



Report

The Future of Social Services Report of the High-Level Group on Social Services

Eurodiaconia is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice.

Mission

Eurodiaconia is a network of churches and Christian organizations that provide social and health care services and advocate for social justice. Together we work for just and transformative social change across Europe, leaving no-one behind.

Vision

Driven by our Christian faith, our vision is of a Europe where each person is valued for their inherent God-given worth and dignity and where our societies guarantee social justice for all people, including the most vulnerable and marginalized.

Editor: Heather Roy

Author: Valentina Caimi/LinkinEurope SPRL
Assistance provided by Kewan Mildred

Design: Jeremie Malengreaux

Publication: January 2021



This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information, please read <http://ec.europa.eu/social/easi>. Eurodiaconia is a network of social and health care organisations founded in the Christian faith and promoting social justice.

Table of content

Table of content	3
POLICY SNAPSHOT	4
About this publication	5
Why this publication	7
Main trends in social service provision in the EU	9
Case studies	34
Social Innovation	34
Integration of Services	35
Active Inclusion strategies	36
The shift from institutional care to community-based services	37
Funding	38
Well-being of children, young people and families (Children SIB) (FI)	39
Staff retention	40
Recommendations	43
1) The Legal Framework	43
2) Funding and Financing	54
3) Recruitment, retention, training, re-training and upskilling of staff	56
4) Digitalisation of services	58
5) Increased medicalisation of users	60
CONCLUSIONS AT A GLANCE	62

POLICY SNAPSHOT



Social Services are at the heart of our ambition for a social Europe. They empower people to be equal participants in our societies, provide care and support and are also significant employers across Europe.



Eurodiacona brings together over 30 000 social services and our members are experts in this field. They are able to identify both the challenges and opportunities facing all types of social services and propose concrete solutions.



Eurodiacona established a High Level Group on Social Services to bring together the expertise in our membership and address the main trends and challenges being faced. This report outlines their findings.



Social Services must be accessible, affordable, available and of high quality. However, it is increasingly clear that the provision of social services is under immense pressure. The current eco-system for social services does not enable many providers to recruit and retain the staff needed, financing is increasingly complex and the understanding of quality often based on economic reasons.



Our recommendations cover multiple areas and all need to be taken together to ensure a positive and enabling environment for service providers and the users of those services. They are directed to Member States of the European Union, neighbouring countries and the European Commission.

About this publication



Eurodiaconia is a network of 52 organisations in 32 European Countries providing social and health care services and advocating for social justice. With over 30 000 service centres, approximately 800 000 staff and over 1 million volunteers around Europe, the current and future trends in Social Services are of concern to Eurodiaconia. For a number of years, Eurodiaconia has been at the forefront of contributing to EU-level debate on quality, accessibility, funding, staffing, and social services availability. As people's needs grow increasingly complex, the services they need must adapt and become more integrated and accessible. This brings innovative approaches, often requiring innovative funding. The legal environment for the provision of services must also support the delivery of all types of services, and high-quality staff are also integral to providing quality social services.

Over 30 000 social service centres, approximately 800 000 staff and over 1 000 000 volunteers are involved in providing Diaconal social services.

Demand for all types of social services is increasing with changes in institutional delivery, home care services. Our members are at the forefront of service provision, service innovation and service evaluation; however, as not for profit providers of social services, they often face challenges. Some of these challenges are shared by the wider social services sectors – public providers and private for-profit providers – but some are specific to the not for profit identity our members carry.

In order to bring our work on social services together and so to identify the current and future services with a view to setting the future political agenda on social services at EU and national level, Eurodiaconia established a high-level group of experts across its membership. These worked over the last two years to identify and discuss the major challenges facing social

service provision and identify the various ways that these challenges could be addressed and opportunities seized.

Why a High-Level Group on Social Services?

The European Commission has established several High-Level Groups in recent years, including on Social Business. These groups bring together experts across a number of disciplines, geography and experience. Various stakeholders are involved in discussions with a shared sense of purpose. Eurodiaconia wished to take some of the elements of the EC High-Level Groups and use the model to develop our work on social services to produce a report that would shape our future work on social services at EU and national level as well as influence external actors such as the European Parliament, the European Commission, funders and local authorities as well as service providers themselves. The European Pillar of Social Rights, adopted in 2017, further emphasised the need for a group of this kind as social services are essential for the implementation of the ambition of the European Pillar of Social Rights. Still, the eco-system for social services needs to be developed if they are essential as they need to be for a social and sustainable Europe.

The High-Level Group was made up of leading experts connected to our membership from across Europe. Also, the first meeting of the group brought in external experts from a variety of stakeholders to share their perspectives.

Why this publication



This publication brings together two years of work by the High-Level Group to identify the key issues facing not for profit social service providers today and also looks to the future. Making recommendations as a result of this work, we hope that they will be incorporated into our future policy work and also influence other European stakeholders' work, including the member states and the institutions. Our recommendations are all achievable but require political, legislative and financial commitments.

It is more important than ever to ensure social services are a priority investment in Europe. The ageing population brings the need for more and diverse care solutions in the coming years. The COVID-19 pandemic has shown the front line role of social services in ensuring people's well-being and supporting them during periods of unemployment, educational needs, care-deficits and material needs. Yet the COVID-

19 pandemic brought into sharp relief the challenges the sector has been facing, including underinvestment in staffing, questions around the commissioning of services and the sustainability of the current financing models.

It is these challenges that this report addresses and puts in the context of the real-life experience of our members. Whereas only some members are quoted directly, the evidence and experience of a wide range of our members are represented across this report as we build on previous publications and position papers.

This report investigates the main trends, challenges and opportunities in social service provision by not-for-profit service providers, from three main angles: the implementation of EU legal and policy frameworks; the funding

For the ambition of the European Pillar of Social Rights to be achieved social services are indispensable.



systems and sources; and challenges intrinsic to the sector, such as the recruitment and retention of qualified workforce, the increased digitalisation of services and the growing complexity of users' needs. From this, we draw out key trends, influences and recommendations.



Main trends in social service provision in the EU

Social services are a fundamental part of social protection systems across the EU and play a key role in improving people's lives. They are one of the most heterogeneous strands of social protection systems that exist. Thus, a thorough understanding of social services in their different facets is crucial.

These facets include aspects such as the regulatory framework governing their provision and financing, the different types of providers involved in their delivery and the scope and effectiveness of the tools aimed at defining, measuring and assessing the quality of social services and their impact. Social services are also a lever to delivering on the political commitment of the EU to promote social inclusion and cohesion. Therefore, social

services cut across EU policy strategies and initiatives to promote sustainable employment and inclusive growth, especially in the wake of the 2008 and current health, social and economic crises caused by the COVID-19 pandemic.

The organisation, delivery and funding of social services is a Member State's competence, very often decided at a sub-national level. Nonetheless, Member States are required to comply with EU law when a service is an economic activity – which happens in most circumstances. The interplay among the different levels (EU, national, regional and local) makes the legal, regulatory and funding frameworks very complex, which leads to very fragmented social services provision not only across Member States but very often across regions and between urban and rural areas in the same country.

Are social services truly an economic activity? What is the most appropriate definition of social services?

Are social services seen as an investment or a cost?

Section I – Trends and challenges linked with the EU legal framework

There is no common definition of social services across EU countries. The definitions given by the European Commission have also evolved during time. Social services of general interest (SSGI) are part of the broader category of Services of general interest (SGI), which can be economic (Social Services of General Interest – SGEI) and non-economic.¹ Although social services fall under the competencies of Member States, they must, if a social service is of economic character, while defining the ways in which it is organised, delivered and financed, respect and comply with EU legislation (EU Treaties and relevant internal market and competition rules).

Since the White Paper on SGI of 2004, there has been an effort by the European Commission to define the specific characteristics of social services, in the broader context of SGI. With time, and also thanks to the concerted advocacy activities of EU civil society organisations such as Social Platform and Social Services Europe, the specificities of social services have been taken into account by EU legislators to justify some adaptation to EU rules. This has resulted in exceptions, exemptions or softening of the EU internal market and competition rules that are applicable to social services. The most recent developments can be found in the revised directive on public procurement (Directive 24/2014/EU) and in the so-called Almunia package (state aid rules).

¹ Services of general interest (SGI) are defined in Protocol 26 attached to the Treaty of the European Union and the Treaty on the Functioning of the European Union. SGI, including SSGI, can be economic or non-economic. The definition of Services of general economic interest (SGEI) can be found in the Treaty of the Functioning of the European Union (TFEU), precisely in art. 14 and 106.2 TFEU. Art. 14 TFEU is the result of a step-by-step evolution of the EU Treaties regarding the role recognised to SG(E)I in contributing to EU objectives, especially since the Lisbon Treaty.

