.2	239.4
Annual contribution margin, EUR per capita*	2,160	2,053	1,300	1,270
Financial indicators of funds statement				
Cash flow accumulation from operations and investments over five years, EUR million, excluding the effect of the 2014 incorporation of municipal enterprises on accounts	-111.9	-532.9	184.4	-157.5
Internal financing of investments, %*	103.0	87.8	137.0	125.3
Debt coverage ratio*	3.5	2.1	4.7	2.4
Cash sufficiency, days*	76	59	99	79
Balance sheet indicators				
Equity ratio, %	61.7	60.3	79.6	77.6
Relative indebtedness, %	89.2	87.6	47.7	49.9
Debts and liabilities, % of operating income	97.8	93.3	54.2	53.0
Loans 31 Dec., EUR million	4,985	4,940	1,206	1,371
Loans, EUR per capita	7,732	7,772	1,871	2,157
Loans receivable 31 Dec., EUR million	480	479	1,894	1,951
City Group loans receivable 31 Dec., EUR per capita	745	753
Total population 31 December	644,700	635,600	644,700	635,600

* The effect of a change in the practice of entering extraordinary income and expenses in 2017 is taken into account in the numbers for 2016.

Calculation formulas for financial indicators

Operating income / operating expenses

= 100 x operating income / operating expenses – production for own use

Equity ratio %

= 100 x (shareholders' equity + depreciation difference + voluntary reserves) / (balance sheet total – advance payments received)

Annual contribution margin / depreciation, %

= 100 x annual contribution margin / (depreciation + amortisation and impairment)

Financial assets, EUR per capita

= (receivables + financial values + cash and bank receivable – liabilities + advance payments received) / population, 31 December

Relative indebtedness, %

= (liabilities – advance payments received) / (operating income + tax income + state subsidies)

Debts and liabilities, % of operating income

= 100 x (liabilities – advance payments received + lease liabilities) / operating income

Loans 31 December, EUR million

= liabilities – (advance payments received + accounts payable + deferred debts + other debts)

Debt servicing margin

= (annual contribution margin + interest expenses) / (interest expenses + loan instalments)

Internal financing for investments, %

= 100 x annual contribution margin / internal investment acquisition cost

Loans receivable 31 December

= debenture bonds receivable listed in investments and other loans receivable

City of Helsinki profit and loss account

EUR million

	1 January–31 December 2017	1 January–31 December 2016
Operating profit		
Sales income	327.6	329.1
Payment income	229.4	227.6
Supports and subsidies	48.8	112.3
Rental income	363.4	359.2
Other operating profit *	210.5	292.8
	1,179.7	1,321.0
Production for own use	135.1	117.1
Operating expenses		
Personnel expenses		
Wages and salaries	-1,353.6	-1,349.7
Secondary personnel expenses		
Pensions	-334.6	-360.8
Other secondary personnel expenses	-66.0	-85.4
Procured services	-1,703.3	-1,640.1
Materials, supplies and goods	-192.2	-193.1
Subsidies	-311.6	-443.7
Rental costs	-196.7	-186.1
Other operating expenses *	-17.2	-8.6
	-4,175.2	-4,267.6
Operating profit margin	-2,860.4	-2,829.5
Tax revenue and state subsidies		
Tax revenue	3,380.8	3,205.6
State subsidies	220.4	316.3
	3,601.2	3,521.9
Financing income and expenses		
Interest income	79.8	82.8
Other financing income	36.3	50.6
Interest expenses	-18.1	-18.0
Other financing expenses	-1.0	-0.4
	97.0	114.9
Annual contribution margin	837.9	807.4
Depreciation and impairment		
Depreciations according to plan	-354.8	-337.2
	-354.8	-337.2
Result for the financial period	483.1	470.2
Increase (-) or decrease (+) in depreciation difference	3.8	-13.9
Increase (-) or decrease (+) in depreciation difference	-3.9	16.3
Increase (-) or decrease (+) in funds	-1.6	-7.5
	-1.7	-5.1
Surplus / deficit (-) for financial period	481.4	465.0

* The numbers for the reference year have been adjusted due to a change in the manner of entering personnel fund assets.

