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Study on social services of general interest

Final report

European Commission
DG for Employment, Social Affairs and Inclusion

STUDY ON SOCIAL SERVICES OF GENERAL INTEREST

FINAL REPORT

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Project: Study on Social Services of General Interest

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Study on Social Services of General Interest

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INTRODUCTION

The aim of this study on social services of general interest is to describe the status quo of four types of social services (long-term care, childcare, social housing and employment services) as regards three main aspects: the applicable regulatory framework for service provision and financing, the types of service providers, and the main quality tools and frameworks. It also looks how these four types of social services have been affected by the current global economic downturn.

The information used for the analysis of the present study on social services stems primarily from data collected through 88 national sector-specific experts, covering the four selected social services in 22 EU/EEA countries[1]. More specifically, the study provides a comprehensive overview and description of the following aspects:

- the regulatory framework governing service provision, financing of these services and their evolution. This includes how services are regulated, organised, provided and financed, the modalities of service provision, the types of relationships between external service providers and public authorities, the main sources of financing services, and the extent of cross-border service provision;

- the various types of service providers, and in particular the relative importance of private and public service provision, the types of private for-profit and non-profit service providers;

- the scope and effectiveness of existing frameworks and tools defining, measuring and assessing the quality of these social services of general interest put in place by public authorities in 15 EU/EEA countries.

In recent years, several studies and reports have been prepared by the EU (and international organisations such as the OECD, WHO, and the United Nations) in the field of social services in general, and childcare, long-term care, employment services and social housing, in particular[2]. The EU has constantly underlined its support for social services: the European Commission's *Second Biennial Report on social services of general interest*, adopted in

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[1] For all four types of social services this mapping study describes the situation of the following 20 EU/EEA countries as regards the applicable regulatory framework for service provision and funding and the types of service providers: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In addition, for each of the four social services, two of the following three countries were included: Estonia, Greece and Portugal. As regards quality tools and frameworks, the study describes the situation for each social service in 15 of the above-mentioned EU/EEA countries.

[2] Of particular importance, the study on *Social and Health Services of General Interest in the European Union* commissioned by the European Commission in 2006-2007 has analysed important aspects linked to the organisation and service provision of childcare services, labour market services for disadvantaged persons, social integration and reintegration services, social housing and long-term care in eight EU Member States. It has also described the trends in the areas of the modernisation of these services and the quality assurance frameworks. The EU has also recently published sector-specific studies, such as a study on *Long-term care in the European Union* (2008), a study on *Early Childhood Education and Care in Europe: Tackling Social and Cultural Inequalities* (2009), the NESE Report on *Early Education and Care: key lessons from research for policy makers* (2009), and a study on *Housing and Exclusion: Welfare Policies, Housing Provision and Labour Markets* (2010).

October 2010[3], highlights the strong commitment of the Commission to initiatives that help foster the quality of social services. In October 2010, the Social Protection Committee adopted a *Voluntary European Quality Framework for Social Services* to serve as a reference for defining, assuring, evaluating and improving the quality of social services.

The present study on social services of general interest covers in detail four particularly important types of social services for the daily lives of EU citizens in a wide range of EU/EEA countries and presents the first ever systematic EU/EEA-wide mapping of the basic regulatory characteristics of each of these four social services.

The experts, researchers and authors involved in this study hope that this mapping can contribute to a better understanding of the realities of social services in the EU/EEA and help accompany the ongoing modernisation processes at national and European level to promote the quality of these services and their essential role for inclusive societies.

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[3] SEC (2010) 1284 final.

EXECUTIVE SUMMARY

This study has been commissioned by the European Commission's Directorate General for Employment, Social Affairs and Inclusion and was carried out between November 2009 and January 2011 by a group of European experts under the joint guidance of the Bernard Brunhes International, the London School of Economics and the Work Research Centre.

The aim of the study is to describe the status quo of four types of social services (long-term care, childcare, social housing and employment services) as regards three main aspects: the applicable regulatory framework for service provision and financing, the types of service providers, and the main quality tools and frameworks. This mapping covers 22 EU/EEA countries for each of the four services[4].

For the purpose of this study, the following key definitions have been adopted for the four social services, better to define the scope of the mapping:

Long-term care services refer to a range of services for people who require help with basic activities of daily living over an extended period of time (OECD (2005), Long-term care for older people). While long-term care can be provided for people with physical or mental health problems and disabilities, the mapping study focuses on services provided mainly for the elderly.