Yet, from the interviews with Eurodiaconia's members, it can be concluded that the implementation of EU rules on public procurement and state aid still represents a challenge, namely in Sweden, Finland, Germany, and Czechia.

Public Procurement

The main research finding is that when contracts for social services are awarded by means of public procurement, the choice of the provider is still commonly made on the basis of the lowest price or cost. The new possibilities offered by Directive 24/2014/EU to use tendering procedures to achieve strategic objectives (innovation, social and environmental goals), are overlooked to a great extent.

Bräcke Diakoni reports that in **Sweden**, they face strong competition with private companies in all the social services sectors, which makes it difficult for them to ensure the levels of quality they would like to offer. Furthermore, private companies sometimes lower the market price to get into a new sector and are supported by private investors that pay for the difference between the price that would be necessary to ensure quality service and the price offered in their bids. Potentially, Swedish NGOs would be interested in collaborating with investors, but it is difficult to find a common ground on the use of money. Non-profit service providers have the primary objective of reinvesting funds in their activities to take care of people and not of making profit. The same trend has been highlighted by **Diakonie Deutschland**. In **Germany**, public procurement is widely applied for Statutory Health Insurance to purchase goods (medicine or medical products). Tendering of social services mainly takes place for labour-market services by the Federal Labour Agency (Bundesanstalt für Arbeit). In other sectors of social services, it is mainly municipalities in charge of their organisation; their provision through public procurement is not mandatory. Introducing public procurement as a new way to provide social services is often politically charged with intentions to reform or restructure regional markets. These tactics tend to shift competition more markedly to

be decided by the lowest price. Newcomers to such markets often seek to position themselves by aggressively low prices, thereby aggravating the situation for established providers who offer standard wages and working conditions. It is now widely understood that cost-efficiency is not tantamount to cheapness. But to poorly advised practitioners, this still seems to be the safest way to steer the process around legal difficulties.

The Deaconess Foundation argues that there is still a strong belief that public authorities should be the default provider of services in Finland. When the provision of services is externalised to third parties, contracts are mainly awarded by means of tendering procedures, still heavily evaluated on the basis of price (which is weighted 90% of the total score). Also, quality criteria are designed in a way that every provider can meet the criteria, and as a consequence quality is not a determining factor in the choice of the best offer.

In Sweden, another difficulty is that public procurement contracts have the duration of two or three years maximum, which is too short of ensuring continuity of service provision. For this reason, **Bräcke Diakoni** prefers when contracts are awarded in the frame of the free choice model.²

Slezska Diakonie states that in **Czechia** most of the services they provide are funded based on the national law on social services, which requires as a precondition that providers are accredited for the service they intend to deliver. Once accredited, service providers apply every year for grants from the Ministry in charge, the Regions and Municipalities (for example, Slezska Diakonie applies for 111 services every year). In addition, a general law on public procurement is in force, and they see the possibility to participate in some tenders, namely those funded by the European Social Fund. The main challenge is that award criteria are very often based on the lowest price. Like in Finland, when quality criteria are included, they

² This model foresees an agreement between the public authority and the service provider without a fixed duration which allows a longer provision of services and introduces changes only after a few years.

are not ambitious, as they require, for example, the fulfilment of the quality standards set by law or an accreditation system.

By contrast, the experience from **Diaconia Valdese** in **Italy** seems to be different. They participate a lot in tendering procedures and are quite successful. They have three staff members specialized in writing project proposals and technical offers. They also benefit from a track record and established trustful relations with the local institutions in all the regions they operate. There is not a prevailing trend in the use of the lowest price or quality criteria. The situation can vary not only sector by sector but also Region by Region. Indeed, in Italy, there are examples of very sophisticated procurement procedures that allowed the implementation of quality criteria in social services, as well as the experimentation of co-design and co-planning of services.³

State aid

Many public authorities have yet to fully implement state aid rules; instead, they only focus on de minimis declarations. It seems that there is still very little awareness of the wide range of diverse state aid rules. In general, the rules of the 2012 package leave wide space for interpretation, creating avoidable misunderstandings and an atmosphere of diminished trust between the public authorities and the provider requesting the funding.

Diakonie Deutschland comments that in **Germany** the main issue in the implementation of state aid rules is that the SGEI-De-minimis threshold of 500.000 EUR within three years is too low for many social services, mainly for two reasons. First of all, public authorities, to give subsidies, very often only ask to fill in a de minimis declaration, without allowing explaining if the supported activity is state aid relevant or not. The authority asks if the organisation has to be characterized as an undertaking or not, but it doesn't

³ See for example the case of a service for children in need and their families developed by Municipality of Brescia, available at <https://ec.europa.eu/docsroom/documents/42748/attachments/3/translations/en/renditions/native>; or the mental health service developed by Friuli Venezia Giulia, available in the Buying for social impact good practice publication, p. 46

check other criteria such as the cross-border element or the reasons underlying non-economic activities.

The other reason why the threshold is too low is linked with the state aid notion of the undertaking. As described in the De minimis regulation and in the annex of the General Block Exemption Regulation (GBER), an undertaking can consist of several enterprises. Consequently, all the enterprises are categorized as one undertaking if there is a certain level of control and interdependency. In this way, an undertaking can easily go above the threshold of 500.000 EUR.

Furthermore, for a correct implementation of state aid rules, service providers often need intensive legal advice to prepare the required acts of entrustment and to ensure compliance, including with reference to the taxability of acts of entrustment as VAT-relevant.

Section II) Trends and challenges linked with EU policy frameworks

Social investment and social innovation

In the last decade, the European Commission encouraged Member States to introduce new policy approaches, such as social investment and social innovation, that have an important impact on the organisation, provision, and funding of social services.

In the Social Investment Package⁴, the European Commission defines *social investment* as policies designed to strengthen people's present and future skills and capabilities and to support them to participate fully in employment and social life.

Social investment consists of integrated policies that focus on preparing people to confront life's risks and stages (e.g. unemployment, sickness, disability, maternity and parenthood, insufficient income, childhood and old age) instead of repairing their consequences. Designing policies embedding preventative approaches is of paramount importance. Key policy areas that promote social investment generally include education, quality childcare, healthcare, training, job-search assistance and rehabilitation, and housing.

In its Guide on social innovation, the European Commission defines it "as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social both in their ends and their means".

⁴ European Commission, Communication "Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020", 20 February 2013, COM (2013) 83; see European Commission [website](#)

From the interviews with Eurodiaconia's members, two interesting findings emerge when it comes to social investment and social innovation.

Firstly, it seems that overall, there is no lack of funding for social innovation, being from EU and national sources. By contrast, the main difficulty is to persuade the public sector to take up and finance in a regular way a service designed and tested in social innovation projects. Secondly, social innovation is more and more associated with the emergence of private investors and the experimentation of innovative financial approaches in which the private sector is involved. This trend is very visible in Finland, Italy and Germany.

According to the **Deaconess Foundation**, in **Finland**, there is a strong support for social innovation, namely from the lottery and EU funding. The foundation receives 3.5 million € from the lottery every year to this purpose, which covers 80% of the total costs of the projects (the remaining 20% is covered by their own co-financing). They use this funding to finance services addressed to Roma people.

The added value of social innovation projects is that not for profit providers can collaborate, while in tendering processes, they are forced to compete the one against the others.

They are currently getting involved in the implementation of a Social Impact Bond (SIB) addressing youth in vulnerable situations. This will be the first time they have used this approach.

In **Czechia**, **Diakonie ČCE** is of the opinion that NGOs are more flexible than the public sector in providing services. Even in the most traditional services such as elderly homes, which are generally provided by the public sector, there are new needs that must be addressed and not for profit providers are in the best place to meet those needs. Palliative care is one example, and it is NGO's that are the pioneers in this area, providing 80 - 90% of these services.

Social innovation can be funded by municipalities, Ministries or EU funds. It is possible to attract funding when projects are of good quality. Five years ago, thanks to EU funds, they launched a project for family carers, providing them with counselling (for example, on how to get financial help), training, psychological and spiritual support. They are making efforts to convince the public sector that it should become a service funded under their national social law.

Slezska Diakonie adds that the main focus of social innovation is on digitalisation of services. This has been highlighted even more by the COVID-19 crisis, which has triggered multi-disciplinary cooperation between health and social care sectors. Collaboration is also taking place between education and social care or across the three sectors. However, they still see a lack of collaboration in elderly care between health institutions and social services, including the use of funding.

For the moment, it seems that the COVID-19 crisis has not challenged the funding for social innovation, but it might change in the future.

