Cities for Active Inclusion
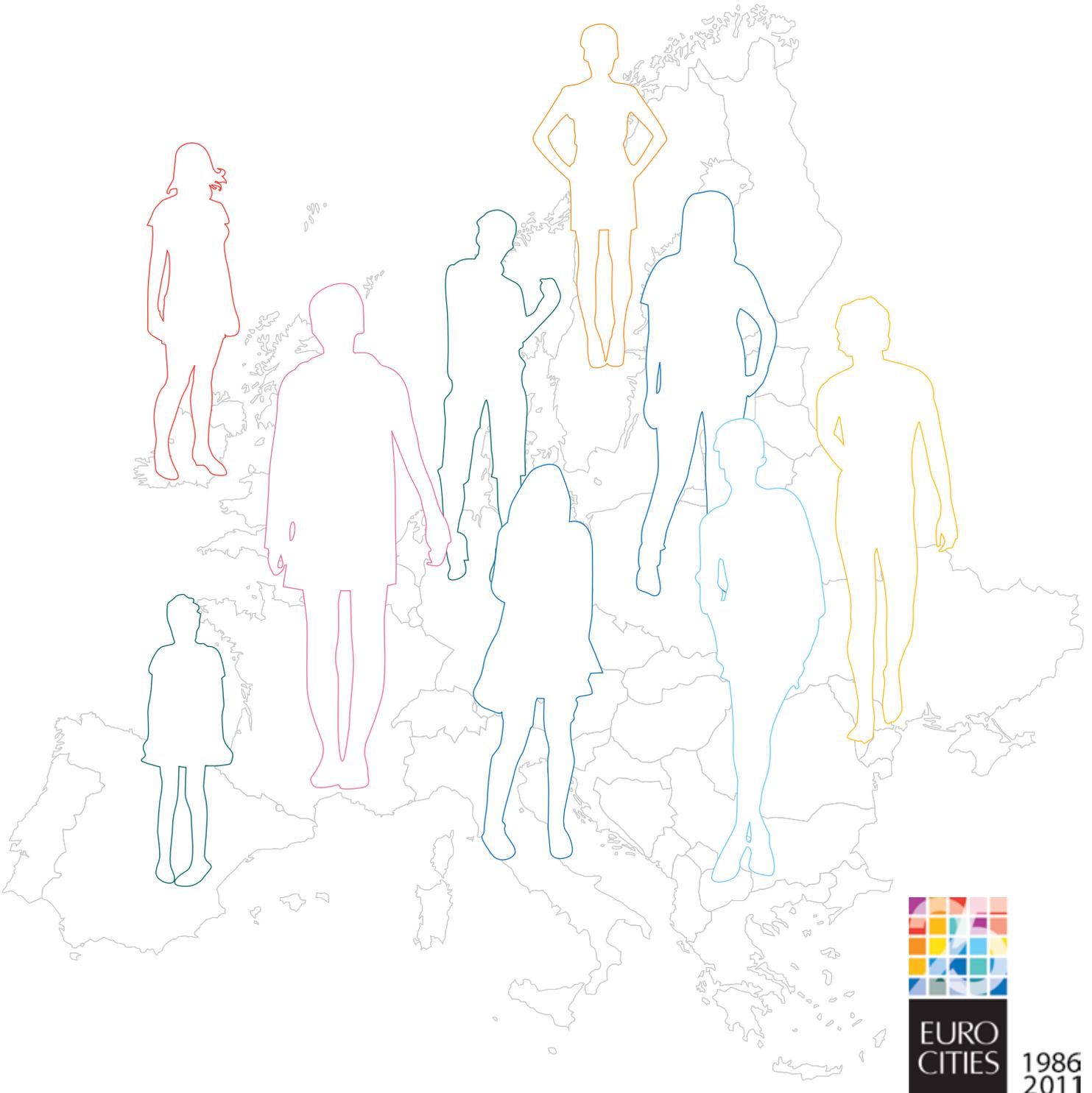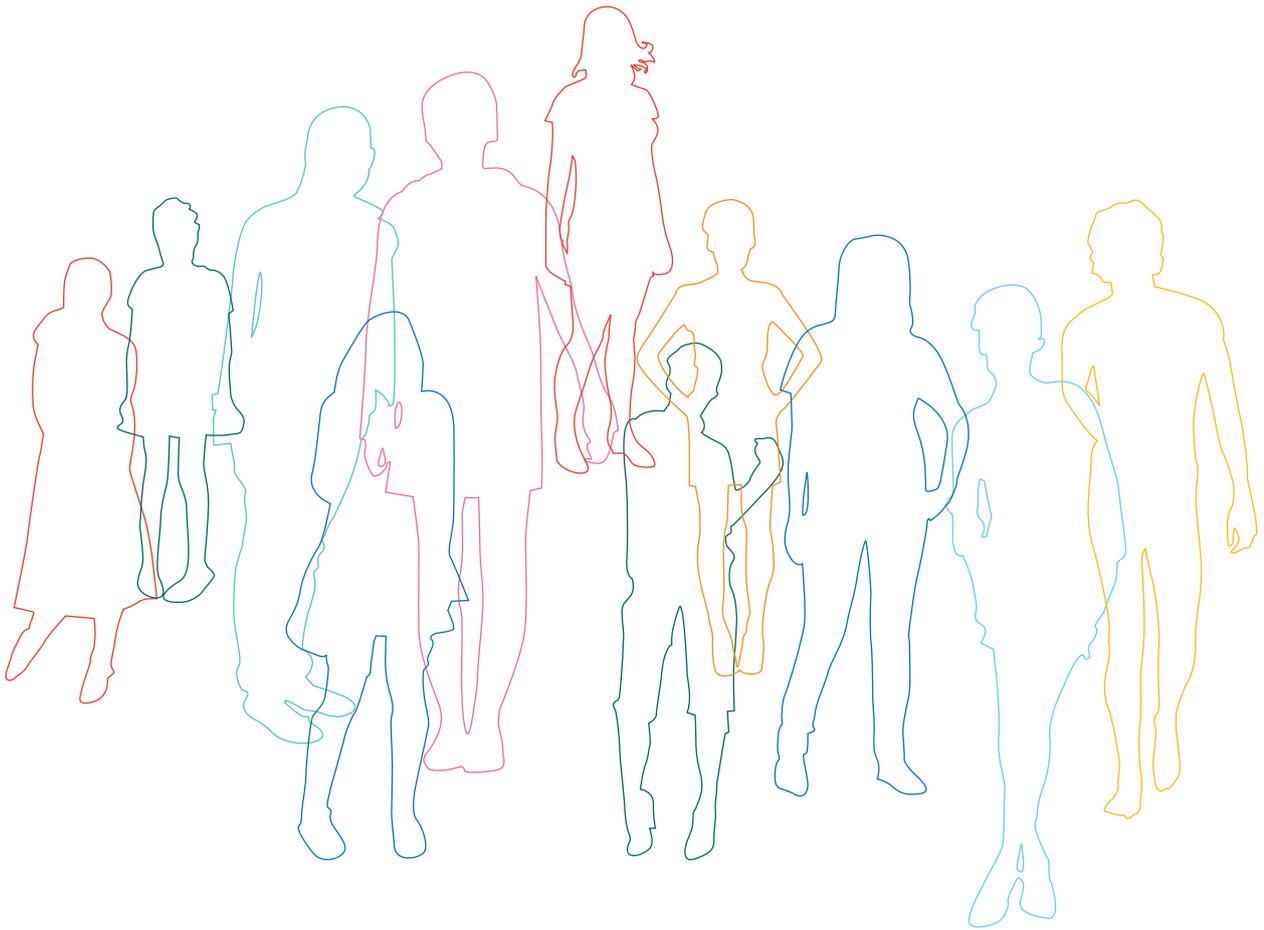
CITIES AND ACTIVE INCLUSION: QUALITY OF SOCIAL SERVICES AND THE SOCIAL ECONOMY
Key lessons from cities

