



Financing of Social Services – The perspective of Eurodiaconia members

Eurodiaconia 

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FINANCING OF SOCIAL SERVICES – THE PERSPECTIVE OF EURODIACONIA MEMBERS

A Summary report

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Introduction

Eurodiaconia is a dynamic, Europe-wide community of organisations founded in the Christian faith and working in the tradition of diaconal service, who are committed to a Europe of solidarity, equality and justice. It represents more than 40 members working in over 30 European countries, including churches, not-for-profit welfare organisations and NGOs. Eurodiaconia links its members to examine social needs, develop ideas, influence policies and promote a social Europe. Together, they work to enable inclusion, care and empowerment of the most vulnerable and to ensure dignity for all.

Recent economic and social policy decisions have meant that many Eurodiaconia members have experienced increasing challenges in financing essential social services and there is greater emphasis on finding alternative sources of financing. Eurodiaconia wishes to support members as much as possible in this area and one of the actions it decided to take in this regard was to commission a report on the current state of financing of social services as experienced by Eurodiaconia members. 16 responses were received and this summary report includes an overview of the sources of finance used by Eurodiaconia members that responded, the main challenges experienced regarding financing, followed by recommendations for policy makers. The full report is also available for consultation; please contact the secretariat if you wish to receive a copy.

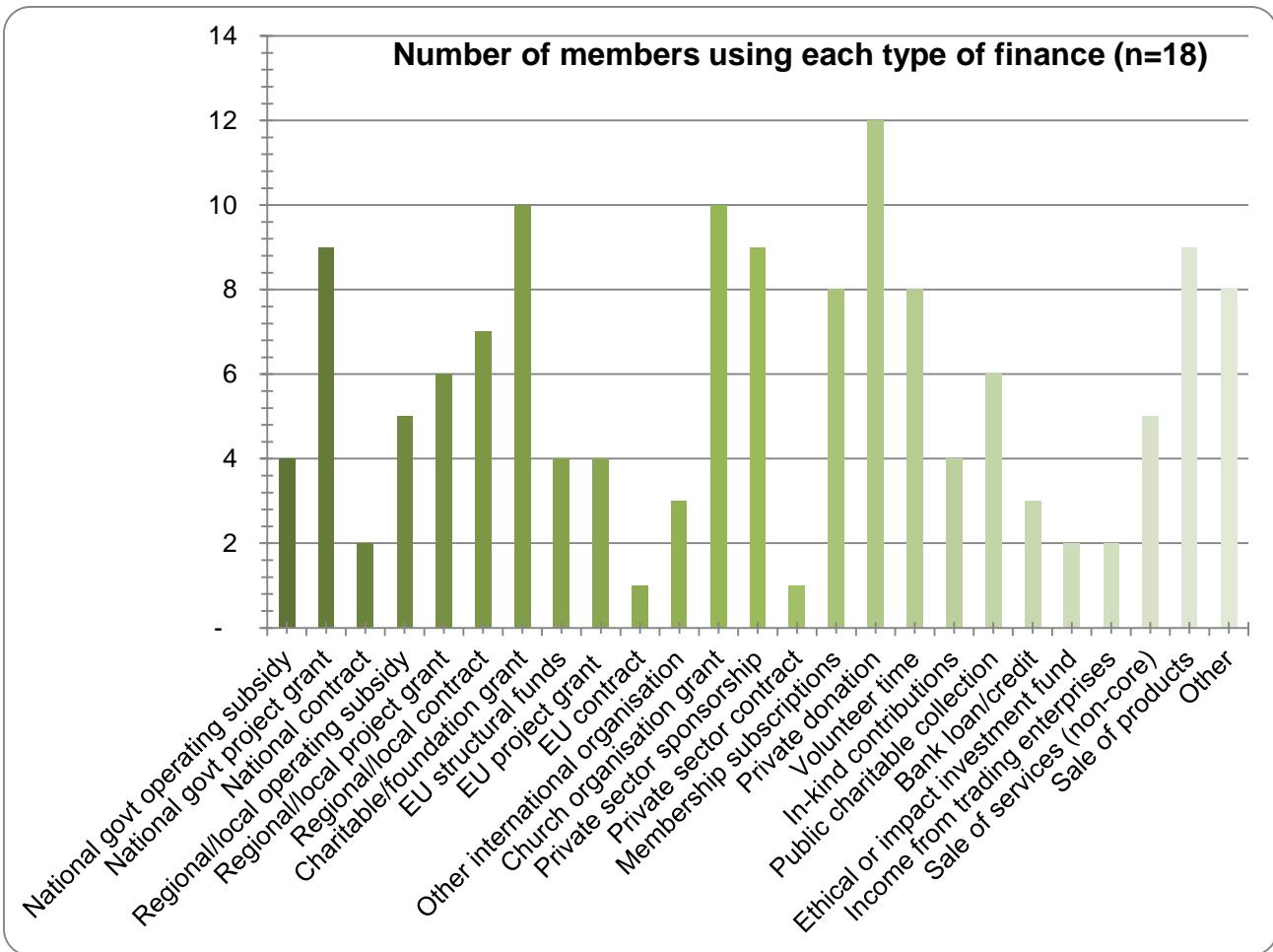
Case studies were also conducted of good practice examples from among Eurodiaconia members, and four examples relating to the use of public funds can be found in this document in the form of interviews. They outline the service or project financed, the type of funding used and why, followed by the positive aspects to the arrangement and the challenges experienced. In addition they outline learning gained through the process of applying for and using the finance that could be relevant for other service provider organisations. Conclusions drawn from the case studies feature in the recommendations section.