City of Helsinki Cash Flow Statement

EUR million

	2017	2016
Operating cash flow		
Annual contribution margin *	837.9	807.4
Adjustments to internal financing	-173.7	-251.5
	664.2	555.9
Cash flow from investments		
Investment expenses	-621.4	-663.0
Financial contributions for investment expenses	9.7	18.8
Revenues from transfers of fixed assets	192.6	247.0
	-419.1	-397.1
Operating and investment cash flow	245.1	158.8
Cash flow from financing		
Changes in lending		
Additions to lending claims	-12.3	-9.9
Reductions to lending claims	69.5	67.3
	57.2	57.4
Changes in loan stock		
Additions to long-term loans	0.0	110.0
Repayments of long-term loans	-165.3	-320.7
	-165.3	-210.7
Changes in equity	0.0	0.0
Other changes in liquidity		
Changes in funds and capital for assignments	10.3	-5.9
Changes in current assets	-4.9	-2.2
Changes in receivables	21.8	-133.0
Changes in interest-free liabilities	32.6	315.1
	59.8	173.9
Cash flow from financing	-48.4	20.6
Change in liquid assets	196.7	179.4
Liquid assets 31 December	1,316.6	1,119.9
Liquid assets 1 January	1,119.9	940.4
	196.7	179.4

* The numbers for the reference year have been adjusted due to a change in the manner of entering personnel fund assets.

City of Helsinki balance sheet

EUR million

ASSETS	31 December 2017	31 December 2016
Fixed assets		
Intangible assets		
Intangible rights	12.6	17.6
Other long-term expenses	74.5	82.2
Advance payments	4.0	2.7
	91.1	102.5
Tangible assets		
Land and water areas	3,223.7	3,216.0
Buildings	1,689.3	1,678.0
Fixed constructions and equipment	1,430.1	1,347.9
Machines and equipment	344.8	265.4
Other tangible assets	12.3	12.2
Advance payments and unfinished procurement	324.2	346.9
	7,024.5	6,866.4
Investments		
Shares and interests	3,223.7	3,150.7
Other loan receivables	1,894.2	1,951.4
Other receivables	0.5	0.5
	5,118.5	5,102.7
Funds for assignments		
State assignments	124.5	132.1
Special contribution margins for endowment funds	4.4	4.4
Other assignment funds	456.4	543.8
	585.3	680.3
Current assets		
Current assets		
Materials and supplies	10.0	10.3
Unfinished products	12.2	7.1
Other inventories	0.1	0.1
	22.4	17.5
Receivables		
Long-term receivables		
Loan receivables	0.1	0.1
Other receivables	108.2	126.6
	108.3	126.6
Short-term receivables		
Sales receivables	87.7	53.3
Loan receivables	0.6	0.6
Other receivables	55.8	66.4
Transfer receivables	86.4	113.6
	230.5	233.9
Receivables in total	338.8	360.5
Marketable securities		
Investment in bonds	20.0	20.0
Cash and bank receivables*	1,296.6	1,099.9
TOTAL ASSETS	14,497.0	14,249.7

EQUITY AND LIABILITIES	31 December 2017	31 December 2016
Equity		
Initial capital	2,972.4	2,972.4
Revaluation reserve	1,800.1	1,806.4
Other internal funds	553.9	522.3
Other shareholders' equity	729.0	729.0
Surplus / deficit (-) from previous accounting periods	4,914.3	4,479.3
Surplus / deficit (-) for the financial period	481.4	465.0
	11,451.1	10,974.4
Depreciation difference and voluntary provisions		
Depreciation difference	62.3	66.1
Voluntary provisions	5.7	1.8
	68.0	67.9
Mandatory provisions		
Provisions for pensions	112.9	124.9
Equities for assignments		
State assignments	125.6	133.3
Equities for endowment funds	4.4	4.4
Equities for other assignments	438.0	515.0
	567.9	652.7
Liabilities		
Long-term		
Loans from financial institutions and insurance companies	1,092.7	1,248.5
Loans from other institutions	7.4	7.4
Advance payments received	4.0	0.3
Accounts payable	1.2	1.2
Connection fees and other debts	7.6	7.6
	1,112.9	1,265.0
Short-term		
Loans from financial institutions and insurance companies	105.8	115.3
Advance payments received	12.7	11.4
Accounts payable	186.3	141.1
Connection fees and other debts	498.6	512.4
Deferred debts	380.7	384.5
	1,184.1	1,164.7
Liabilities in total	2,297.0	2,429.7
Equity and liabilities in total	14,497.0	14,249.7

* The numbers for the reference year have been adjusted due to a change in the manner of entering personnel fund assets.