EURO CITIES 1986 2011

European Commission

2010

● Table of Contents

1 Introduction

This report provides an analytical overview of trends, challenges and innovative practices on active inclusion at local level in ten cities throughout the European Union. It is based on ten research reports produced by ten cities. Five cities looked at the issue of providing quality social services (Barcelona, Birmingham, Brno, Copenhagen, and Sofia), and five cities focused on the role of the social economy in supporting active inclusion (Bologna, Krakow, Lille Métropole-Roubaix, Rotterdam and Stockholm).[1]

Main issues and groups of people in need of active inclusion

In their ten reports, the cities described the social context in which they have to work. This included identifying the main issues and groups in need of active inclusion policy support.

Almost all cities mentioned that the number of unemployed people has increased, especially over the last years. This was reported as being a direct consequence of the economic crisis with jobs being cut and labour markets becoming more competitive and selective. In addition, cities have experienced a rise in the number of people with multiple disadvantages. As a result of higher unemployment and social exclusion rates, existing welfare systems and social services are increasingly under pressure. Some cities also noted that ageing populations (**Bologna, Brno**) and welfare dependency across generations of the same family (**Copenhagen**) are a challenge. Several cities pointed out that there are often great discrepancies between different neighbourhoods of the same city in terms of unemployment rates and the number of people suffering from social exclusion. For example, in **Stockholm**, the area of Rinkeby had an employment rate 30% lower than the city average.[2] When considering the social characteristics of people in need of active inclusion policies, cities mentioned the homeless, disabled, substance abusers, people with mental health problems, elderly, migrants and low-skilled.

A number of cities also mentioned other groups of people that are becoming or are increasingly recognised as being at risk of social exclusion. These are: single parents (including divorced men) (**Bologna, Brno**), children (**Sofia**), the working poor (**Bologna, Krakow** and **Lille Métropole-Roubaix**), workers over 45 and 55 years of age (**Bologna, Brno**), Roma (**Brno, Krakow** and **Sofia**), and young graduates and NEETs[3] (**Copenhagen, Krakow**). Table 1 summarises the groups of people identified by cities as most in need of active inclusion.

Table 1 **Groups of people most in need of active inclusion as identified by cities**	
Homeless	Working poor
People with disabilities	Single parents / separated men
People with mental problems	Young graduates / young people
Substance abusers	Older workers (over 45, 50 and 55 years of age)
Elderly	Children
Migrants	NEETs
Low-skilled	Ethnic minorities such as Roma

The structure of this analytical overview is organised as follows: part two discusses how cities try to ensure **quality social services** for their citizens, providing an overview of trends and practices, challenges and responses as well as future plans and discussions for ensuring quality of social services. Part three discusses how cities support the **social economy**, touching upon trends and practices, challenges and responses as well as future plans for supporting the social economy.

---

[1] More detailed information on the findings presented in this report is available in the ten city research reports: http://bit.ly/fLJIuw.
[2] Data from 2008, Social Economy in Cities: Stockholm, December 2010.
[3] People who are Not in Education, Employment or Training.

❷ Quality of social services

This section presents an overview of observations made by cities on the quality of social services at local level and a summary of the main practices identified by cities in ensuring quality social services. This is followed by an outline of cities' challenges in ensuring quality social services, as well as responses to these challenges and future plans.[4]
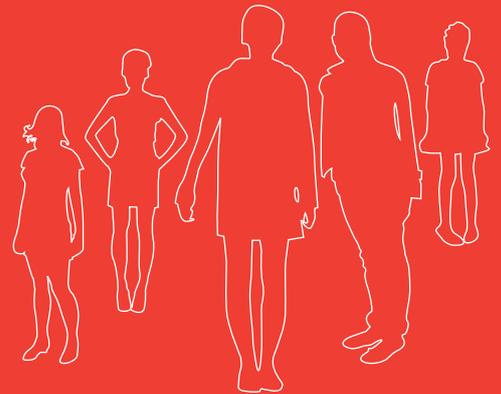
Quality of social services

The topic of quality of social services[5] is part of the European Commission's social policy agenda, particularly social inclusion. The 2008 European Commission Recommendation on Active Inclusion identifies 'access to quality services' as one of the three pillars of the Active Inclusion Strategy.[6] The Recommendation also sets out a list of common principles on the quality of social services, such as availability, solidarity, investment in human capital, and personalised approaches.