In **Germany**, since the early 2000s, financial instruments from the private sector, such as Social Venture Capital and Social Impact Bonds⁵, have slowly found their way into the social services sector. Until today, these instruments only play a marginal role in the traditional non-statutory welfare, where the state still plays a very predominant role in financing, either by legislative entitlements in line with the subsidiarity principle or by public subsidies. There have been less than five cases of Social Impact Bonds, insofar. A reason might be that these multi-stakeholder-relationships are very difficult to initiate. Up to now, it has been Foundations that have often taken the role of the private investor.

⁵ Social Impact Bonds present a multi-stakeholder-relationship between private investors, social service providers and the public sector, and they intend to try out new and innovative approaches in social services. They also aim to achieve a measurable pre-defined social impact. In the Social Venture Capital (SVC) model, social impact investors lend their money to a social idea which creates a measurable impact and expects a financial and social return.

Legal circumstances such as the non-profit-status (Gemeinnützigkeitsstatus) hinder the implementation of investments which foresee a return, such as Social Venture Capital, in the non-statutory social welfare organisations. This instrument is more widely used by market-oriented social startups in seed phases. The alternative for social services are philanthropic forms of social investment (such as fundraising and public subsidies or funding by foundations), and these are much more popular than those that are return-oriented.

In contrast to the above-mentioned countries, in Germany regular funding for services deriving from legal entitlements does not include a fee for innovation and additional financing instruments are usually difficult to acquire (public subsidies demand a lot of bureaucratic effort in the application process; fundraising often targets underfinanced areas and does not necessarily allow to invest in high-value innovation; return-oriented social impact investments need to be carefully checked for their compatibility with the conditions of the non-profit-law, Social Impact Bonds are very difficult to prepare and build).

Integration of services

Another recent policy approach encouraged by the European Commission is the integration of services. The Communication on Social Investment for Growth and Cohesion⁶ brought to the fore the role of social services as enablers of people's full participation in employment and society across their life course. The Communication identified the need to better target interventions as a channel for increased effectiveness and higher take-up rates whilst improving the adequacy and sustainability of social systems.

⁶ European Commission (2013), Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, COM(2013) 83 final.

The emphasis on targeting underscores the need to put the individual at the centre of services. In this way, policies in the last years have promoted a paradigm shift in the design and delivery of social services. Person-centred services promote tailored support to people according to their needs and accounting for their case histories. This approach is dynamic and is best suited to respond to people's changes in needs on an individual basis.

At the system level, this has given rise to the promotion of integrated approaches to service provision. On the one hand, service integration addresses needs in a holistic manner. On the other hand, it promotes synergies between services and avoids overlaps.

In many cases, integration has been implemented at the level of end-users. In this regard, single points of contact and similar settings have broken silos between services and eased the navigation of support systems among users. However, integration or coordination is also required across all service levels, from design to delivery and evaluation, to render interventions more effective and efficient⁷.

Eurodiaconia's members testify that integration of services is not an area in which they face particular challenges. Integration of services happens in all countries, and there are many positive examples. However, some challenges have been identified. For example, there can be different rules set for different types of services and the lack of flexibility shown by the authorities, both at national and district level (in **Finland**).⁸ Or insufficient collaboration between the health and social care sectors, including from the funding side, as they do not put resources in common (in **Czechia**).

⁷ See, for example, emphasis placed on the integration of health and social care services; COM(2018) 770 final, *Annual Growth Survey 2019. For a stronger Europe in the face of global uncertainty*.

⁸ To give a concrete example, rules set out that it is not possible to have two different categories of users in the same building. In supported homes for children with disabilities, each user needs to have a room of 26 sqm and a toilet. This leads to separating siblings with disabilities who are obliged to live in separate rooms, contrary to what would happen at their homes.

The **Italian** member mentions the difficulty to collaborate with organisations which tend to medicalize too much elderly care, as their focus is on users' quality of life and empowerment, especially of elderly people.

Provision of services as part of active inclusion strategies

Integration should not be understood between services only, but in a broader sense, including different forms of support. In this regard, the Commission Recommendation on the Active Inclusion of people excluded from the labour market (2008) called for the design and implementation of comprehensive strategies, combining in an integrated way: adequate income support, inclusive labour markets, and access to quality services. In the same vein, the 2016 Council Recommendation on the integration of the long-term unemployed into the labour market emphasised the need to combine income support with employment and social services that enable (re)integration into employment.

Integration between services, income support and active labour market measures seems to happen in all the countries. The main challenge reported by Eurodiaconia's members is mainly represented by the inadequacy of income support and stricter conditionalities.

In **Finland**, Housing First is a very good example where the integration of services with social benefits works well. Benefits are adequate to allow people to live in dignity. The use of conditionalities is currently very much disputed. Unemployment benefits are generous and ensure large coverage, thus resulting that more and more recipients do not find it motivating to work or to look for a job. This aspect is also highly debated.

In **Austria**, the main challenge refers to the reform of the social security system that was introduced two years ago. Before this reform, the social security system allowed people to live in dignity. The level of subsidies has been decreased and there are more conditionalities to be fulfilled to be entitled to social benefits. Since the reform, **Diakonie Austria** has witnessed that poverty is increasing. A growing number of people go to

their services, including people they would have never expected to be in need of them.

Diaconia Valdese reports that in Italy too, the level of benefits is not adequate. Bureaucracy is also a barrier. In many locations, especially in cities, they help users to get access to benefits when they are entitled. They also have a service to help asylum seekers/refugees in accessing services and have a network of lawyers that provide legal advice for free.

Deinstitutionalisation and shift to community-based services

Deinstitutionalisation is mainly happening in Eastern Europe, with the support of the European Structural and Investment Funds (mainly ESF and ERDF). In **Czechia**, an animated debate is going on about deinstitutionalisation, and there are many different views. Big institutions still exist in the country. The debate is especially on numbers of people that should stay in one facility. Elderly homes usually gather 60 people. One of the Czech members interviewed is of the opinion that while having on average no more than ten users living in a mental health service, the same number is not realistic when it comes to elderly care. In addition, it is argued that there is a difference between villages and big cities; in cities, people are used to sharing units, not in villages. Users should have different options to make a free choice. Some users, for example, do not like to live in small facilities. In these facilities, it is also difficult to provide an adequate number of doctors.

De-institutionalisation processes are mainly undergoing in the areas of mental health and with people with intellectual disabilities, very often linked with integration of services. Reforms started in 2008 and require a lot of funding, both to build the infrastructures and to invest in staff training.

These forms haven't been challenged so far by periods of economic crisis, but it is unsure if the COVID-19 crisis will have a negative impact in the future, as it is expected that budgets might be cut for social services.

Germany, with the ratification of the UN Convention on the Rights of Persons with Disabilities in 2007, agreed to contribute to strengthen the self-determination of persons with disabilities. This also included the approach of deinstitutionalisation and the core concept „out-patient care rather than in-patient care“. Yet, the shift from institutional care to community-based services cannot be said to have been completed in Germany, it is a long and still ongoing process.

The Bundesteilhabegesetz (Federal Participation Act), which is the legal implementation of the UN Convention, has introduced some measures to further enhance deinstitutionalisation, e.g. it has abolished the different financing for in-patient and out-patient service provision. However, in order for persons with disabilities to all live in their own homes or in their preferred living environment, the infrastructure (accessibility of the built environment, ambulant care services for high needs patient, barrier-free and affordable housing facilities) is not yet sufficiently available. Finally, the wishes of the individual should be at the center of the decision on where to live, not the availability of infrastructure and the limiting institutional circumstances.

Quality of services

The Voluntary European Quality Framework for Social Services (VEQFSS)⁹ from 2010 aimed at developing a common understanding on the quality of social services within the EU by identifying principles of quality characterising such services. It also proposed methodological guidelines to help public authorities organise and finance social services to develop tools for defining, measuring and evaluating the quality of social services. The implementation of the VEQFSS is voluntary.

Only one member interviewed was aware of VEQFSS, from **Czechia**. This suggests that the Framework has had more impact in the Member States where quality systems did not exist or were less developed. Or, a long time

⁹ Social Protection Committee, A Voluntary European Quality Framework for Social Services, SPC 2010/8/final

has passed from the adoption and promotion of the Framework that it has been forgotten. **Slewska Diakonie** ran an Erasmus+ project, called “QEurope”, in which partners discussed how to translate the VEQFSS principles in daily practice in elderly care. Slewska Diakonie uses the Framework as a source of inspiration, while it seems that in the rest of the country, sometimes it is mentioned but not used. The national law on social services sets out 15 national quality standards. The quality framework is common to the whole sector and the whole country.