Helsinki City Group operations

The Helsinki City Group includes the parent city and 93 subsidiaries and foundations, the biggest ones of which are the energy company Helen Ltd, the housing company Helsingin kaupungin asunnot Oy and Port of Helsinki Ltd. The City Group further includes six municipal enterprises, six joint municipal authorities and 38 associated companies.

The Helsinki City Group's operating income was EUR 3,368 million, down by EUR 62 million from the previous year. The City Group's operating expenses were reduced by EUR 57 million and were EUR 5,549 million.

The City Group's annual contribution margin grew by about EUR 88 million from the previous year and was EUR 1,393 million. The City of Helsinki annual contribution margin grew by EUR 31 million from the previous year. Thus more than EUR 50 million of the improvement in the City Group's annual contribution margin was produced by subsidiaries.

The City Group's surplus for the financial period was EUR 648 million, up by EUR 50 million from the previous year. The increases in annual contribution margin and surplus from 2016 to 2017 were largely produced by Helen Ltd and Port of Helsinki Ltd, which showed higher profits than for the previous year.

The City Group's 2017 cash flow from operations and investments was in surplus

The City Group's annual contribution margin improved from 2016.

by EUR 171 million, which showed a marked improvement from the previous year (EUR -37 million). The effect of the City of Helsinki on the City Group's cash flow from operations and investments was EUR 245 million, and the combined effect of the subsidiaries on cash flow from operations and investments was better than in the previous year. The combined investments of subsidiaries went down by EUR 76 million from the previous year.

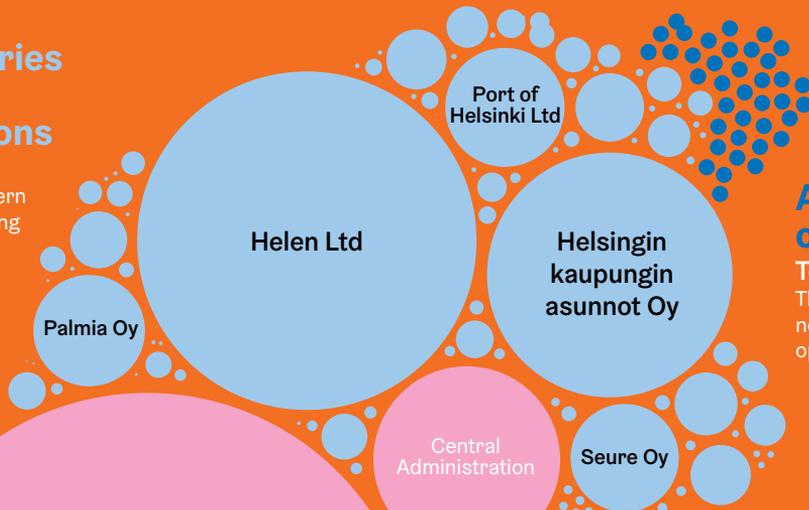
The City Group balance sheet total was EUR 18,276 million, up by EUR 712 million from the previous year. The City Group's total loans were EUR 4,985 million, that is, EUR 7,732 per capita. The City of Helsinki's share of the City Group's total loans was EUR 1,206 million, that is, EUR 1,871 per capita. The City of Helsinki's total loans continued to decrease, whereas the subsidiaries' total loans increased. The increase in the subsidiaries' total loans was mainly caused by companies managing City-owned rental housing and other City-owned housing as well as by the renovation of the Helsinki City Theatre.

Helsinki City Group

Subsidiaries and foundations

Total 93

The size of pattern reflects operating income.