In October 2010, the Social Protection Committee (SPC)[7] adopted an EU voluntary quality framework on social services[8] that identifies a number of guiding principles for defining, ensuring, evaluating and improving the quality of social services across Europe.

The issue of quality of social services is also part of a broader discussion at European level. Discussions focus on clarifying some of the complex issues around public procurement, competition and internal market rules.[9]

2.1 Trends and practices in delivering quality social services

According to the cities, ensuring social services of good quality is essential for promoting active inclusion. For this reason, cities acknowledge the importance of addressing the issue of quality and the effectiveness of social services.

All the five cities reported having some legislation for defining and ensuring a certain level of quality when delivering social services. Typically, legislative frameworks are set at national level and in some cases also at regional level (e.g. in **Barcelona** and **Brno**). Unsurprisingly, the definition, control and monitoring of quality differ greatly from country to country.

The information provided by the five cities on the delivery of quality social services is summarised here:

■ decentralisation: local and regional governments are having more and more responsibility to provide services. Besides legislative decentralisation increasing local governments' responsibilities, municipalities are trying to integrate and better adapt national legislation and policies on quality of social services to their local context (see box 1). Their aim is to offer services closest to the citizen and to better reflect people's needs and the local context (**Barcelona**, **Birmingham**, **Brno**, **Copenhagen** and **Sofia**);

Box 1
Integrated planning of social services

Brno - Community planning of social services
The method of multi-annual community planning for social services was introduced in Brno in 2005 with the aim of better reflecting the local needs of service users. The planning, design and budget to be allocated to social services is organised through the direct involvement of all stakeholders in discussion groups. These are composed of the municipality, services providers, NGOs, research institutions, and service users.

---

[4] The research for this section on the quality of social services was undertaken by Barcelona, Birmingham, Brno, Copenhagen and Sofia.

[5] Social services are: social services of general interest, provided directly to the person, aiming at social inclusion and safeguarding fundamental rights such as social assistance services, employment and training services, social housing, child care or long-term care services (COM(2006) 177 final).

[6] See the EC Recommendation on the Active Inclusion of People Excluded from the Labour Market (2008/876/EC): http://bit.ly/mHzQMe.

[7] The SPC is composed of two delegates from each EU Member State from national ministries on social affairs, and the European Commission's DG for Employment, Social Affairs and Inclusion.

[8] EU voluntary quality framework on social services: http://bit.ly/iieu6H.

[9] In January 2011, the EC published guides on clarifying the financing of services (including SSGI), and on socially responsible procurement: http://bit.ly/eDWReE.

- personalisation of services: social service providers try to deliver services from a user's perspective. This means carefully looking at individuals' specific needs and also giving people more choice and control over the type of care they need, as well as involving them in the organisation and monitoring of the service (see box 2);

Box 2
Personalised services

Birmingham - Direct Payments and Personal Assistants
Direct payments were introduced by Birmingham to provide users of adult social care with a greater choice in the social care that they receive and to ensure people receive the service they really need. Under this scheme, people are given a personal budget that can be used to directly commission services for themselves, including employing people to help them.
Direct payment services can be a long-term service (for example when the budget is used to pay a personal assistant) as well as short-term (for example when the budget is used to pay someone to deliver ad-hoc help for a limited period that could be just a day).

Sofia - Assistance for Independent Living
'Assistance for Independent Living' is a special service for people with disabilities, including children, which provides one or more personal assistants. Disabled people can decide what assistance they need. In 2009 the service covered approximately 950 users, and employed over 1,000 assistants.

- outsourcing/involvement of NGOs: cities commission the provision of services to local NGOs and third sector associations (**Barcelona**, **Birmingham**, **Brno**, **Copenhagen**, **Rotterdam** and **Stockholm**) (see box 3);

Box 3
Working with NGOs

Birmingham - Third Sector Commissioning framework
Birmingham developed a Third Sector Commissioning framework in order to improve the city council's partnerships with third sector organisations and increase their involvement in social services delivery. The approach also includes a guide on long-term funding for third sector organisations. The rationale for cooperation is based on the benefits the city council sees in the specialist knowledge of third sector organisations delivering social services.[10]

- improving coordination, cooperation and communication between different agencies and departments at local and municipal level: policy makers and employees working in social services departments in cities aim to offer more integrated services to the users and enhance effectiveness in their working methods (**Brno**, **Copenhagen**) (see box 4);

---

[10] The Birmingham City Council Adults and Communities Third Sector Commissioning Prospectus: http://bit.ly/g3Xa1u.

Box 4
Improving coordination between local services

Copenhagen - Coordination between Employment and Social Service Agencies
The Employment Agency and the Social Services Agency in Copenhagen started cooperating to provide integrated services for unemployed people that are also registered with the Social Service Agency due to mental problems, disabilities or addictions. As a result, people can benefit from active employment programmes directly combined with other forms of social help, such as for example psychological support or healthy life style counselling.

Brno - Cross sectoral advisory body on social integration
The advisory body on social integration of Roma, established by Brno City Council, operates across different social services and policies: social inclusion, housing, employment and substance abuse. It focuses on mapping and problem-solving in deprived areas inhabited by the Roma minority. Members of the body are officers of the public administration, experts, representatives of the Roma community and NGOs. The group already developed methods for the prevention of debts amongst tenants in social housing as well as rules for renting public flats.

- training employees from the social service sector on quality standards and requirements (**Barcelona**, **Birmingham** and **Sofia**). Ensuring the quality of social services also involves investing in training the providers of these services on quality issues and on changes needed in working practices and procedures to improve quality. For example, **Barcelona** Municipality is investing in training people managing and providing social services to better understand quality principles. In the case of organisational changes, staff is also fully consulted and involved; and

- prevention of social exclusion and early intervention: service providers focus more on the prevention of risks and early intervention in the problems of children and young people. For example, **Sofia** Municipality plans to provide alternatives to institutional care for children from 3 to 18 years old, giving them the chance to grow up in a regular family environment.

2.2 Challenges of delivering quality social services

Cities reported a number of challenges in delivering quality social services:
- budget cuts and financial constraints;
- legislation on ensuring quality standards that is not always adequate to measure the real quality of social services;
- ensuring that social services employees fully understand quality criteria and indicators; and
- recruiting and retaining a quality workforce in social services.