These case studies, along with four other case studies addressing merchandising, corporate partnerships, working with foundations and individual donors, have been integrated into Eurodiaconia's fundraising toolkit, which can be accessed here: <http://www.eurodiaconia.org/toolkit/>. This interactive toolkit is regularly updated in order to stay relevant and the sections include working with European funding programmes, foundations, as well as fundraising in general.



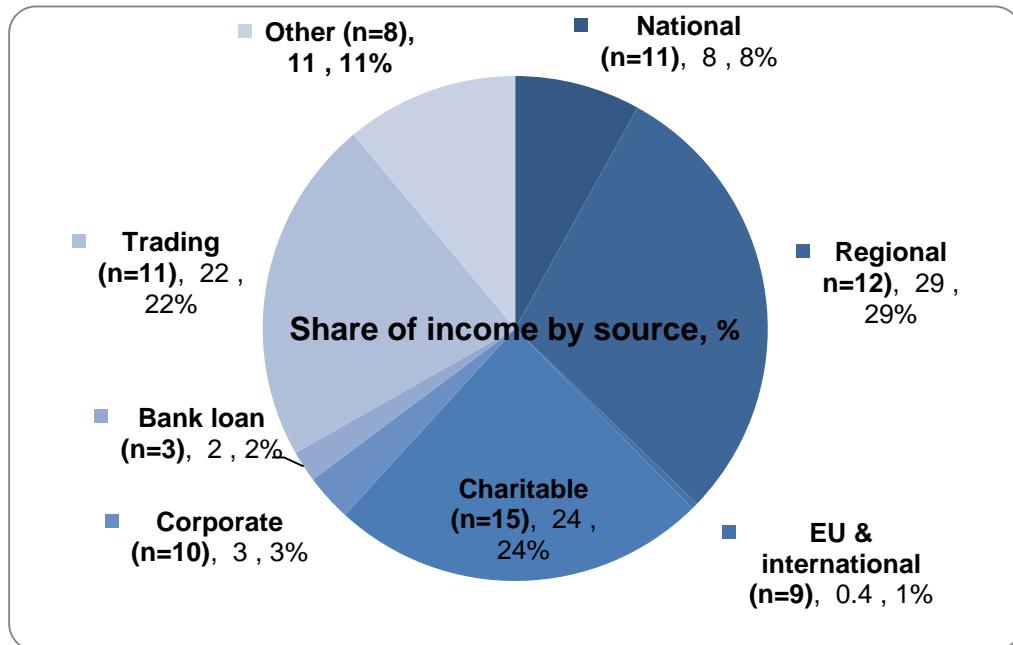
Overview of Eurodiaconia members' sources of finance

The size of the organisations responding varies widely; annual turnover ranges widely from €180,000 to €148 million – a ratio of 800:1. This reflects the diversity of organisations in Eurodiaconia membership. An overview of the types of funding used by respondents can be seen below. The research shows that there is great potential for the use of EU funds by diaconal organisations as the proportion of this source of funding is low.





The following chart gives an overview of the share of the sources of financing, n=number of respondents using the source. National and regional are public financing sources.



Problems and challenges experienced

A significant minority of respondents report facing legal and regulatory barriers to their work. The chief problems are with public procurement and legal restrictions on trading by non-profits. Around a quarter of respondents face problems with VAT.

The four most important problems that impede long-term sustainability and the provision of quality services identified by the research are:

1. There is insufficient finance for the organisation to meet (often increasing) demand
2. Funding is too short-term
3. Budget cuts are affecting availability of finance
4. Inability to raise funds for investment, only for operational expenditure (therefore some are dependent on debt financing.)