Associated companies*

Total 38

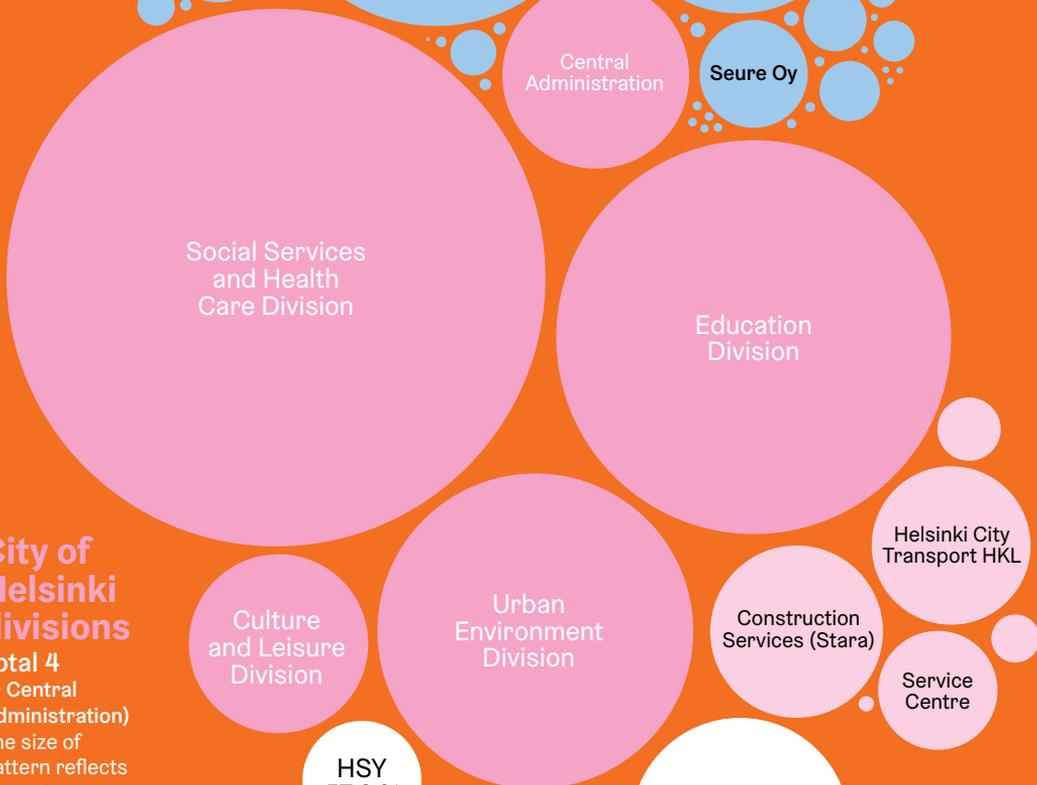
The size of pattern does not reflect the volume of operations.

City of Helsinki divisions

Total 4

(+ Central Administration)

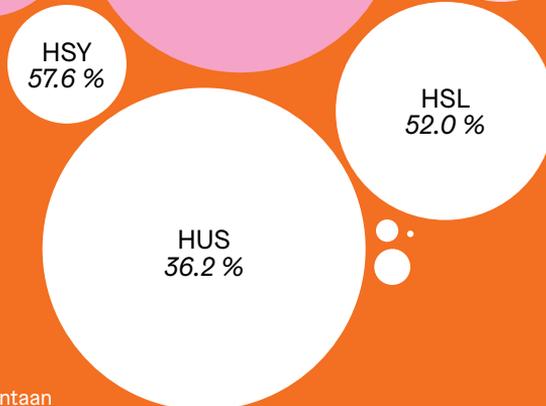
The size of pattern reflects operating



Joint municipal authorities

Total 6

The size of pattern reflects the City's share of operating expenses (the percentage is the City's holding).



Municipal enterprises

Total 6

The size of pattern reflects operating expenses.

* Associated companies include Vantaan Energia Oy, Metropolia University of Applied Sciences, Startup Maria Oy, PääCityseudun junakalusto Oy and Apotti Oy.Ltd.

Group profit and loss account

EUR million

	1 January–31 December 2017	1 January–31 December 2016
Operating income*	3,368.0	3,430.4
Operating expenses*	-5,549.3	-5,605.8
Share of associated companies' profits / losses (-)	23.3	9.9
Operating margin	-2,157.9	-2,165.5
Tax revenue	3,380.8	3,205.6
State subsidies	220.4	316.3
Financing incomes and expenses		
Interest earnings	17.6	16.8
Other financing incomes	10.0	14.3
Interest expenses	-69.5	-73.8
Other financing expenses	-8.9	-8.9
	-50.6	-51.6
Annual contribution margin	1,392.7	1,304.8
Depreciation and impairment		
Depreciations according to plan	-708.4	-675.9
Over par and under par values for the financial period	-0.9	-0.5
Impairments	0.0	-0.3
	-709.3	-676.6
Extraordinary items	2.5	0.0
Result of the financial period	685.8	628.2
Appropriations	-15.7	-12.5
Income tax expense	-12.6	-10.9
(Net) Deferred taxes	-10.5	-8.1
Minority shares	1.3	1.8
Surplus / deficit (-) for the financial period	648.3	598.4
Key figures of the consolidated income statement		
Operating income / Operating expenses, %	60.7	61.2
Annual contribution margin / depreciation, %	196.6	193.0
Annual contribution margin, EUR per resident	2,160.0	2,053.0
Population	644,700	635,600