Budget cuts and financial constraints

Nearly all cities reported that they are facing budgets cuts and financial constraints due to the economic crisis and shrinking public budgets at national and local level. Although it is not always possible to quantify the exact amount of foreseen budget cuts at city level, in certain cases these are likely to be very significant and with some consequences on the provision of social services and human resources working on social policies. For example, in the case of **Rotterdam,** the budget for social inclusion policies may drop by around 50% in the next 3-4 years**.** In **Birmingham,** the city council is expecting to go through an overall reduction of between 25%-40% of the current budget in the next 3-4 years. Civil servants working in the City of **Brno** have seen wage cuts due to the state's plans to reduce the national debt.

Budget cuts coupled with an increasing number of people in need of social services and active inclusion policies are posing serious challenges to cities.

Legislation on quality standards and indicators are not always adequate to measure the quality people need

A number of cities pointed out that existing requirements on quality standards that are set at national or regional level lack a certain degree of flexibility. They tend to focus only on processes and formal indicators and are not always adequate to measure the real quality of social services and the extent to which users' needs are met (**Brno**, **Copenhagen** and **Sofia**).

In the case of **Copenhagen** for example, the quality of a counselling service for newly-registered unemployed people is measured as the percentage of interviews held within the time line set by national law (i.e. within four weeks after the citizen's application for unemployment benefits). It is also felt that national legislation on quality indicators does not allow for the flexibility that is necessary when dealing with a variety of users. For example, the requirement that the municipality enrolls all unemployed people in programmes for labour market activation is not always desirable, because experience in Denmark shows that participation in these schemes is not necessarily helpful for highly-skilled people to find a job. This quality standard does not help to bring the social services closer to users' needs and it creates an unnecessary burden on **Copenhagen**'s budget for labour market activation.

Ensuring social services employees fully understand quality criteria

Some cities pointed out that it is not always easy to ensure that people working in the social services sector fully understand and correctly implement quality criteria, standards and indicators (**Barcelona**, **Birmingham** and **Brno**). This is often the case when quality standards are established at higher levels of government, far away from the implementation level, as well as when legislative frameworks for ensuring quality in social services are being revised.

The understanding of quality principles, criteria, indicators and standards by social services employees is one of the pre-conditions for the successful delivery of quality services. The need to invest and train human resources working on a daily basis in the social sector is of fundamental importance.

Recruiting and retaining people working in the social services sector

Recruiting and retaining highly skilled and motivated employees to work in the social services field is a key challenge for cities (**Barcelona**, **Birmingham**, **Brno** and **Sofia**). Typically, working conditions for people employed in the social services sector are demanding, with long hours (such as night-shifts) while salaries tend to be relatively low.[11]

2.3 Responses to the challenges of delivering quality social services

Cities also outlined how they are dealing with the challenges they have to face where possible.

Responding to the crisis: doing better with less

Cities are identifying innovative and creative policies and practices to enhance efficiency (i.e. reducing overall costs without compromising on the quality) and maintain or improve quality in social services delivery. New programmes and projects are targeted at an increasing number of service users, for example through better use of ICT, and at the same time maintaining or even increasing the personalised approach in the service. Box 5 illustrates this with two examples.

Box 5
Increasing efficiency in service delivery

Rotterdam - Group approach for labour activation programmes
Target groups for labour activation programmes participate in group counselling sessions according to their age instead of having individual interviews. The introduction of this change, piloted since 2007, and mainstreamed since 2011, has improved overall efficiency (there are less costs involved for the municipality) and effectiveness (the group approach appears to be a good method for people to exchange useful experiences on how to find a job).

Copenhagen - Screening tool for helping unemployed people
Electronic screening helps social workers identify the right activation programmes for different categories of people. A screening guide bundles courses and programmes into six sets of groups (e.g. persons on sick leave, citizens in need of motivation, citizens ready for on the job training). The electronic guide also has a statistics tool to give a clearer view on the results of the activation programme and users' satisfaction.

---

[11] European Commission Biennial Report on SSGI 2010 on key trends in demand, offer and employment in social services confirms these findings: http://bit.ly/lnaPgw.
[12] More information (in Dutch): www.rotterdam.nl/groepsaanpak_werkloont.

Setting better frameworks for ensuring quality in social services

Although the cities only have limited power in setting quality criteria, a number of municipalities try to create quality standards that are better at reflecting users' needs and in taking into consideration local circumstances. In **Sofia,** for example, the municipality has launched several local initiatives on quality criteria for social services to integrate national legislation and ensure the local circumstances are taken into account. To do so, the municipality has set up an ad-hoc committee for giving advice on how to improve the quality standards of social services by involving all relevant stakeholders in the field of social services for disabled people. The city is also funding projects[13] to support civil society organisations in **Sofia** by looking at good practices from all over Europe on developing quality social services for social inclusion. As part of these projects, measurable criteria for assessing the quality of social services are being designed.

Making quality criteria understood

In order to ensure that employees from the social services sector can deliver social services of quality, some municipalities are running special training programmes on how to ensure quality principles (**Barcelona**, **Birmingham**, **Brno** and **Sofia**).

The **Birmingham** Care and Development Agency[14] for instance is modernising its social care workforce by raising skill levels, including trainings on rights-based and person-centred service provision. In **Sofia,** employees working in social services are actively consulted and trained in the modernisation and de-institutionalisation of social services for the provision of care for people with disabilities being switched from an institutional setting into a community setting. Likewise, the City of **Barcelona** engages employees working in social services in the reorganisation and modernisation of its social services, which includes a stronger and better focus on quality issues. To do so, the city set up implementation teams in the 37 social services centres, made up of senior people from the local administration who have received specific trainings on modernising social services. These teams are in turn training the professionals working on the front-line social services. In **Brno,** the city organises workshops to better communicate the importance, relevance and application of quality standards for social services (see box 6).

Box 6
Communicating quality standards

Brno - Workshops on quality
In Brno workshops on quality standards of social services are organised for various groups of service providers and users: 18 workshops in 2010, involving around 180 people. The workshops helped participants to implement quality standards and to better understand the specific needs of service users.