For them, VEQFSS offers a wider view on the quality of services; principles such as accessibility and affordability are very important. They organize consultations with staff, based not only on national standards but also on VEQFSS. For example, they consult the staff on how they see accessibility of services, they build on continuous learning, they do not limit their work to the fulfillment of standards but want to go further. Every year they hold twenty consultations on specific services. It is proved that focusing on quality triggers a positive impact on staff and users, nonetheless it is a long, complex and continuous process. It is a combination of continuous training, consultations, and monitoring mechanisms. Two years ago, they launched their own monitoring system, with their own criteria and indicators, to detect the level of quality of every service they provide. Users are involved in their consultation system, too. They ask 3-5 users about the quality of the services they are receiving. The head of service needs to prepare an action plan on how to address the weaknesses of the service resulting from users’ consultations. They also offer training to the staff to improve some weaknesses, when they see there is a gap in knowledge, for example on users’ rights.

In this period marked by the COVID-19 crisis, there might be challenges in providing the same level of quality, mainly due to lack of staff, as some fall sick, while demand for services grows.

In **Austria**, the main challenge is that each County has a different regulatory framework for different types of services. Thus, it is very difficult to have a common quality system. Different quality standards can be found

in kindergartens in Vienna or Salzburg. For some services, such as legal counselling for asylum seekers, it is more difficult to keep up the same level of quality, especially when funding is decreased. Nonetheless, **Diakonie Austria** has a good common ground about what they mean by quality, although the fragmentation of the system does not help.

In **Finland**, regulations about quality are at national and district level. The main challenges are twofold. In elderly care, regulations focus on standards related to square meters and how many staff are needed in a service and do not take into account any individual needs.¹⁰ There is a fixed price for each user, irrespective of their conditions and needs. By contrast, in mental health services, quality is better defined. The needs and related funding for each client are discussed and negotiated between the service provider and the officials, and this should be the way forward.

Members based in **Italy** and **Sweden** referred to being quite satisfied about the quality systems in place.

¹⁰ For instance, they are currently discussing if 0.6 or 0.7 nurses per client is the right number in supported housing for elderly people.

Section III – Trends and challenges linked with funding

Funding represents a challenge in all six countries, but for different reasons. In all countries, the main source of funding comes from public authorities, from different levels: from Ministries, Regions or Municipalities, depending on the national governance framework. In **Finland**, alongside public funding an important type of institutional funding comes from the lottery, which finances social innovation projects and new services or services that are not provided by the public sector. Both members from **Sweden** and **Finland** report that the main challenge for them is not the level of public funding, which is considered to be adequate, rather the chance to get a contract with public authorities, due to the strong competition with the for-profit sector. In Sweden, 85% of social services are provided by municipalities, 2-3% by NGOs and the remaining by companies. In Finland, 60% of social services are provided by the for profit sector and 40% by the non profit one.

In **Czechia** and **Italy**, funding represents the main challenge when it comes to service provision. In **Czechia**, financing for NGOs is not taken for granted. Funding for social services is transferred from the central level to the 14 Regions and it mainly takes the form of grants. The same fixed amount goes to all regions irrespective of the size of population and the type of social needs. There is a preference by Regions to disburse funding to municipalities and other public bodies which provide services. The prevailing belief is that the public sector has to care for people with social needs. This reflects the tradition by which most services for older people and persons with disabilities are provided by Regions and Municipalities. NGOs are filling gaps in public funded provision of services, they have developed services in new areas of social needs, e.g. homelessness.

Diakonie ČCE reports that when they plan a service, they do not know how much funding they can expect from the public sector, it is unpredictable, as funding is not distributed on the basis of the number of users.

In **Italy**, public funding is not enough. To address this, **Diaconia Valdese** has developed and consolidated a successful model of mixed funding.

In all countries, public funding is coupled with **other sources**, such as EU funding and to a lesser extent from private sources (from foundations, donations from individuals and companies, SIBs, fundraising, co-payments by the users, bank loans, etc).

All members benefit from **EU funding**, with the only exception of **Sweden** where accessing EU funds, including the European Social Fund, seems to be very difficult, so they prefer to avoid applying for it. In Sweden, most of ESF funds are disbursed to Municipalities and Regions. In the other countries, EU funding plays an important role, especially to launch innovative projects (in all five countries) or to finance some services that are not financed by the State. Different programmes are used, such as ESF, ERDF, Erasmus+ and AMIF. In **Finland**, when they use EU funds to pay for new services, they always put co-financing and use their own resources to keep the service going after the end of EU funding. In **Italy**, Diaconia Valdese sees the participation of young staff in EU projects as a way to increase staff knowledge, skills and especially motivation. They have now 3 staff members dedicated to EU projects, and Eurodiaconia has been very helpful for them to get access to EU funding.

All members report that they are asked by the public sector to provide services when there is a crisis (e.g. asylum seekers and refugees). Then it can happen that the public sector establishes a new service similar to the one they invented and tested (**Bräcke Diakonie**), or that it does not entrust them any more of the provision of a specific services, often for political reasons¹¹, or because of uncertainty of funding to NGOs (in **Czechia** and **Italy**). In Finland, for the last 25 years, every year they have been using the lottery funds to finance services addressed to asylum seekers who

¹¹ For example, in Austria, the public sector withdrew funding to the counselling service Diakonie Austria used to provide with Caritas and other NGOs to asylum seekers concerning their legal status, while it still expects them to provide asylum seekers with other types of support.

have been tortured, although this should be a service funded by the public sector. They are now in the process of negotiating with the Ministry that this service is taken up as regular public service which could potentially be provided by them or other actors.

The only members that seem to have developed a **slightly for-profit orientation** are **the Deaconess Foundation** in Finland and **Diaconia Valdese** in Italy. The first has a for profit branch (which amounts to 115 million € per year) and a not for profit one (4 million € of their turnover), plus 10 million € they receive from grants from many sources. Their activities generate low profit. 95% of their income is paid by municipalities and they are generally able to make margins from 1 to 3% on this. A small proportion of users pay from their own pocket to receive their services (for example, in residential elderly care or home care). Diaconia Valdese owns and manages seven guest houses, an activity that generates revenue and can be assimilated to social enterprises.

Section IV – Trends and challenges intrinsic to the sector

Recruitment and retention of staff

From 2000 to 2009 total employment in the health and social service sector in the EU a 4.2 million increase, more than a quarter of the employment growth in the total economy. In the same period, the employment rate in this sector registered a 1.3 percentage points growth, from 8.7% of the total employment in the EU-27 in 2000 to 10% in 2009¹².

Public services contribute to more than 26% of the EU GDP; in terms of employment, among Services of General Interest, health and social services are the largest sector, representing 33% of SGI and employing 20,5 million employees.¹³

Today the demand for social services exceeds supply of resources available in terms of workforce and financial support to the sector. The lack of workforce available could be explained by the following reasons:

- The low attractiveness of the sector, especially at first line level, due to precarious working conditions, combined with high risk of physical and emotional stress in the workplace
- High rate of turnover and career abandonments, due to early burnouts
- The lack of clearly defined career paths, career mobility and development opportunities
- The lack of education and training opportunities.¹⁴

¹² European Commission, Biennial report on social services of general interest, Brussels, European Communities 2008, p. 10

¹³ CEEP, Mapping of the public services – Les services publics dans l'Union européenne et dans les 27 Etats membres, mai 2010

¹⁴ Social Services Europe, Job Creation Potential in the Health and Social Service Sector – 5 Million New Jobs Before 2017!, April 2012

With the exception of **Diaconia Valdese** in **Italy**, all other members interviewed highlight the difficulties they have especially in recruiting staff. Retention is also problematic, but to a lesser extent.

In all countries, **recruiting** is a big challenge, because young people do not choose to get qualified in social services as their first choice. **Bräcke Diakonie** has been cooperating with schools and providing students a lot of training opportunities. They have also set up their own school for nurses and social workers, gathering 1700 students. Although this undoubtedly helps, it is not enough to recruit the number of young staff they would need. They also need carers, who are coming from all over the world. Refugees, too, decide to get qualified as carers. In **Finland**, recruiting is a challenge, too, especially of nurses. They employ nurses with an official qualification, while some companies recruit nurses from the Philippines which contributes to brain-drain in those countries. Notwithstanding the challenges, many people want to join the Deaconess Foundation because of their history and good reputation. In **Czechia**, the main difficulties lie in recruiting qualified nurses, as large numbers are leaving to Germany for better working conditions, others are coming from Ukraine. By contrast, it is not difficult to recruit social workers, as in the country there are many good schools for them. Salaries are also an issue. For example, with some social workers, there is a difference of 3000 crowns per month between those employed by the public sector and those engaged by NGOs.

In most countries, members highlight that when the economy is in recession, it is easier to recruit. With the pandemic, they expect to see more people willing to get into the sector, both because there is an employment crisis in other sectors and because people are partly changing priorities and mindset. In **Czechia**, they have witnessed the trend of women of the age of 50 willing to change job to work in the social sector; when the unemployment rate is high, around 10%, it is easier for them to make this choice.