Problems of a second-degree magnitude are infrequent application rounds, making planning and continuity of service provision difficult, high administrative burdens, low intervention rates, difficulty finding co-financing and budget cuts. In some countries if organisations carry out a commercial activity they can only take the legal form of a regular profit-making organisation, there is not the option to be classified as a social enterprise or type of not-for-profit organisation, despite the fact that they show different characteristics to commercial companies

Respondents mentioned that in relation to ESF funding they found it challenging to implement follow-up actions to projects due to gaps between the end of an ESF project, the launch of new calls for proposals and the possible start date of follow-up projects. Some organisations have little know-how and expertise on EU funding and therefore don't feel prepared for the complex rules and regulations of EU funding programmes.

Rigid rules imposed by managing authorities in the Member States managing EU funds, such as the European Social Fund, can prevent implementing organisations from making changes to the project during its implementation that the project holder deems necessary to increase the impact their project has on the target population.



Political recommendations¹

Public contracts and project financing

Public authorities should avoid tendering for large-scale contracts or launching calls for large projects just to minimise their own administrative workload. When they go out to tender for services or launch calls for projects they should keep the volumes at levels deliverable by NGOs. They should also take into account that larger organisations may be able to offer lower prices because of economy of scale, but this should not exclude small organisations who may be able to provide high quality effective services.

Contracting authorities must ensure that the complexity of calls or specifications do not prevent capable and experienced organisations from applying, nor prevent flexibility in the execution of the service. A more open approach to NGO bidders could also include working with more frequent bidding rounds. Contracting authorities should take into consideration the situation of social service providers when planning bids, provide clear information about timing and aim for regularity of calls, ensuring that service provision or the employment of staff at the service providers are not jeopardised by gaps in funding.

Public procurement

EU Member States are currently transposing the revised EU public procurement directive into national legislation, and this constitutes an opportunity to take advantage of the opportunities that are present to take more account of quality in selecting contractors, rather than choosing on the sole criterion of price. They should include provisions to take quality into account when assessing bids. The European Commission should update guidance to contracting authorities on the social provisions in the directive, such as the *Buying Social* guide.²

Public authorities should consider alternatives to competitive tendering, in order not to restrict the possibility to develop new effective approaches by pre-defining methods. Legislative authorities should permit and encourage the use of procurement procedures involving negotiation and consultation with stakeholders. Authorities should ensure they are open for innovative ideas, and consider supporting pilot projects with a view to mainstreaming the approach or providing longer-term financing.

EU Funding programmes

In order to provide equal opportunities to apply for EU funding to all eligible organisations and ensure the expertise of diaconal organisations can be utilised, public authorities should organise training on how to access funding programmes, for example ESF funding, at national, regional or local level. Capacity building programmes should be aimed at NGO service providers.

Public authorities should allow adaptations and flexibility during the implementation phase of projects to increase the success rate of projects by allowing them to be adapted to the needs of beneficiaries.

Investment

Funders should recognise the need for NGOs to invest in the facilities and investment needed to provide social services, and should construct funding schemes which combine revenue and capital financing. At European level this can be done through a combination of the European Social Fund and the European Regional Development Fund.

Legal forms of organisations

In designing or reforming legislation on legal forms, legislators should ensure that non-profit-distributing organisations such as associations and foundations are not inhibited from carrying out activities in the marketplace, ensuring that a commercial activity does not necessarily entail a legal status as a commercial organisation.

¹ The recommendations fed into a Eurodiaconia policy paper on social services published in 2015, and in so doing contributes to the advocacy work of the secretariat regarding the financing of social services.

² <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=978>



CASE STUDIES

Grønn Omsorg i Storbyen, Oslo Church City Mission

Green care – an active and meaningful life on the farm

Summary

The Oslo Church City Mission runs an innovative daycare scheme for older people with dementia, which offers them the chance to work on a farm for three days a week. This means that they continue to have an active and meaningful life in the company of a group of friends, and gives their permanent carers some time off. The Grønn Omsorg i Storbyen ('Green Care in the City') scheme was launched in 2009 as a three-year pilot, and in 2013 was given a permanent budget by Oslo city council. It is funded under a contract which provides for a standard daily fee, and costs much the same as conventional daycare. Bridging finance during the tendering process was provided by a foundation.