Investing in human capital: training and retaining employees working in the social services sector

Some cities are trying to improve the working environment and to professionalise the skills of people employed in the social sector by investing in human capital. The focus is on empowering people by offering better career development opportunities and raising skills levels (**Barcelona**, **Birmingham**, **Brno** and **Sofia**).

---

[13] This is part of the local grant programme called 'Europe Programme: citizen projects and European practices'.
[14] Birmingham Care and Development Agency: http://bit.ly/gLgtFo.

2.4 Future plans for delivering quality social services

Cities highlighted the discussions that are taking place in their municipalities, regions and member states to make the quality of social services better. These are some examples:

Integrating social services

Local authorities are discussing how to improve the coordination of social services amongst different public administrations (**Barcelona**, **Brno**, **Copenhagen** and **Krakow**). For example, the municipality of **Copenhagen** foresees the creation of joint task forces between different municipal services. Currently a strategy for cooperation between three administrations is being tested: the Employment Administration, the Social Services Administration and the Health Care Administration.

Social innovation

Social innovation is perceived as important in improving the quality of social services. In **Copenhagen**, there will be a stronger focus on how to use information technology to improve social services delivery and reduce the bureaucracy, as required by the Danish government's 'Denmark 2020 plan'.

Birmingham is developing an online information database for adult social care: Quick Heart. This will provide social care users with information on all the different services and providers they are eligible for.

In **Barcelona**, a new model of social services is being implemented. Designed and tested over the past few years, the model is becoming operational across the 37 social services centres of the city. In order to keep improving the quality of social services, the city wants to disseminate and share experiences with other cities and countries.

❸ Social economy

In this section, the observations made by cities on the importance of social economy for active inclusion are presented together with challenges, possible responses and future plans to support the social economy at local level. [15]
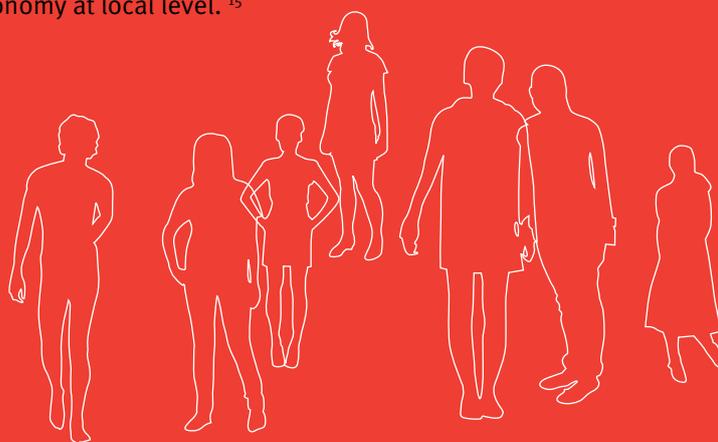
> **Social Economy**
>
> Social economy refers to the so-called 'third sector', and includes organisations such as NGOs, cooperatives, mutual societies and charities, and, in some countries, social enterprises (enterprises that apply market-based strategies to achieve social purposes).
>
> The social economy is important for several reasons:
> - it can create jobs for people at risk of social exclusion and for people with a low employability profile;
> - it provides social services that better respond to the real needs of people (for example the provision of services is more flexible and better tailored to the specific needs of users); and
> - it creates jobs and growth: social economy enterprises represent 2 million enterprises (i.e. 10% of all European businesses) and employ over 11 million paid employees (the equivalent of 6% of the working population of the EU).[16]
>
> The labour market pillar of the EU Active Inclusion strategy calls for supporting the social economy. This is seen as a viable strategy for the integration of disadvantaged people into the labour market. Its importance is also recognised by the Europe 2020 strategy,[17] with the European Platform against Poverty[18] recommending the further development of the social economy as a way to promote active inclusion.

3.1 Trends and practices in supporting the social economy

All cities agreed that the social economy provides an added value in supporting the active inclusion of disadvantaged people. This was pointed out not only by cities with a very strong tradition of social economy, such as **Bologna**[19] and **Lille Métropole-Roubaix**[20] but also by cities with a less developed social economy, such as **Stockholm** and **Krakow**, that are actively seeking to increase the role of the third sector in the delivery of social services.

Social economy organisations provide social services in a variety of sectors that are important for the active inclusion of disadvantaged people, such as training, health, education, as well as employment opportunities for those with special needs and facing multiple disadvantages. Cities recognise that social economy associations can provide more flexible, innovative and creative approaches to the social integration of people, better responding to the need of people with complex disadvantages. In a few cases, cities pointed out that the social economy helps public authorities to realise some savings as people who are given employment opportunities become less dependent on welfare benefits (**Rotterdam** and **Stockholm**). **Stockholm** reported that a socio-economic assessment[21] of the BASTA[22] project has shown that nearly €109,000 per person per year could be saved, for example on welfare and other social services costs.[23]

---

[15] This part of the report is based on the five cities that focused on social economy: Bologna, Krakow, Lille Métropole-Roubaix, Rotterdam and Stockholm.

[16] http://bit.ly/ic2Lux.

[17] The EU strategy for smart, sustainable and inclusive growth for 2010-2020: www.ec.europa.eu/europe2020.

[18] The European Platform against Poverty is one of the seven flagship initiatives of the Europe 2020 Strategy. The initiative was launched in December 2010 with a communication setting out actions to reduce poverty. (COM(2010) 758/3)http://bit.ly/m9UwGf.

[19] In 2010, the Emilia Romagna Region had 672 social cooperatives with 80,864 members and 43,518 employees including 3,000 disadvantaged people. Social cooperatives have a turnover of over Euro 1.4 million. In Bologna, there are more than 2,000 social economy organisations, of which at least 500 are working with the municipality.

[20] In 2008, the Metropolitan area of Lille counted 8,983 social economy organisations, providing jobs for around 50,000 people. Roubaix counts 2,671 social economy organisations, providing jobs for 14,000 people.

[21] This socio-economic assessment method (socioekonomiskt bokslut), based on a political economic theory is sometimes used in Sweden to measure part of the impact of social economy organisations.

[22] BASTA is a work cooperative in Stockholm offering services such as cleaning, whilst at the same time targeting the rehabilitation of (former) substance abusers. The main goal is empowering participants to be able to live a dignified life and qualify for work, most of all by training them in becoming self-employed: www.basta.se.