Group cash flow statement

EUR million

	2017	2016
Cash flow from operations		
Annual contribution margin*	1,392.7	1,304.8
Extraordinary items*	2.5	0.0
Income tax expense	-12.6	-10.9
Adjustments to internal financing	-188.9	-292.3
	1,193.6	1,001.7
Cash flow from investments		
Investment expenses	-1,386.0	-1,505.3
Financial contributions for investment expenses	33.4	20.0
Revenues from transfers of fixed expenses	330.2	446.4
	-1,022.4	-1,039.0
Operating and investment cash flow	171.3	-37.3
Cash flow from financing		
Changes in lending		
Additions to lending claims	-10.7	-8.5
Reductions to lending claims	9.0	7.9
	-1.7	-0.5
Changes in loan stock		
Additions to long-term loans	417.8	535.0
Repayments of long-term loans	-347.2	-581.4
Changes in short-term loans	-26.2	-24.8
	44.4	-71.2
Changes in shareholder's equity	24.2	24.7
Other changes in liquidity		
Changes in funds and capital for assignments	-5.8	9.6
Changes to current assets	-8.5	-13.4
Changes in receivables	-23.3	-115.8
Changes in interest-free liabilities	74.2	-36.4
	36.7	-155.9
Cash flow from financing	103.5	-203.0
Changes in liquid assets	274.7	-240.4
Liquid assets 31 December	1,532.4	1,257.7
Liquid assets 1 January	1,257.7	1,498.1
	274.7	-240.4
Key figures of the group cash flow statement		
Operations and investments cash flow accrual in 5 years, EUR thousand	-111,905	-532,913
Internal financing of investments, %	103.0	87.8
Debt coverage ratio	3.5	2.1
Cash-solvency (days)	76	59

* The numbers for the reference year have been adjusted due to a change in the manner of entering personnel fund assets.

Group balance sheet

EUR million

ASSETS	1 January–31 December 2017	1 January–31 December 2016
Fixed assets		
Intangible assets		
Intangible rights	56.5	51.8
Other long-term expenses	206.9	233.3
Advance payments	6.0	13.0
	269.5	298.1
Tangible assets		
Land and water areas	3,295.1	3,286.8
Buildings	5,731.6	5,586.4
Fixed constructions and equipment	2,515.7	2,400.4
Machines and equipment	1,347.1	1,235.9
Other tangible assets	20.1	20.1
Advance payments and unfinished procurement	1,200.0	1,094.8
	14,109.6	13,624.4
Investments		
Shares in associated companies	264.1	245.1
Other shares and interests	459.3	451.4
Other loan receivables	480.4	478.7
Other receivables	2.1	2.1
	1,205.9	1,177.4
Funds for assignments	456.8	536.3
Current assets		
Current assets	120.6	112.1
Receivables		
Long-term receivables	157.3	166.7
Short-term receivables	423.8	391.0
	581.1	557.7
Marketable securities	57.3	25.3
Cash and bank receivables	1,475.1	1,232.4
ASSETS IN TOTAL	18,275.9	17,563.8

EQUITY AND LIABILITIES

	1 January–31 December 2017	1 January–31 December 2016
Equity		
Initial capital	2,972.4	2,972.4
Initial capital of associations and foundations	5.8	5.8
Revaluation reserve	1,805.0	1,811.3
Other internal funds	903.4	839.6
Other shareholders' equity	734.1	734.1
Surplus / deficit (-) from from previous accounting periods	4,122.3	3,554.9
Surplus / deficit (-) for financial period	648.3	598.4
	11,191.2	10,516.5
Minority shares	85.0	80.3
Mandatory provisions		
Provisions for pensions	113.8	126.0
Other mandatory provisions	36.2	36.8
	150.0	162.7
Equities for assignments	572.3	657.5
Liabilities		
Long-term		
Long-term liabilities with interest	4,716.5	4,661.0
Long-term liabilities without interest	97.3	99.7
	4,813.8	4,760.7
Short-term		
Short-term liabilities with interest	268.3	279.0
Short-term liabilities without interest	1,195.3	1,107.1
	1,463.6	1,386.1
Liabilities in total	6,277.4	6,146.7
EQUITY AND LIABILITIES IN TOTAL	18,275.9	17,563.8

Helsinki in Europe

Helsinki – as a nation’s capital – is the centre of administrative, economic and cultural life in Finland.