The idea for 'Green Care' came about in 2007 when Anita Ellefsen of Oslo Church City Mission had a phone call from the wife of a dementia sufferer. He was in his 60s and had led a successful working life, and his wife wanted to find a way in which he could continue carrying out an active and meaningful activity. "He is used to acting to solve problems, not talking about them," she said. This set Ms Ellefsen thinking about what sort of setting could provide people with a cognitive impairment the opportunity to be active and lead a meaningful life. Norway has a centuries-old tradition of farms accepting visitors, mainly groups of children and people with psychological problems. So she wrote a project proposal and

approached the county governor, knowing that he had extensive networking contacts.

Ms Ellefsen then had to find a suitable farm. Tori and Jon Ivar Bakke run Skjerven Farm in Maridalen, 10 km north of Oslo city centre. The farmland runs down to the banks of Maridalsvannet, the lake that provides 90% of Oslo's drinking water, and so pollution is strictly controlled. Therefore the number of animals they can keep is limited and the farm could not be run profitably from farming alone. They wanted to sustain their life on the farm and so diversification was in order.

Ms Ellefsen worked out what the necessary budget would be, and contacted the leader of Oslo's city council. She was invited to give a half-hour presentation – and as there was no political opposition the council agreed to support a three-year pilot project. The city is conscious that its ageing population means that more and more of its residents will be suffering from dementia, and had been on the lookout for ways to improve the quality of the care they offer. The interests of both sides coincided neatly.

Varied part-time work

The Grønn Omsorg i Storbyen ('Green Care in the City') project offers daycare for three days a week for seven people aged between 55 and 75 suffering from dementia. Clients are assessed before being accepted, and they have to be fit enough to walk, care for themselves and work in the open air. They benefit from being in a community of friends and from undertaking a variety of activities, including tending to the sheep and horses, and walking in the countryside. Transport and meals are provided, and the cost is borne by the municipality. The scheme allows clients to stay living at home with their families for much longer – and it gives their everyday carers a break. The innovation is not so much that people with cognitive impairments work on a farm, but that they are not excluded from society when they do it.



From pilot to mainstream funding

After the three-year pilot period, Oslo City Council mainstreamed the scheme. Ms Ellefsen thinks that one reason for this success was that the City Mission set up and carefully documented a systematic model. "One thing we did that no one else did was to use the pilot as an action learning process. We gave regular reports to the municipality which identified the problems we were facing," she says. This learning has been institutionalised. Ms Ellefsen does not believe that such an innovation would have been possible had public procurement been the only method used.

In May 2013, the city issued a call for tenders. It allocated an annual budget of 1.4 million Norwegian kroner (€165,000) to pay for between six and ten places. Having learnt the importance of qualitative factors, when it assessed the tenders it weighted cost and quality equally. But in any case *Grønn Omsorg* is not an expensive scheme – it costs about the same as conventional daycare. It has a very simple financial model. The contract between the council and the Church City Mission provides for a fee to be paid for each day that a client spends on the farm, and this works out at about €70 per head per day.

The result of the tender was announced in September 2013, which meant that the transition from pilot to mainstream funding had involved an 18-month gap. This posed a financial problem for the City Mission, but the project was symbolically important to it, and it did not want to let the farmers down. It searched for bridging funding from private sources and struck lucky with the Kavli Trust.

Organic growth

The city's population is around 600,000, and seven places does not go far when serving that size of population. Yet there are no plans to expand the scheme. "It is not an easy job – in fact it's a double job, and you have to like people a lot. So we would need to find farmers who are suited to it," Ms Ellefsen says. Therefore, despite the enormous latent demand locally, and the many people interested in it from other places in Norway and abroad, the initiative seems destined to remain quite small. "We don't want to promote our scheme too much to avoid raising false hopes," Ms Ellefsen says.

However the Church City Mission realises that peoples' needs change as they age, so it needs to broaden its repertoire. It has a number of innovative ideas up its sleeve, such as "blue care" – daycare on boats. "After all, we have a lot of sea round here," she says.

Further information:

Oslo Church City Mission: <http://www.bymisjon.no/Support/English-Site/The-Church-City-Mission-in-Norway-/The-Church-City-Mission-in-Oslo/>

Grønn Omsorg i Storbyen: <http://www.bymisjon.no/Prosjekter/Gronn-omsorg/>

BBC film on *Grønn Omsorg i Storbyen*: <http://www.bbc.com/news/uk-25316599>

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Aktör för Välfärd, Church of Sweden

Västerås Diocese – creating an entrepreneurial culture

Summary

Västerås Diocese in central Sweden used ESF funding to start to change the culture of the organisation and to stimulate thinking about creating social enterprises. Faced with declining membership, it undertook a three-stage training programme which reached three-quarters of its 1,000+ employees. As a result, ten new projects have been launched, of which two have potential for replication: green rehabilitation, and craft workshops and shops.