[23] Source: SKOOPI, Fakta om Socialt företagande, 2007.

Social economy organisations can be supported either financially and/or legislatively. In several cities, social economy organisations are supported by public money, such as the European Social Fund (ESF) or national, regional and local funds.

In promoting the third sector the cities of **Krakow** and **Stockholm** have used European financial instruments, such as the ESF. For example, since 2010 in the **Krakow** area the ESF was used to initiate a specific project (INES[24]) for the promotion of the third sector in the region. The project enables setting up business incubators for social economy enterprises and provides counselling and training on running a business for people already active in the third sector. Similarly, in the city and region of **Stockholm**, there are two ESF funded projects to support the development of the social economy. The LIVSVAL project fosters cooperation between local businesses and social economy enterprises, including mentoring activities. The SLUP platform develops a support structure for the social economy through partnerships and networking, for instance with businesses and public authorities (see box 8 for more information).

In some cases, cities and other local institutions provide financial support out of their own budget to develop the social economy. In Krakow, the Malopolska[25] fund for the social economy, initiated by the University of Economics of **Krakow**, provides access to capital for social enterprise organisations by guaranteeing their loans. This helps to ensure the financial feasibility of social economy organisations and of the services they provided. The City of **Roubaix** offers loans to about 300 NGOs to secure office space and technical equipment.

Another way to support the social economy is through legislation. In a number of cities there is legislation in place to support the development of social economy organisations. For example, in Italy it is possible to introduce social clauses in public procurement processes.[26] Following from this, the City of **Bologna** introduced some specific provisions in the municipality regulations[27] for public procurement. Under this legal provision the municipality is allowed to:
- directly award contracts for social services to social cooperatives that are enrolled in an approved register;
- sign agreements with social cooperatives for the implementation of specific activities or for the co-management of innovative pilot projects or programmes;
- consult social economy organisations for the co-planning of interventions related to social issues.

The flexibility allowed under the **Bologna** Municipality regulation facilitates and supports the development of the social economy as well as the direct cooperation between the municipality and the third sector, especially for the provision of social services.

---

[24] See box 7 for more information on the INES project.
[25] Southern Region in Poland of which Krakow is the capital.
[26] Italian legislation on public procurement, implementing the European Directive in this subject allows for the introduction of social clauses in public procurement legislation.
[27] Article 51 of Bologna Municipality Regulation - 'Agreements and forms of collaboration with non-profit organisations': http://bit.ly/ecQStJ.

3.2 Challenges of supporting the social economy

This section presents the challenges identified by cities in supporting the social economy.

Cities reported a number of challenges in supporting the social economy:
- dealing with budget cuts in public administration;
- improving the financial sustainability of social economy organisations;
- dealing with public procurement rules; and
- raising awareness on the added value of the social economy.

Social economy in times of budget cuts and constraints

The economic crisis and shrinking public budgets at national and local levels are also expected to affect the social economy (**Bologna**, **Krakow**, **Lille Métropole-Roubaix** and **Rotterdam**). Social economy organisations are often supported through public funds or loans, and they are also dependent on municipalities contracting out social services. These public financial resources might not be available in the future if cuts in municipalities' budgets are going to be as severe as predicted. In **Rotterdam**, financial constraints have already resulted in a reduction of social services being commissioned out to social economy organisations. In **Brno** some smaller NGOs that deliver social services are already limiting the scope of their services and making some of their staff redundant due to less available funds.

Financial sustainability

Access to finance is not always easy for social economy organisations. In **Krakow** for example, over 80% of social economy enterprises do not qualify for access to commercial financial instruments, such as bank loans and therefore they rely on public tenders, grants and donations. A further issue is that social economy initiatives do not seem to survive after the end of a public-funded project (**Krakow**, **Lille Métropole-Roubaix**).

Understanding and dealing with public procurement rules

The complexity of public procurement regulations has been pointed out as a challenge for social economy organisations (**Krakow**, **Lille Métropole-Roubaix**, **Rotterdam**, and **Stockholm**).
Social economy organisations do not always have the necessary legal expertise to understand and go through the requirements of public procurements.
In **Stockholm** it is hard for a social economy enterprise to apply for public tenders because the national public procurement act is more stringent than EU public procurement law. One requirement of this law is to ensure stability for the duration of the tender. Proving this is often a challenge for social enterprises that tend to be small and young organisations.
A further problem is that sometimes competitions for public tenders and the absence of social clauses can lead to low levels of quality and innovation, with the cheapest offer being awarded the contract (**Krakow**).

Raising awareness on the added value of social economy

Cities reported that more efforts are necessary to raise awareness amongst policy-makers on the important role that the social economy can play in society (**Bologna**, **Krakow**, **Lille Métropole-Roubaix**, and **Stockholm**). Municipalities are more likely to work with social economy organisations if they fully understand the added value of the third sector.

3.3 Responses to the challenges of supporting the social economy

Cities have also outlined how they are dealing with some of the challenges they have to face in supporting social economy.

Improving sustainability of social economy organisations

Some municipalities are helping social economy organisations to become more sustainable by improving their business and management skills. **Krakow** for example organises trainings on business skills for social economy associations (see box 7). **Roubaix** carries out quality assessments of social economy organisations with which the city plans to work in order to help these associations to improve their functioning and sustainability.

Box 7
Improving sustainability

Krakow - Social Economy Infrastructure (INES) project
The INES project started in 2010 with the support of the ESF to promote the social economy in the Malopolska region. Professional support is provided, including business incubators. Activities include training sessions on business skills and access to finance for people interested in establishing a business activity in the social economy sector (e.g. a social cooperative), and counselling and training sessions for people already active in the third sector.

The development of social economy partnerships in the region is also being promoted by organising local seminars with social enterprises, labour market institutions, and social assistance organisations.

Raising awareness on the potential of social economy

In order to improve the understanding of the benefits of social economy, some cities have organised awareness raising activities, including the creation of channels for exchanging views and information between policy-makers and third sector organisations (**Krakow, Lille Métropole-Roubaix** and **Stockholm**).

In **Stockholm** a special forum was created to give greater visibility to success stories on how stakeholders from the social economy contributed to active inclusion and quality services (see box 8). Likewise, in **Bologna**, a third sector forum was set up in the region (see box 8).