Members face less problems with **retention**. In **Sweden** and **Finland**, many staff members tend to stay for many years. **Bräcke Diakonie** reports that in some units, there is however a problem of turnover. A lot of people change sector, because salaries in the social sector are lower than in other sectors of the economy, while the salary levels for the social workforce are the same if someone works for a municipality, an NGO or a private company. Trade unions were successful in ensuring the same agreement with all types of providers. In other countries, such as **Czechia**, the public sector pays slightly higher salaries. **Diakonie Austria** reports that retention is also problematic, especially in elementary care, where employees start very early at the age of 15, but then quit easily.

In **Italy**, there are no difficulties in recruiting and retaining staff, as the unemployment rate is high. **Diaconia Valdese** believe they offer good working conditions and they have proper representation from the labour unions.

To retain staff, all members offer career development opportunities and focus on employees' motivation, team work, and providing support to the team. **Diaconia Valdese** trains and coaches mid-level managers especially in soft skills (team work, team building, effective presentation skills, and time management). They also offer many hours of training in very specific areas, which are required by law; they also provide themselves training for staff that work with specific target groups, such as migrants, young people and children. For example, they provide staff dealing with women who have been trafficked and migrants, with psychological support and group therapy.

Diakonie Deutschland implements a coordinated competence-oriented personnel concept, which brings together the instruments of personnel work with a view to the competence orientation. This keeps employees motivated and strengthens the employer brand. In addition, more and more people are working in multi-professional teams, in which they can further develop practical skills. Sufficient specialist staff and the opportunity to offer work-learn-life-balance concepts in the company also promote the

working atmosphere and reduce the rate of illness.

Digitalisation of services

All Eurodiaconia's members are implementing digitalisation of data about human resources and users. While with the pandemic, the use of teleworking increased within the membership, the same cannot be said when it comes to the provision of services.¹⁵ With COVID-19, they started providing services via zoom, putting users in contact with their families. Volunteers are also giving their support online. The level of digitalisation of service provision varies a lot among members.

In **Finland**, the Deaconess Foundation considers digitalisation of services as an opportunity. The main challenge with it is represented by data protection and they are working a lot on this subject. However, the pace in the social care sector is a bit slower compared to product centric organizations. When service provision is human centric, regulations and laws are tighter than in those sectors that are selling manufactured goods. Their operating environment is also different from B2B, as their major customers are municipalities or their consortia. Their demands can be such that the organization is forced to use some older technology. As an example, they are still using fax devices because it is required by the customer. In addition, the staff may also be skeptical about or resistant to technology, so that attitude towards utilization of digitalisation can be cautious. They might also have insufficient skills, too. Some functions may also challenge innovation investments, due to unclarity of R&D success, benefits and payback time. When operating in a relative low margin business such as social care and considering that municipalities have tight budgets, it is understandable that willingness to engage in joint projects or to invest in digitalisation can be lower than in the B2B market.

¹⁵ Eurodiaconia, Report "Impact of COVID-19 on Diaconal Services", p. 14

Nonetheless, all above mentioned challenges do not hinder the possibility to promote higher digitalisation levels. Implementation of digital services may be slow however there still is scope for plenty of opportunities. Examples given include the improvement of internal operations, so-called productivity increase, by using the integrations between applications, by accelerating automated workflows and by using software robotics. Digital tools also allow to ensure a better utilization of data. The pandemic has forced organisations to operate remotely and this new norm has caused an increased demand for web-based services. It is already possible to see the impact on the social sector. Development of remotely offered services will continue to increase.

Finally, other opportunities lie in the use of machine learning integrated solutions in social and healthcare services. Speech recognition and NLP are taking major steps (including in Finnish), IoT based solutions have become relatively cost efficient and technology such as 5g provides better speed and security.

Digitalization will continue to grow. Involving, encouraging and supporting the people who should use the technology, are the precondition to successfully implement a higher level of digital services in the social and healthcare sector.

Diakonie Austria points out that digitalisation of services gives better results when they involve the clients in the use of digital tools. It is important to ensure that it does not imply more work for the staff, that work is effective. They are working on an application for social benefits for asylum seekers and refugees. The target group is involved in the development.

Increased medicalisation of users

All members highlight that users' needs are becoming more and more complex. **Bräcke Diakonie** reports that in **Sweden**, psychological problems are rising. One factor is loneliness, as many people live alone.

They provide home services for elderly people including with volunteers, to counterbalance this. **Diaconia Valdese** argues that in **Italy** the main challenge is to cope with an increase in complexity of users' needs with less or inadequate public funding. When they work with autistic children, they need to work with their families and teachers, too. They have a number of programs that focus on Alzheimer, in which they offer a lot of support to families. In different locations, they have an Alzheimer café, twice a month, where people suffering from Alzheimer, their carers and the staff meet. They can talk to each other, socialize and ask questions to the staff.

Slezska Diakonie reports that in **Czechia** growing social needs and demands are around homeless people (problems of mental health, addiction, and in relationships), users with mental health problems or psychiatric diseases, families with children with disabilities (they want to support families to take care of their children at home, as children in the past were put in institutions).

Diakonie Austria highlights an increased need in housing assistance /debt counselling. As unemployment doubled compared to last year, more and more people face financial and housing difficulties. For refugees that have the right to stay, it is even more very difficult to find housing, as they are heavily discriminated against.

In **Germany**, the Social System is divided into many different and highly specialized branches. Addressing complex social needs takes a huge amount of time, as it requires a lot of coordination among authorities and service providers. Another challenge is to coordinate financial aid in a way that the different forms of support add up rather than be offset against each other. To give a concrete example, a child with disabilities needs non-formal as well as formal professional care and assistance while in school. Parents who take care of the child may not be able to maintain full-time employment and need financial as well as professional support. It may be that their home has to be adapted too, to become accessible. It is very complex in the current system to meet all these needs.

Case studies



The following case studies are designed to show some good practice in addressing a number of the challenges that have been identified in this report. They hope to inspire new approaches and challenge assumptions.

Social Innovation

CARE AT HOME, Diaconia ECCB (CZ)

The project Care at Home aims at supporting informal carers. It is funded by the ESF (70%), the Ministry of Labour and Social Affairs (15%) and foundations (15%). In the Czech Republic, it is innovative for the following reasons:

Support for informal carers still needs development. In Czechia this partnership sees caring for carers prioritised.

- It allows testing the professional profile of “counsellor for carers”, whose function is to be in contact with the informal carers active in the region and be aware of their needs. He/she provides informal carers with the support they need, spreads the idea of informal care, defends the interests of the carers and cooperates with the local government to support carers. This piloting is happening in 8 regions of the Czech Republic.
- It provides support to all informal carers according to their needs, from counselling, to certified education, support groups, and case management.
- It foresees the use of innovative support tools: the Map of Support, the Emergency Care Plan etc.
- It provides support to informal carers 24 hours per day, by means of online courses and support groups, one-to-one online counselling, telephone counselling, handbooks for carers and videos providing guidelines and support.
- It allows cooperation with the academic environment.

Integration of Services

Diaconia Valdese (IT) has been running a programme for five years in the field of education. It is addressed to students of the last two years of high school, aimed to changing culture and combating violence against women. A multi-disciplinary team, made of a professional actor, a director, a psychologist, and a project manager work with the teachers. They made students watch selected movies. It became clear that some youngsters suffered from physical or psychological abuse at home or saw their mum suffering from it. They could talk with a psychologist. At the end of the year, the students wrote the canvas for a film combating violence against women and played it.

This project is funded by “8 per mille”.¹⁶ They started small. Then, the project has been very successful and was spread to many high schools. Through this project, Diaconia Valdese has been able to build stable relations with the schools. Thanks to this cooperation, they have been able to develop a program to tackle cyberbullying against young people, too.

¹⁶ The 8x1000 is the percentage of the fixed tax on the incomes of individuals that taxpayers can allocate to certain activities of social and cultural importance of the Italian State or of a religious denomination that will use them for religious, social and cultural purposes. Thanks to it, the State and some religious confessions make funds available to support and finance the activities of non-profit organisations.

Active Inclusion strategies

SERVIZIO ACCOMPAGNAMENTO AL LAVORO, Diaconia Valdese (IT)

Diaconia Valdese offers a labour market activation service by which they support Italian youngsters, asylum seekers and migrants to find a job, including the first job. The person in charge of the service has established good relationships with many small entrepreneurs in the area, to whom they offer trainees for free in exchange for on-the-job training experience. After completion, some get hired. All of them, even if not hired, feel better because they have been working for six months and got a salary. Diaconia Valdese pays the trainees by using “8 per mille” fund or bank foundations (e.g. Intesa San Paolo). The manager of the service helps users to get prepared for the job, she supports them in writing a resumé and on how to carry out a job interview.