Helsinki and the neighbouring cities form a metropolitan area with about 1.4 million inhabitants and more than 50,000 enterprises.

Finland has been a member state for European Union since 1995 and adopted the euro in 1999.



EU eurozone member states

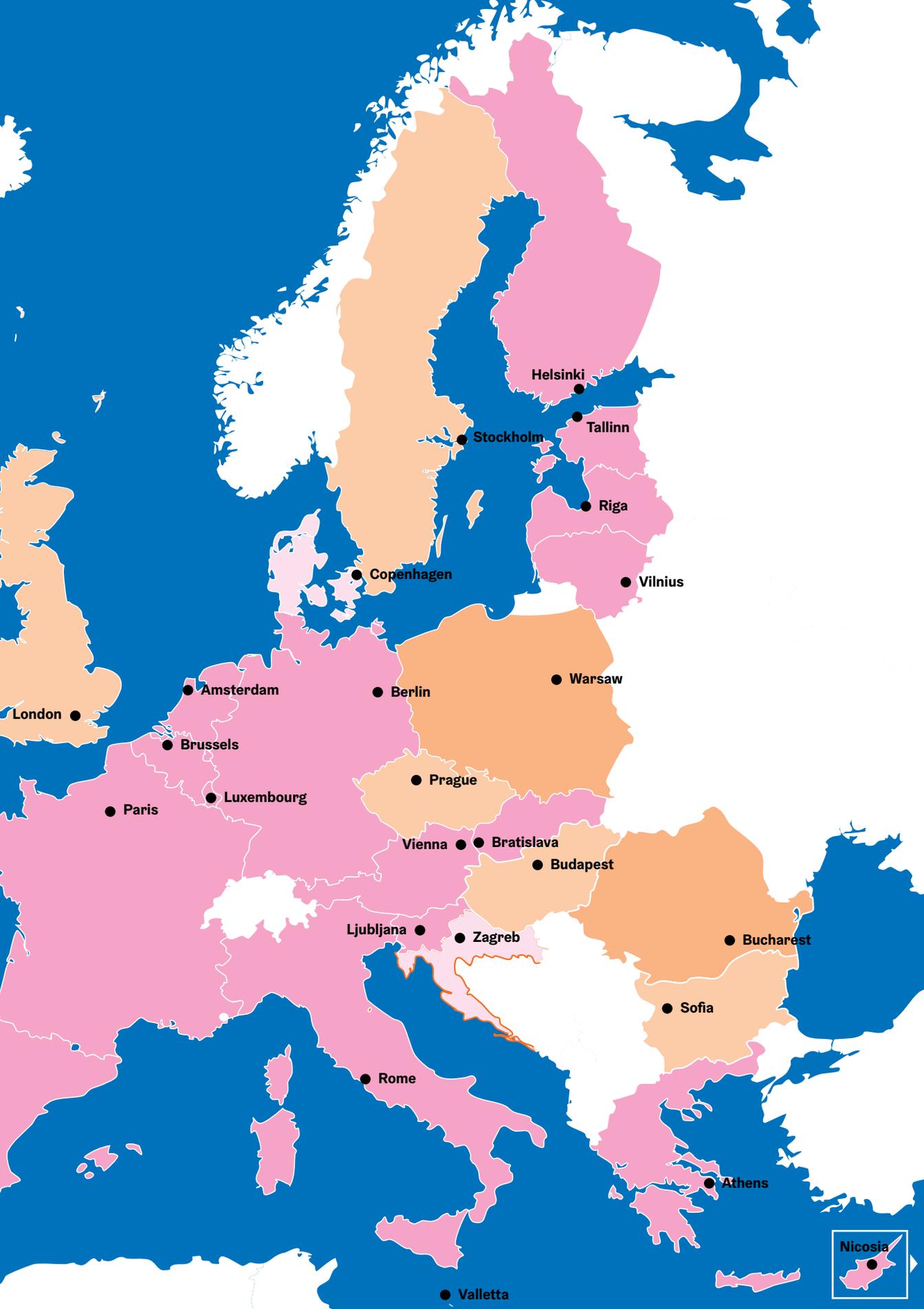
Austria
Belgium
Cyprus
Estonia
Finland
France
Germany
Greece
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Portugal
Slovakia
Slovenia
Spain



EU non-eurozone member states

Bulgaria
Croatia
Czech Republic
Denmark
Hungary
Poland
Romania
Sweden
United Kingdom





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Johanna Kannasmaa (page 28)

My Helsinki Material Bank

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