Västerås Diocese in central Sweden has a long tradition of engagement in the community, but falling membership has meant dwindling resources and has led to calls to develop new sources of income – notably through starting social enterprises.

The diocese comprises 77 parishes which employ over 1,000 people. Its income comes from its members, who make up 76% of the area's population. Yet its membership declined by 18% from 526,000 to 433,000 between 1995 and 2009. On top of that the region's overall population is declining though out-migration. The decline in church membership is leading to falling income and a threat of

downsizing. The church employs a wide variety of professions, from vicars, teachers, nurses, nursery assistants and youth workers to caretakers, cooks, cleaners, administrators and receptionists. It is the unskilled and largely female jobs which are the first to be hit.

Some parishes have developed activities such as schools, funeral homes, restaurants, residential care, family centres and integration projects – and one has managed to triple its workforce. The diocese decided to investigate whether expanding the range of services it provides could preserve employment while enabling it to meet social need more effectively and sustainably. There are several good arguments for the church to expand its activities: it can be done, there is a market, and the church is uniquely placed to do it.

- A number of parishes have been pioneers in the social economy and now operate schools, funeral homes, cafés, restaurants, treatment centres, family centres and integration projects. The most active congregation, Västanfors-Västervåla, has tripled its workforce over the past decade and now employs about 100 people;
- Surveys show that Swedes are receptive to the idea of the church offering more services, such as childcare and elderly care, and would use them if they were provided;
- In addition, in many sparsely-populated rural areas the church has a unique place in local society, and is the only organisation with the capacity on the ground to provide new social services.

The diocesan council decided to make this service expansion a priority for 2012-20.

A project to change the organisational culture

In 2011 the ESF called for projects in professional development with three aims: to help people to keep their jobs in a changing labour market, prevent social isolation and develop rural areas. But the church had a longer-term goal: it wanted not just to maintain jobs but to develop jobs in new areas, and develop the church's role in society more broadly.

The diocese therefore raced against the deadline to apply for ESF support, and was awarded a grant of 6.4 million kronor (€676,000). There was no need to find matching funds, as the sum was prefinanced, with half the money coming from the ESF and the other half from the government. In addition to that, project leader



Anders Hagman estimates that the diocese contributed the same again in its members' time. The project started in 2012 and ended in June 2014.

The aims were to give employees in 30 parishes the skills to lead new social economy projects, to start ten new projects, to build an understanding of the opportunities open to the church, to create support structures and more effective forms of communication and collaboration, such as working groups in the 'contracts' between the parishes – and to disseminate its learning regionally, nationally and with its transnational partners. The underlying idea behind the project was to change the church's culture. In 1862, a deal was done whereby the tasks of church and state were separated – and since that time they have not overlapped. Both streams of work are financed from taxation, and budgets were never in question, and slowly grew. This lulled the church into a state of complacency, and it became sleepy and undynamic.

The project started by mapping the competencies of its staff, through an online survey, which helped employees to realise that they had skills that none of their colleague suspected that they had – and which they were not using. The responses were encouraging. It was sent to 1,162 people and 837 replied. Of these, about 500 thought that their own congregation should start new activities to meet social needs, and 400 had concrete ideas for what these might be. Over 200 were willing to lead such a project.

Three-step training

After a launch conference in Gränjesberg in the autumn of 2012, the training started, in three phases:

- The first step was one-day introductory sessions which reached three-quarters of the church's staff – 750 people. One of these was held for each of the diocese's eight 'contracts' or groups of 5-10 parishes. These days introduced to concepts of social development and welfare transformation, gave examples of good social economy projects. The day finished with a debate on local development with invited public sector and civil society representatives;
- The second stage was one-and-a-half day 'process days' which were much more interactive. They reached 420 employees in 25 congregations. They dealt interactively with the church's history and identity, the needs and resources of the local community and worked on concrete ideas;
- The third stage was longer and more specialised courses in leadership, project management change in diaconal organisations and managing social enterprises, which catered for groups of 20-25. There were also one-day courses on non-profit leadership, treatment methods, public procurement, marketing and social accounting.

The first two stages were delivered by in-house staff while the third was contracted out to external trainers. Slightly more women than men took part in the courses, which is to be expected since the majority of deacons are women. Project coaching was then provided to four parishes which were developing specific ideas.