In many locations, especially in cities, they also help users to get access to benefits when they are entitled. They also have a service to help asylum seekers and refugees in getting access to the different services available in the local area and have a network of lawyers that provide legal advice for free.

The shift from institutional care to community-based services

Sheltered housing Nosislav (CZ)

It is a service which reproduces a community way of life, set up in a way that older people and persons with disabilities can feel the place in which they live as their "home". They focus a lot on empowering the users to live in an independent way as much as possible. At the same time, users receive the level of assistance and support they need.

People from Nosislav and the surrounding area do not have to go to distant facilities, they remain in contact with the social environment in which they used to live, staying in contact with their friends. The size of the sheltered building does not differ from the one of family houses.

There is active cooperation with the evangelical church, the maternity center, and other associations in the village. The service is funded by users' payments, subsidies from municipalities, regions and the state, and donations from individuals and foundations. The construction of the building and the furniture were covered by the Regional Operational Program, the South Moravian Regional Office Foundation, as well as donations.

Funding

The mixed funding model adopted by Diaconia Valdese (IT)

Diaconia Valdese has developed a mixed income stream model, together with different areas of work. Last year, their sources of income were the following:

- Fees paid by families for their relatives in our elder care and other residential facilities: 25,1%
- Payments from public authorities for persons in elder care and other residential structures: 22,3%
- Fees from authorities for our services with housing and assisting integration of migrants: 19,49%
- Hotels and Guest Houses: 13,64%
- OPM projects: 6,78%
- Other sources: 6,78%
- Fees for providing services to other Waldensian entities: 3,39%
- Participation in tenders: 2,52%

Diaconia Valdese owns 7 guest houses “Foresterie”, which are located in beautiful buildings in Florence, Rome and Venice, and in some seaside locations. Part of the surplus they make goes to fund their social care, they can be assimilated to social enterprises. Now they have one Director who manages all the guest houses in a consistent way. In some cases they cooperate with cooperatives of type B (work integration social enterprises).

These guest houses have now been closed due to the COVID-19 crisis. The Director has been able to conclude agreements with various health authorities, thus providing new income streams:

- The foresteria in Torre Pellice has been converted for the use of ASL 3 (Local Health Agency) as an healthcare hotel to house people who have tested positive but are asymptomatic and self-sufficient. The ASL supplies all medical care and they supply food, sheets and towels, and ensure the cleaning services.
- Casa Cares, the Foresteria in the Tuscan countryside may be taken over by the Red Cross and local authorities to house migrants who must undergo quarantine. Negotiations are nearing conclusion.
- The foresteria in Vallecrosia on the French border has been converted for short term use by mothers with small children in transit to France.
- In Florence, some minor children in one of their programs who have tested positive are being housed in a part of this Foresteria.

Well-being of children, young people and families (Children SIB) (FI)

The Deaconess Foundation, together with the Central Union for Child Welfare and SOS Children Villages, participates in a Social Impact Bond whose aim is to shift the focus from corrective services to early support so that the need for child welfare can be reduced and the number of socially excluded young people can be decreased, too. Commissioners are the Municipalities of Helsinki, Hämeenlinna, Kemiönsaari, Lohja and Vantaa. Investors are City of Espoo, LähiTapiola, Folkhälsan, Sitra, S Group and Tradeka.

The service costs incurred from the children and families taking part in the SIB project are monitored after the interventions. Actual costs are compared against cost forecasts that the municipality has determined on

the basis of past trends or risk classification. A municipality will pay part of the calculated savings as a bonus. Each of the municipalities has its own bonus-payment model. For example, the City of Hämeenlinna will pay the bonus if a young person taking part in the project has a job or is receiving education/training at the age of 18.

The target group of the project are families with children characterised by cumulative risks such as children facing behavioural or emotional challenges, and parents facing livelihood problems or challenges arising from life management or parenthood.

The project started in 2018 and will end in 2031, but the length of the intervention and follow-up periods varies by municipality.

Staff retention

Human resources in Diaconia ECCB (CZ)

All work with employees is based on common guidelines, established by the national organisation which are both organisational and individual. These guidelines also include the diaconal values basis of the organisation. The individual organizational units (OJ) and employees are then invited to work with the guidelines.

The work with the directors of OJ is based on the cooperation of the supervisor of the center (that is a member of the board of directors) and the director of the given OJ.

The supervisor visits the director of the OJ at the center or school at least twice a year. They meet to discuss the changes that have taken place and are happening in the OJ. The evaluation includes operational work and the setting of strategic goals for the year. It is then assessed during subsequent visits. Evaluation must also include the education and training plan of staff. Also the educational plan and setting of new educational



concepts. An element of the salary of directors of OJ is based on the success of achieving the goals set, including those of staff education and training.

Standards are also applied for employees across the organisation including minimum wages for all staff. The Internal Wage Regulation determines the lowest possible salary for employees and leaves the decision up to OJ and schools how high salaries can grow. This regulation also sets out the rules for determining the surcharge for management and personal evaluation. The recommended procedure of personnel work with employees is described in the methodology of personnel work, which describes the entire labor law cycle of the employee.

The course of employee evaluation is also determined, which must take place at least once a year and must be recorded in the personal evaluation of employees. The same is applied for employee training.



Heather Roy, Secretary General

Social Services are key to ensure participation of all in society, address poverty and social exclusion and ensure that all get the care and support they need across the life-cycle. Yet social services suffer from under-investment in many countries that prevent them from being the empowering support they can be. Tackling the challenges faced by providers, particularly not for profit organisations such as Eurodiaconia's members, will bring greater well being to our societies and reduce inequalities.

Recommendations



The High Level group proposes an extensive list of recommendations as a result of its findings which are addressed to the European Commission, to national, regional and local authorities and to social service providers, namely Eurodiaconia's members and non profit service providers. It is hoped that these recommendations will provide a starting point for increased development of the eco-system for social services.

1) The Legal Framework

Public Procurement

To the European Commission:

- Encourage national and regional governments and local authorities to develop strategies on socially responsible public procurement (SRPP).
- Organise a stock-taking exercise of the transposition of the Directive with specific emphasis to social elements (specially to complement the work of the Buying for social impact project which covered only 15 Member States), to underpin an assessment of procurement legislation and to steer further action, both immediate and future, after concrete areas for development have been identified.
- Once the updated Buying Social guide is published, organise public hearings and webinars to present it and illustrate the examples included; publish the guide in all national languages.
- Support Member States in developing an appropriate policy architecture that enables the professionalisation of public buyers, including on SRPP and other aspects of strategic procurement.

To national, regional and local authorities:

- Organise training seminars, develop guidelines, disseminate good practice, set up help desks, support structures, capacity building projects to provide advice and information on SRPP, in particular on the light regime and quality criteria for social services, for the benefit of contracting authorities, suppliers, and auditors, including with EU funding support.
- Develop strategies and annual work plans on SRPP.
- Disseminate SRPP good practices implemented in the country and from other countries, including those gathered in European Commission's publications.
- Make more extensive use of pre-market consultations, division of contracts into lots, reserved contracts, social considerations in award criteria and contract performance clauses, to enable the participation in public procurement contracts of small suppliers, including NGOs and social enterprises.

To service providers:

- Engage in a regular dialogue with contracting authorities, at all levels, to spread the information about SRPP good practices, especially on the light regime and quality criteria for social services, but also social considerations, reserved contracts, pre-market consultations and division of contracts into lots.
- Collect and exchange good practices among countries and organise hearings with the EU institutions and Member States on the challenges encountered in the implementation of the public procurement directive and the solutions put forward to overcome them.

State aid

To the European Commission:

- Revise state aid rules, to make them simpler and in particular to increase the SGEI de minimis threshold from 500.000€ per undertaking over a period of three fiscal years to 800.000€ per undertaking per year.
- Organise a set of trainings to Member States' public authorities to make them aware of the full set of state aid rules and understand how to identify if a social service is an economic activity or not; clarify when public authorities have to apply public procurement or state aid rules or both, including concerning the financing of social services.
- Support Member States in simplifying the procedures at national level for the preparation of acts of entrustments.
- Organise a stock-taking exercise, in collaboration with the European Parliament ECON Committee, to identify the main difficulties in the application of state aid rules on the ground, with a focus on social services, and in view of a future revision of the rules.

To national, regional and local authorities:

- Organise training on state aid rules addressed to public authorities at all levels, with specific focus on the rules applicable to social services.
- At least at the central level, set up help-desks to support local and regional authorities and service providers in the correct application of state aid rules.
- Facilitate exchange of good practice in the country, including on the preparation of acts of entrustment.