Box 8
Increasing awareness on the potential of the third sector

Stockholm - Regional forum for social economy
In the Stockholm region a forum was set up to promote the social economy: the Stockholm Association County Development Partnership (Föreningen Stockholms läns utvecklingspartnerskap för den sociala ekonomin: SLUP). This was created as a result of cooperation between Coompanion,[28] the County Board and 20 other bodies, such as sports and educational groups, housing organisations and a bank supporting the social economy. The goal of the forum is to organise and develop a structure of support for the social economy through partnership and networking with other stakeholders, such as local businesses and public authorities.[29]

Bologna - Regional observatory on social economy
The Regional Association of Chambers of Commerce of the Emilia-Romagna Region signed an agreement with the regional Third Sector Forum, one of the goals being the creation of a regional observatory on the social economy. This will help to improve the understanding of the main characteristics and potential of the third sector in the region.

3.4 Future plans to support the social economy

Cities are continuing their efforts to raise awareness on the added value of social economy, as well as to improve the quality of the services provided by the social economy (**Bologna**, **Krakow**, **Lille Métropole-Roubaix**, **Rotterdam** and **Stockholm**). As an example, **Roubaix,** as part of the next Urban Social Cohesion Contract,[30] is currently preparing a charter for the social economy that will define common obligations for third sector organisations and the municipality. The charter will also establish quality criteria for the social economy, for example: the qualification needed for employers working in the delivery of social services, the users expected results and the number of beneficiaries to be covered.

---

[28] Coompanion is a development organisation for social enterprises in the Stockholm region, financed by regional organisations, municipalities, EU funds, and by the Swedish Agency for Economic and Regional Growth.
[29] www.slup.se.
[30] This is a framework agreement for urban social development, especially in deprived urban areas, between the French government and cities.

❹ Conclusions

This report presents an overview of trends, challenges and innovative practices at local level for ensuring quality social services and support for the social economy.

Cities are dealing with citizens who have multiple disadvantages, as well as with new groups of people becoming increasingly at risk of social exclusion.

Trends observed in the delivery of social services include improved coordination, decentralisation, personalisation of services, outsourcing to social economy associations and taking a preventative approach. The social economy is supported through financial means as well as legislative measures, which make it possible for these associations to win public tenders for delivering social services.

Ensuring the delivery of quality social services and supporting the social economy pose challenges for cities. Budget cuts in public administrations, coupled with an increasing number of people in need of active inclusion are stretching cities' capacity to deliver quality social services and to support the social economy.
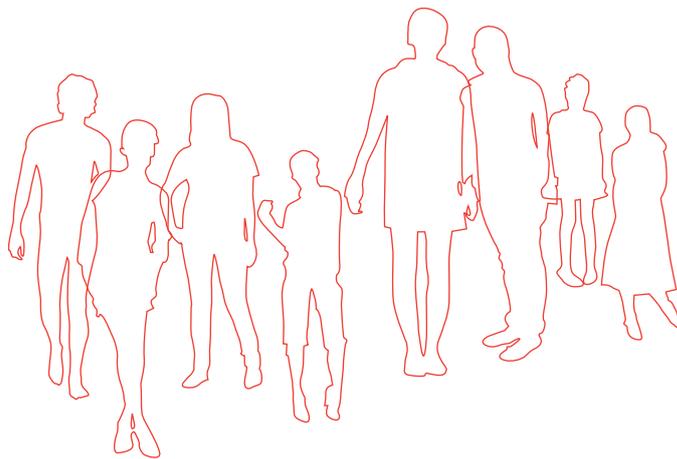
Other challenges identified by cities are the sustainability of social economy initiatives, too rigid and formal national legislation on quality of social services, the complex rules on public procurement as well as the recruiting and retaining of highly qualified staff in the social sector.