Social enterprises launched

The result of the training is that nearly all of the diocese's parishes have acquired sufficient skills to drive new businesses or projects in the social economy. At least ten new operations or pilot projects have been started, although most of them are very small, and no institutional commitments have been initiated. The projects started during the project include two parish shops, a clothing library, a project on green rehabilitation, a leisure activities cooperation with the municipality, two employment projects, and two projects working with refugee guides. Two of the ideas show particular promise:

- **Green rehabilitation:** One area where there is demand is 'green rehabilitation' where people suffering from stress-related illness or depression work with nature, for instance planting and harvesting crops. At the same time they receive physiotherapy, occupational therapy and/or psychotherapy. This allows them to re-establish their equilibrium. It also helps fragile people to learn to work in groups.



- **Craft shops:** St Mary's parish in Lindesberg offers work integration and training in its social enterprise which in 2012 established a café, bakery, shop and creative workshop. In the workshop, it makes toys, candles and home decorations. These are sold in the shop along with fair trade products such as chocolate and spices. The Diocese of Västerås receives funding from Tillväxtverket, the Growth Board, to develop a concept suitable for replication in other towns. During the Aktör för Välfärd project St Mary's hosted 14 trainees, and created two new jobs. A second shop was opened on the St Mary model, and expansion to create a nationwide chain, using a social franchising model, may be possible.



Development continues

The project succeeded in bringing about organisational development. It developed a participative process of change, built some new collaborations and, according to the evaluators, participants felt that the climate in the church had changed. This development process is continued since external funding ended.

A less positive aspect was that about a third of the vicars did not take part. Those that did tended to take a back seat and let the employees make the running. In general the vicars were not keen on rapid change. Some, though, had confidence in their employees and used the project as a chance to build teamwork by themselves playing a role as ordinary members of the staff team. The new ideas and motivation almost all came from the bottom up – from individual employees.

Unfortunately the ESF rules imposed some rigidity, which meant that skills courses could not be adapted in mid-project to meet the needs the employees expressed. The project had an obligatory transnational element, which comprised useful study visits to Germany, Austria and the UK, although budget rules prevented return visits.

In the future, Mr Hagman wants to move towards a structured regional development plan which dovetails with the government's development plan and involves the church working in partnership with the public sector and other civil society organisations. This will require the church to set up co-ordination structures to involve staff, volunteers and trustees, and dissemination systems to spread the lessons of local experiences. The church should also establish some sort of business intelligence function, he believes.

Further information:

Västerås Diocese: <http://www.svenskakyrkan.se/vasterasstift>
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A New Chance For Women, Salvation Army

The Salvation Army offering social rehabilitation for women with the European Social Fund

Summary

Armáda Spásy, the Salvation Army of the Czech Republic, through its scheme '*A New Chance For Women*', helps women in North Moravia with a history of alcohol dependency to reintegrate to society after undergoing clinical alcohol treatment. For six to twelve months, the participating women live in shared flats, take part in a therapeutic and rehabilitation program and receive individual counselling to gradually build up capacities for an independent life without alcohol.

The scheme started operating in January 2013 as an innovative social service pilot scheme financed by the European Social Fund (ESF) social inclusion funding line. From January 2015 onwards it will be funded by the local government as one of its standard social services to the community. The main success factor in being granted ESF funding for the project was for it to link the ESF funding line with the organisation's and the public social sector's goals.

Before '*A New Chance For Women*' was launched, Armáda Spásy had done a survey with institutions offering clinical alcohol treatment to find out the biggest service gaps for the growing number of female patients with recurring alcohol problems. The survey revealed that there was little emphasis on social reintegration in existing services, which translated into patients not being equipped with long-term alternatives to their alcohol-dependent life. The organisation thus designed an integrated follow-up care scheme for women based on the model of a similar scheme that existed for males. The design was adjusted to the specific needs of females, which required a focus on a safe environment for the prospective clients. A project outline was drawn up, combining components of rehabilitation and reintegration for eight female clients at a time, totalling twenty altogether.

Participants are chosen based on their neediness and likely success rate: They have to have undergone the clinical alcohol treatment, and must display a high level of motivation for the programme. A condition for becoming a participant in the programme is to contact a social worker at least once a week on one's own initiative for a period of two months. Once accepted, the selected women move into a shared apartment together with another female in a similar situation, the modest rental and maintenance cost of which they bear themselves as self-contribution.