To service providers:

- Devote time and energy to build trustful relationships with public authorities at all levels, including by helping them to understand state aid rules applicable to the financing of social services.
- Call on the relevant public authorities to organise trainings and set-up help-desks and support structures in view of a more correct application of state aid rules, including for the financing of social services. The same support structures could cover both state aid and public procurement rules.

Social investment and social innovation

To the European Commission:

- Promote increase of social investment by an enabling economic governance framework that does not penalise such investments and acknowledges their essential role to ensure the cohesion and well-being of our societies. In certain areas, such as long-term care, increased funding will be necessary, as demographic change is increasing the number of people in need of care.¹⁷
- Develop, by the means of technical assistance and with the active participation of social service providers and other relevant stakeholders, solid methodologies to evaluate evidence-based results of social experimentation or innovation projects (qualitative and quantitative analysis), before scaling them up. One dimension to be assessed is that projects produce a tangible improvement in

¹⁷ Read Eurodiaconia's report, *Eurodiaconia Social Trends 2018. Report on the state of implementation of the European Pillar of Social Rights*, December 2018

the quality of life of service users and staff.

- Develop a coherent stream of funding to ensure the scaling-up of successful social experimentation and social innovation projects, to maximise the efficient use of EU funding, including by pooling together resources from different funding programmes. Consider establishing cooperation with other financial institutions, including the European Investment Bank, national promotional banks, ethical banks, foundations, philanthropic organisations, and social impact investors to top-up funds in a coordinated manner.

To national, regional and local authorities:

- Strike a balance in funding between the experimentation of new approaches and ensuring the sustainability in the medium and long term of proved meaningful innovations. Ensure that funding is available along the whole chain, including evaluations and testing of transferability of approaches.
- Change policies and laws to integrate findings from successful social innovations into mainstream service provision.
- Ensure the continuity of innovative services provided by non-profit service providers to respond to new social needs and often in times of crisis. Acknowledge that those services should become part of ordinary service provision funded by the state at the competent administrative level.

To service providers:

- Advocate towards the relevant public authorities about successful social experimentation and innovation projects, by providing evidence of their positive social impact. Engage and build capacity in measuring the social impact of your activities.

- Develop and facilitate dialogue with private funders and between them and public authorities, in order to plan streams of funding along the whole social innovation chain, including by developing top-ups of public budget lines.

Integration of services

To the European Commission:

- Look more thoroughly at how service provision is organised and funded at national level, paying particular attention to integrated care and integration of social services with healthcare, education and housing services, as well as to the combination with inclusive labour market policies and income support schemes.
- Disseminate good practices on integration of services and active inclusion strategies, including those funded by ESIF and other EU funds, in collaboration with EU level networks of social NGOs, regional and local authorities, and Managing Authorities.

To national, regional and local authorities:

- Collaborate with service providers, with the help of case managers, to identify the specific needs of each user and develop personalised pathways, based on the integration of different types of services and with income support schemes. Determine the level of funding on the basis of the evaluation of the social and care needs of every user.
- Where needed, initiate reforms to ensure effective and efficient integration of services, including in the frame of active inclusion strategies, by removing regulatory barriers and with EU funding support. Involve service users in the design, implementation and evaluation of these reforms.

To service providers:

- Put effort and time to establish and maintain constructive relations and personal relationships with public authorities, as well as with other service providers, in order to facilitate integration of services for the benefit of users and the effectiveness of social interventions.
- Inform users about their rights, the rules of the services, and complaint procedures. Orient them among the different service options available and support them in defending their rights.

Provision of services as part of active inclusion strategies

To the European Commission:

- Propose an EU Framework Directive on Adequate Minimum Income, which level should not fall below 60% of the equivalised median income, coupled with other tools such as reference budgets and statistical analyses.¹⁸
- Provide guidance to Member States on adequacy of income, taking into account that the introduction of a minimum income at the level of 60% of the equivalised median income might not be a feasible option in some Member States and should rather constitute a gradual process. At the same time, guarantee that European provisions do not result in a downward convergence in countries where the level of social protection schemes is high.
- Promote an Active Inclusion approach in the European Pillar of Social Rights by mainstreaming integrated benefits and services

¹⁸ Read Eurodiaconia's Policy Paper Update, *Adequate Minimum Income – Recommendations for an Active Inclusion Strategy*, September 2020

throughout the different axes, rather than reducing it to a separate principle.

- Monitor the implementation of active inclusion strategies by Member States, based on the coherent integration of the three pillars set in the 2008 Recommendation (access to services, income support and inclusive labour market policies), and issue specific recommendations to improve implementation. In this monitoring, link the different frameworks and tools available, such as the Pillar, the European Semester, including through the social scoreboard, and the Voluntary European Quality Framework on Social Services.¹⁹

To Member States:

- Design and implement adequate and effective active inclusion strategies, in which Adequate Minimum Income and other forms of income support are combined with quality services and rehabilitation programmes to facilitate (re)integration in the labour market for people of working age and who can work.
- Ensure that social protection schemes are accessible and delivered with the minimum of delay. Identify the reasons for low up-take of social benefits and address them.

To service providers:

- Deliver counselling services to help users in getting access to the social benefits they are entitled to, paying specific attention to migrants, older people and the most vulnerable users.

¹⁹ To know more, read Eurodiaconia's Policy paper, *Promoting Upward Social Convergence*, October 2016

Deinstitutionalisation, shift to community-based services, home-care provision and promotion of independent living

To the European Commission:

- In cooperation with Member States, ensure that EU funding effectively supports the transition from institutional to community-based care, by means of monitoring, policy guidance, technical assistance and capacity-building of Managing Authorities and stakeholders. This process should ensure that before institutions are closed, high-quality alternatives are in place following a step-by-step process. In the case of children, whenever appropriate, efforts should be made to reunite the child with his/her biological family, who should receive on-going support.
- While assessing the National Recovery and Resilience Plans, make sure that reforms and investments are in line with the EU commitment to promote transition from institutional care to community-based services. Include quality of social services as eligibility criteria for projects, and involve experts from the social sector and the social economy in the assessment and monitoring of the Plans.

To national, regional and local authorities:

- Make sure that budget cuts due to the economic crisis do not hinder the implementation of deinstitutionalisation processes. Ensure the most efficient pooling of resources, from social, health and infrastructure budgets, including with the support of EU funding.
- Associate civil society organisations and service providers in the implementation of these reforms.

To service providers:

- Keep on advocating for the implementation of these reforms and facilitate collaboration among different service sectors and public authorities. Submit project proposals under the European Social Fund (ESF) and the European Regional Development Fund (ERDF) to this aim.

Quality of services and quality measurement

To the European Commission:

- Formulate clear targets and benchmarks for social performance in the context of the European Pillar of Social Rights' individual principles and the European Semester, to assess quality of services (and benefits).
- Base the qualitative assessment on the Voluntary European Quality Framework on Social Services which lists all the dimensions that should be considered to assess quality in a comprehensive way.²⁰
- In all the initiatives related to working conditions, including the proposal for an EU directive on minimum wages, pay particular attention to the social care and social services sector. Ensuring good working conditions to the social workforce in all Member States is an essential precondition to ensure quality services.

²⁰ The Voluntary European Quality Framework for Social Services lists overarching quality principles (availability, accessibility, affordability, person-centredness, comprehensiveness, continuity, outcome-orientation), principles related to the relationship between the service provider and the users (respect for users' rights, participation and empowerment), principles related to the relationships between service providers, public authorities, social partners and other stakeholders (partnership, good governance) and principles related to good working conditions and investment in human capital of the workforce.

To national, regional and local authorities:

- Review existing quality frameworks by assessing if they are adequate and comprehensive, as to cover all the dimensions of quality enshrined in the Voluntary European Quality Framework on Social Services. Make sure that quality frameworks and standards focus not only on regulatory aspects (such as the dimensions of facilities, ratio between users and staff, etc.), but also on the well-being of users and the workforce.²¹
- Assess quality framework and standards in place in different service sectors to see if they enable effective integration of different types of services and with benefits.²²

To service providers:

- Advocate towards the relevant public authorities, in case changes in the quality frameworks and standards in force are advisable, by making concrete proposals and providing examples.
- Review on a regular basis the internal quality system, making sure it covers all the dimensions of quality enshrined in the Voluntary European Quality Framework on Social Services.
- Under the lead of Eurodiaconia's Secretariat, and in collaboration with other EU organisations representing service providers, work on an operational proposal of targets and benchmarks to monitor progress of the implementation of the European Pillar of Social Rights, to be used also in the frame of the European Semester.

²¹ Refer to Eurodiaconia's paper, *User involvement as pathway to social inclusion. A collection of Eurodiaconia member's projects*, December 2018

²² Please refer for instance to the difficulties highlighted by the Finnish member of Eurodiaconia.

Establish links with the social scoreboard and the Voluntary European Quality Framework on Social Services.