However, cities have also put in place and are planning several solutions to deal with the challenges of ensuring quality social services, such as creating quality standards that better reflect the users' needs, training employees in understanding quality issues, and improving working conditions of social workers. For the social economy, cities are helping to increase the business skills of people working in this sector, to raise awareness on the added value of social economy and to introduce social clauses in public procurement regulations for awarding tenders for delivering social services.
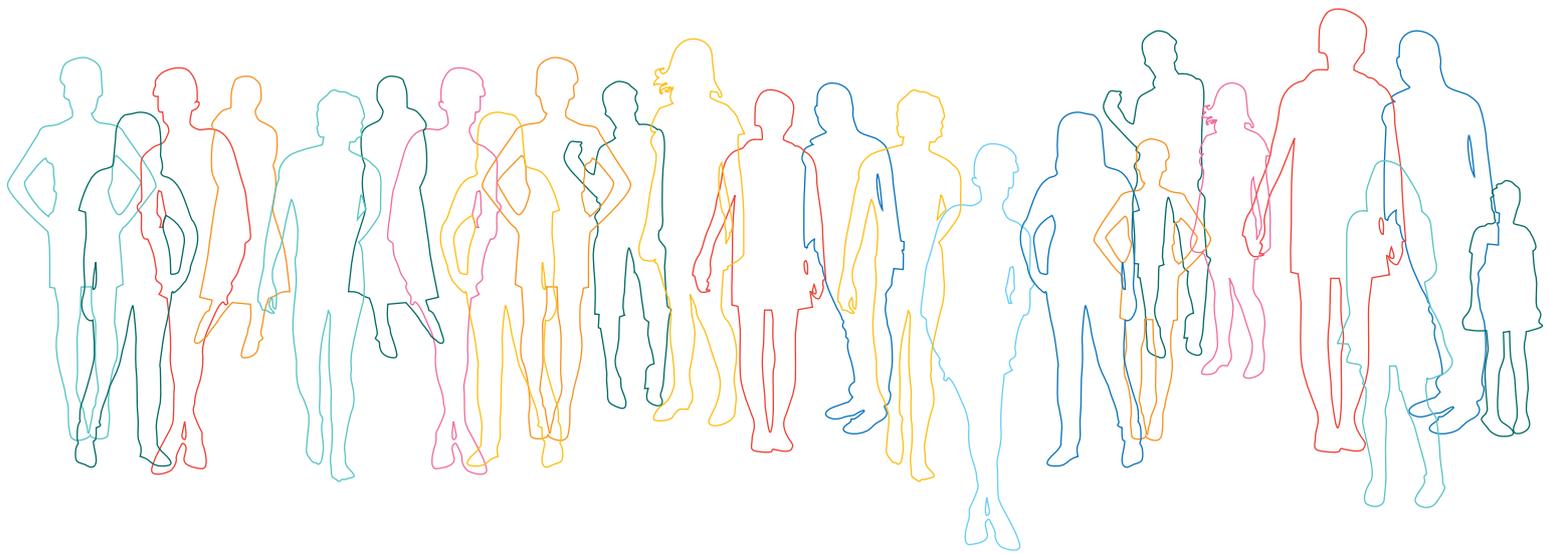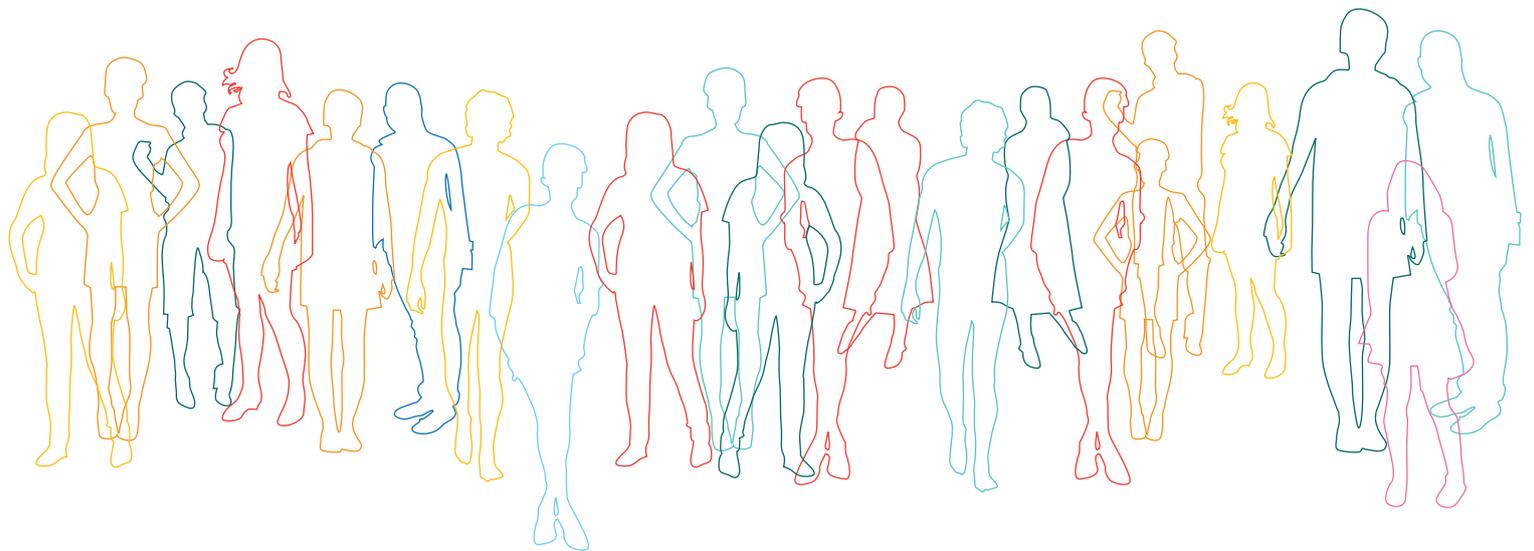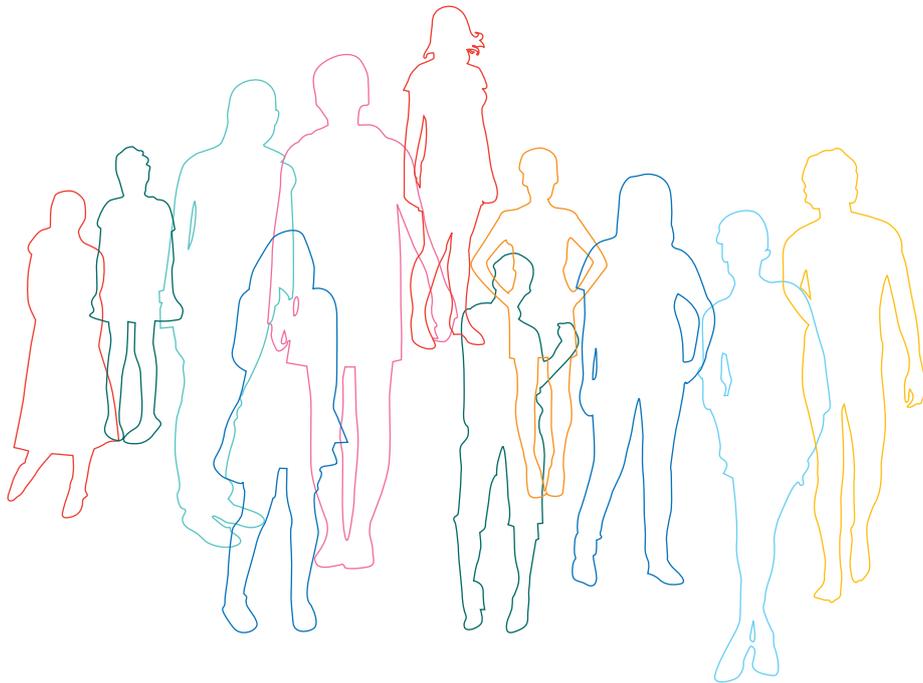
Cities for Active Inclusion is a dynamic network of ten European cities – Barcelona, Birmingham, Bologna, Brno, Copenhagen, Krakow, Lille Métropole - Roubaix, Rotterdam, Sofia and Stockholm – each with a local authority observatory (LAO) within its administration. Their aim is to share information, promote mutual learning and carry out research on the implementation of active inclusion strategies at the local level.

The ten observatories are coordinated by EUROCITIES, the network of major cities in Europe, and supported through Inclusive Cities for Europe, a partnership between the European Commission (DG Employment, Social Affairs and Inclusion) and EUROCITIES.

www.eurocities-nlao.eu