Clients attend group and individual psychotherapy to deal with the negative longer-term psychological effects of alcohol abuse and receive individual supervision and counselling on follow-up accommodation possibilities as well as job education. Individual therapeutic and counselling decreases during the course of the programme, in order for participants to become gradually more independent. Together with a job advisor, clients find a position to volunteer in an institution or business with an increasing number of hours per week over time, so as to develop skills necessary to obtain and maintain a job in the future, get slowly used to sustaining themselves and to gain self-esteem by contributing something beneficial to society. Assuming responsibilities and building up ties with the institution they volunteer in is seen as a learning process and increases the future employment prospects of the women. For example, a client who volunteered as cleaning staff in a mental health institution started to read to the patients and, by the end of the programme, got a position to spend time doing leisure activities with elderly people in the institution. As a Christian based organisation the Salvation Army also offers to all the women a pastoral care, chaplaincy and a possibility for pastoral counselling. They can also just have a conversation or attend Sunday worships. These services are all on a voluntary basis but the majority of clients decides to take part in them.

From idea to funding and implementation

In 2012, at the time the project was designed and Armáda Spásy sought for financing possibilities, government had cut all funding for new social services in response to the financial crisis, so the organisation had to look into alternate options to cover the cost of the scheme of an estimated €120,000. The ESF which had issued a call for applications in 2012 was a likely choice for the organisation, having a 13-year history of using EU funds.



However, as Envoy Pavla Vopeláková of Armáda Spásy points out, a lot of homework has to be done before even thinking of submitting an application with the ESF.

ESF funding involves a co-financing component of the regional or local government. Hence, in the evaluation of the application, local government's support and endorsement of the project features as an important criterion. To achieve this, Armáda Spásy has continuously engaged with the government on different levels, and is involved in the community planning to understand and influence public spending priorities. Ms. Vopeláková emphasizes that it is crucial to align projects under ESF along three dimensions. Firstly and most importantly, the mission, values and competences of the organisation itself should guide the planning, secondly, public development plans need to be considered and thirdly, the ESF funding line has to be matched. In her view, having the idea for a project and a skeleton of its outline ready before looking at funding possibilities is crucial for the success of any project.

Armáda Spásy's experience shows that another success factor for receiving ESF funding is clarity and transparency with regard to budget allocations in the application. For this, it is not only necessary to dispose of project and financial planning skills but also to speak the 'EU language'. Reporting requirements and the overall administrative work load is considerably higher than in projects funded under public procurement schemes. Monitoring reports are to be submitted at least every six months and "follow-up questions from ESF can keep project managers busy until the next report is due", Ms. Vopeláková explains. When the organisation first used EU funding in 1999 during the EU accession process, there was little know-how on the specifics of EU funding modalities within the organisation and among project personnel. A significant amount of time had to be invested in acquiring the skills to write a successful application and in the supervision of project and financial managers. Nevertheless, the effort has paid off. Since then, the organisation has run more than 13 projects with EU funds.

Bringing about long-term change

The successful application of '*A New Chance For Women*' with the ESF covers all personnel as well as inventory, therapeutic and activation programme costs, allowing for individual care and social work with women on their way back into society. 95% of the participants are considered to have completed the program successfully, meaning that six months after leaving the programme, they are still working, lead an independent life and do not consume alcohol. The organisation stays in touch with the women through community evenings and by offering counselling services on a per-needs-basis after the programme which is reduced after half a year. The rationale is to avoid a long-term dependency of the clients on the programme and focus on their capacity to access services offered by the public social system.

Thanks to Armáda Spásy's intense lobbying and advocacy work, local government has agreed to fund the program as it was piloted under its standard set of social services. The organisation is planning to apply for ESF funding to increase the capacity of the scheme by another 35 women, and to introduce further innovations such as an enhanced focus on psychiatric care in the therapeutic component, which, as the experience of the pilot scheme proved, could be a useful addition. This however will only be possible once the next ESF call for applications in the Czech Republic is issued in May 2015. Gaps in funding follow-up projects with the ESF have taught the organisation to not overly rely on ESF or other EU funds, but rather use them as an option to complement services financed in other ways.

Further information:

Armáda Spásy: <http://www.armadaspasy.cz/>

Project website: <http://www.armadaspasy.cz/havirov/vyhlikova-pro-zeny>

ESF website: <http://ec.europa.eu/esf/home.jsp?langId=en>

ESF Czech Republic website: <http://www.esfcr.eu/index.php?lang=2>

Presentation of Armáda Spásy on ESF funding:

http://eurodiaconia.org/images/stories/2014_events/OPM/esf_experiences%20salvation%20army%20cz%20compressed.pdf



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Kofoeds Skole

Kofoeds Skole's activation, rehabilitation and training for the long-term unemployed through public contracts

Summary

Kofoeds Skole (*Kofoeds School*) in Denmark, a non-profit organisation providing help for people with socio-economic problems based on a pedagogical model, maintains a close relationship with the municipality. An activation, rehabilitation and training programme for the long-term unemployed is one of two programmes it runs as a service provider for the municipality of Copenhagen. The School's financial risk arising from revenues received per participant in this scheme has been countered with quality services, ensuring continuously high intakes and funding.