2) Funding and Financing

To the European Commission:

- Establish a regular dialogue, cooperation and coordination between the different DGs and structures in charge of different funding programmes to ensure that Member States' programming and planning of NRRPs, React-EU, ESIF, the Structural Reform Support Programme, is strategic, coherent and adequate to steer the necessary reforms and investments in service provision and social infrastructures.
- Ensure that EU funding plays a transformative role in shaping social services and social infrastructures that is additional to (and not the replacement of) national and regional budgets.
- Provide guidance to Member States to assure sustainability of social services in the National Recovery and Resilience Plans.
- Improve the accessibility of EU funds, simplify application and reporting procedures, and make sure that Member States set clear and proportionate administrative requirements to avoid gold plating.
- Investigate why in some countries, such as Sweden, the European Social Fund is still not accessible to NGOs, and work with the Member States in question to put in place corrective measures, by associating civil society organisations.

To Member States:

- Ensure that resources from the Recovery and Resilience Facility, React-EU, and ESIF complement and do not replace national, regional and local funds for the funding of ordinary service provision and social protection schemes. Make also a clear distinction between the programming of ESIF and NRRPs, while developing synergies and links.
- Develop pilot projects to implement the complementary use of ESF and ERDF to facilitate the green and digital transitions in social service provision and social infrastructures.
- In designing or reforming legislation on legal forms, ensure that non profit service providers are not inhibited from carrying out activities in the marketplace.
- While tendering for social services, keep tender volumes at a level which is deliverable by NGOs or divide the contract into lots.

To service providers:

- Diversify traditional sources of funding by the means of bank loans, social and ethical and impact investment funds or crowdfunding. While bank loans may be obtainable for physical investments, crowdfunding may be appropriate for local projects with wide public appeal and identified beneficiaries.
- Engage with measuring the social impact the organisation as a whole or of specific activities are producing, to build a base of evidence of their impact towards public authorities and funders.
- Build the capacity to create social enterprises to carry out some

services and perhaps new activities.²³

3) Recruitment, retention, training, re-training and upskilling of staff

To the European Commission:

- Launching a European campaign with the dual aim of increasing the societal recognition of careers in the care and social services sector and of recruiting young people, by providing them with information on various career options. Information can be made available via the media, open-days events on social services, and information sessions held by professionals in schools.²⁴
- Ensure that representatives of social service providers at EU and national level are represented in the Pact for Skills and that the actions foreseen in the renewed Skills Agenda cover the social service sector.
- Ensure that the investments in skills development and upskilling foreseen in the different EU funding programmes address the social care and social service sectors, including in the frame of the Recovery and Resilience Facility, React-EU, Erasmus+ and ESF+. Make sure that skills development programs aimed at preparing the workforce towards the digital and green transitions are applied also to the social care sector.

²³ These recommendations are drawn from *Eurodiaconia – Research on members' experience with different forms of financing*, by Toby Johnson, December 2014

²⁴ See Social Services Europe, *Job Creation Potential in the Health and Social Service sector – Five million new jobs before 2017!*, April 2012

- Issue Country Specific Recommendations to those countries where the working conditions of the care and social services workforce need to be substantially improved, by promoting social dialogue in the sector.

To national, local and regional authorities:

- Facilitate social dialogue in the sector, by ensuring the participation of representatives from the public, private for profit and non profit sectors, to develop collective agreements for the various professions in care and social services which are common to the three sectors, with the ultimate aim of improving working conditions.
- Develop vocational training courses and qualifications for careers in social services, including by using the ESF and other EU funding programmes, such as Erasmus+, ESF+ and EU4Health programme.
- Invest in programmes such as the Belgian *titres de services* to regularise the situation of carers working at households' premises in an informal way.

To service providers:

- Exchange information about quality systems, both those set by law and regulations and those which are internal, by integrating in the internal systems the dimensions of quality of the Voluntary European Quality Framework for Social Services which are not reflected in the national systems.
- Develop collaboration with schools, both social care schools and mainstream schools, and media, to promote the professions in the social sector among young people.
- Include work-life balance and equal sharing of care responsibilities between women and men as an essential dimension of the quality

control systems of the services provided.²⁵

4) Digitalisation of services

To the European Commission:

- Review the EU's Digital Education Action Plan and the programming of the new EU funding programmes to tackle the digital divide and increase skills and familiarity with digital technologies, both for the workforce and the users.
- In the programming of ESIF and NextGenerationEU, ensure that Member States allocate adequate resources to ease the digitalisation of services. This includes the setting up of proper infrastructure and purchase of digital applications to provide services, the re-design of service provision in a digital way, training of staff and upskilling of low-skilled staff, to enable them to work in a new environment.
- Promote exchange of information, good practices and mutual learning among Member States on how to implement digitalisation of social service provision.

To Member States:

- In the National Recovery and Resilience Plans, as well as in the programming of ESIF, React-EU and other EU and national funding instruments, design specific measures to take into account the needs in accessing services of older people, persons with

²⁵ Read more in Social Services Europe (2018), *Improving work-life balance through enabling social services. From service provision to decent policies*

disabilities, migrants, Roma people and people, families and children affected by education and digital poverties.

- Appoint a specific body at national level to drive the digitalisation of service provision, covering all the aspects, including issues related to data protection of users and the workforce.²⁶

To service providers:

- Devote time and resources in driving digitalisation of services, by redesigning the provision with the active participation of the staff and the users, centralise all information about users in compliance with the General Data Protection Regulation and in collaboration with public authorities, and developing training modules to the staff and the users.
- Exchange information and good practices on digitalisation of social services among members on a transnational level.

²⁶ Eurofound (2020), *Impact of digitalisation on social services*, pp. 1-2.

5) Increased medicalisation of users

To the European Commission:

- To face the growing complexity of care and social needs of users, in particular of older people and the homeless, use all the legislative, policy and financial tools at disposal to push Member States to prioritise investment in integrated care and to foster better cooperation between health care, long-term care and other types of social services.²⁷
- Invest in research projects that involve a wide range of stakeholders, including service providers, to identify the main causes of increased complexity of social and care needs and to develop adequate solutions in a preventative way.

To national, regional and local authorities:

- Rethink the integration of the health system with long-term care, including by developing the provision of healthcare and long-term care at home, when possible, through the combined use of the support provided at home by nurses and social workers and digital tools.
- In collaboration with service providers, redesign forms of living, avoiding the high concentration of older people in residential facilities.
- Review the division of responsibilities, including in relation to

²⁷ Tools at disposal include Country Specific Recommendations, soft law, the monitoring of the programming and expenditure by Member States of ESIF and National Recovery and Resilience Plans, the Structural Reform Support Programme, launching specific calls in the frame of programmes such as EaSI, ESF+, EU4Health, Horizon2020, etc.

funding, between public authorities to make sure that the coordination between them and the service providers is efficient.

- Make sure that allocation of funds is proportionate and adequate to the increased social needs of the different target groups, including to finance the additional work service providers do with users' families, teachers, informal carers, etc.

To service providers:

- Develop targeted services to address the specific needs of particular target groups which present a growing complexity of needs (for example, services to homeless women who are the victim of domestic violence, services to children with disabilities, services to older people who suffer from loneliness and isolation, services to asylum seekers and refugees suffering from mental health problems, etc.).
- Provide specific training and support to the staff dealing with users in a very vulnerable situation and with complex needs.

CONCLUSIONS AT A GLANCE

There are several gaps in the effectiveness and appropriateness of several EU level instruments that apply to social services

Funding for innovation is available but the challenges is scaling up successful innovations into standard practice.

We urge national and European authorities to prioritise social investment, particularly in social services through postived budgetary reforms.

Emerging trends such as digitalisation ane medicalisation need to be addressed now along with stronger integration of social and health care services.

Both public procurement and state aid processes should be addressed to ensure financing that encourages quality, accessibiliy and affordability. Diversity of financing options by commissioners of services should be explored.

Employment in the sector is an increasing challenge. We need common work to make the sector more attractive, rewarding and part of a career path.

The European Semester, the Recovery and Resilience Facility, the Social Economy Action Plan and the European Pillar of Social Rights all bring possibilities for the postive develop of social services across Europe. These opportunities must be grasped.



Eurodiaconia Connecting faith and social justice through action

Rue Joseph II 166 - 1000 Bruxelles - Belgium

Tel: +32 (0)2 234 38 60 **Email:** office@eurodiaconia.org
Fax: +32 (0)2 234 38 65 **Web:** www.eurodiaconia.org



Eurodiaconia is a federation of social and health care organisations founded in the Christian faith and promoting social justice.

Eurodiaconia is a registered aisbl in Belgium. This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information, please consult: <http://ec.europa.eu/social/easi>. The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

Copyright © 2019 Eurodiaconia All rights reserved.