Since its founding in 1928, Danish Kofoeds Skole has received different forms of state subsidies under a range of social welfare acts, some of them being disbursed through the local government. The School has maintained close ties with the latter and today, acts as a provider of social services commissioned by the municipality of Copenhagen. "The relationship with the local authorities is a professional one, without problems, conflicts or opposed interests" which has helped the School to secure funding, confirms Mr. Meldgaard of Kofoeds Skole.

A tender to the municipal government with tailored services

In 2004, the municipality of Copenhagen announced a request for tenders to social service providers for a three-year regular contract over an activation programme with long-term unemployed persons, to be implemented in cooperation with the city's job centre. Because as an organisation specialised in education and training, Kofoeds Skole seemed to have the right qualifications and resources, a working group of representatives from the School's different departments put together a tender for an integrated programme based on its pedagogical model. Matching the very detailed conditions of the municipality regarding flexibility, quality and pricing, the tender included comprehensive service packages tailored to the varying needs of each individual participant, encompassing not only educational and practical job training, but also services related to other dimensions of problems typically faced by long-term unemployed persons, like social, health or mental issues. Kofoeds Skole was one of the institutions that were awarded a contract then and has won in all following requests for tenders.

Mr. Meldgaard believes that the organisation's many years of experience in working with unemployed persons are key for succeeding in the tendering process, as well as the skills and competences of its qualified personnel groups, namely craftspeople, teachers, social workers, psychologists, medical doctors, dentists and lawyers. Another important factor is the competitive price Kofoeds Skole can offer due to its size. As a large organisation with facilities already equipped with the tools, machines and devices necessary for a practical training program, it can provide a wide range of individualized services with a short lead time at a relatively low cost. The current contract covers training and rehabilitation services for up to 270 long-term unemployed persons at a time, with revenues being received as clients enter the programme. For each client, or student, as the School prefers to call its users, an individual training and rehabilitation schedule is agreed between the job centre, Kofoeds Skole and the student.



Depending on capacities and needs, students take up such courses as accounting, languages or other labour market related disciplines and participate in practical skills trainings in one of the School's workshops, learning carpentry, electrical repairs or kitchen and cafeteria services, among many others. Also, they receive vocational counselling, psychological support, health care and legal support if needed. As part of the School's pedagogical model, students contribute to the facilities' maintenance and so take on responsibility for themselves and their surroundings.

Dealing with financial uncertainty

The municipality buys the respective amount of training and education, ranging from five to twenty hours per week per student when the schedule is set up or changed. For the School, this contract modality presents a financial risk: Kofoeds Skole has to be prepared to deliver a full programme for the maximum number of 270 students coming in through this scheme at any time without having the assurance that the services will actually be accessed. When asked about how the School managed to estimate the amount of clients and hours for its planning, Mr. Meldgaard explains that "at the beginning, it was an informed guess. But in the next period, you can base your decision on the experience". He believes it is due to the quality and diversity of Kofoeds Skole's programme that, in contrast to other providers, it has usually been sent the maximum number of clients, with revenues amounting to approximately 1.4 million euros annually and so has not had to fire staff during the course of the programme. A controlling body hired by the municipality visits the School twice a year without prior announcement to check on the quality of the programme delivery.

Although the programme has proven to be positive and received further funding, it can be difficult for the long-term unemployed students to find a job, even after participating in the programme. Due to personal histories of unemployment for often more than ten years and the labour market not favouring the re-entry of this group, they are sometimes sent back for another activation training by the job centre after a certain period: "For some of them, it is like a revolving door". However, the social aspect of the School's program has other positive effects for the clients: once a student on this scheme has completed the obligatory modules considered relevant to the labour market, she or he can take up other courses within their field of interest and skills, like for example playing music, which contributes to overcoming social problems.

The municipal government's funding is thus seen to be crucial and the School's services are an integral part of the Danish social system. Kofoeds Skole of Copenhagen, who has helped to found similar institutions in several other countries, hence stresses the importance of informing the local authorities of the School's pedagogical model as well as that of building up a positive relationship with the municipality early on, to secure funding and operations in the future.

Further information:

Kofoeds Skole: <http://www.kofoedsskole.dk/omos/international/aboutus.aspx>

Kofoeds School International: <http://international.kofoedsskole.dk/>

Publication about Kofoeds Skole:

<http://international.kofoedsskole.dk/media/7727925/kofoeds%20school%20-%20the%20history.pdf>

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