Early childhood education and care (ECEC) **services** refer to all services providing care and education for children up to school age (0-6), regardless of who is responsible, funding, delivery, programme philosophy and content.

Employment services refer to all employment services which have been entrusted by public authorities with an explicit or implicit 'mission of general interest' for different user groups such as unemployed jobseekers, inactive persons, employed jobseekers and employers. The core focus is 'individualised' intermediation services to support (or 'activate') unemployed or inactive jobseekers to find and maintain employment. 'Individualised' refers to a personal service dimension (e.g. career guidance, counselling, active placement and post placement support...) as opposed to more generic provisions such as standardised training programmes.

Social housing is defined as the provision of housing at below market price to a target group of disadvantaged people or socially less advantaged groups as well as to certain categories of key workers. The target group as well as the exact modalities of application of the system are defined by the public authorities. Social housing providers can also provide other related services for the target group.

The following executive summary highlights the main findings of the study for each of the four services on the three main aspects as mentioned above.

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[4] For all four types of social services this mapping study describes the situation of the following 20 EU/EEA countries as regards the applicable regulatory framework for service provision and funding and the types of service providers: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In addition, for each social service, two of the following three countries were included: Estonia, Greece and Portugal. As regards quality tools and frameworks, the study describes the situation for each service in 15 of the above-mentioned EU/EEA countries.

1. *Regulatory framework in social service provision and financing*

Long-term care[5]

In the majority of the 22 countries analysed, some of the key reforms towards the modernisation of long-term care (LTC) were introduced during the late 1980s and 1990s. Broadly speaking, among the main objectives of the different LTC reforms was the transfer of either legal powers or responsibilities from higher levels of government to more localised structures.

Generally speaking, LTC services are defined in various ways across EU/EEA countries. However, they may cover some combination of domiciliary care services, residential care and community care services in all countries. Domiciliary care can include help with bathing, dressing, feeding, shopping and cooking as well as some home nursing care where needed. Community care can include a range of diverse activities including transportation to and participation in day care centres, participation in social activities, befriending services, counselling and advice. Some countries also consider support for informal carers, including advice, cash allowances and respite care to fall within the scope of LTC services. In addition to these types of services, there may be other help with housing, for instance, providing individuals with an opportunity to move into more sheltered accommodation where residents remain independent but have a warden and/or other professional staff living separately in the same location.

In most EU/EEA countries overall **legal and institutional frameworks** for LTC are developed at national level, with legislative proposals brought before Parliament for consideration, amendment and approval. In many countries the responsibilities for developing legislation and regulation may be split between a Ministry of Health, which focuses on health-care related aspects of LTC, and another Ministry which focuses on social and personal care. There appears to be a trend towards a greater decentralisation of responsibility for planning, funding and delivery of long-term, personal and social care services, as evidenced by recent developments in Spain and Germany.

In fact, the **responsibility for the planning, organisation and to some extent funding of services**, particularly non-health care LTC services, can be highly decentralised and may rest not only with regional governments, but often local authorities such as county councils and local municipalities. This is often because it is at the very local level, such as in a municipality, that any assessment of need for LTC services is needed. There have been moves in some countries, including England, Scotland and Sweden, to voluntarily create partnerships between local social and health care agencies to organise services. Partnership arrangements vary – in some cases budgets can be pooled to provide services, although one partner may take the lead in managing the partnership.

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[5] Within the framework of this study, the following 22 countries have been analysed as regards the regulatory framework for service provision and financing for long-term care services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

Responsibility for providing services is shared by the public and the private sectors to different degrees in the 22 countries. Responsibility for the provision of services may rest with different tiers of administration. In respect of health-related LTC services, the responsibility for providing services usually rests with national and/or regional health care services or with sickness funds. They may provide services directly through their own facilities or may contract with external providers. In contrast, provision of social care services is predominantly a function of local government.

The very broad nature of LTC services, covering services provided within health care systems, social care systems and social welfare systems, means that classifying the **modality of service provision** is very complex. *Unpaid informal care* by family members remains an important source of care in countries in southern Europe, particularly for non-medical services such as washing, dressing, cooking and shopping. *Direct provision* of care services at national level is relatively rare, but direct provision of services appears most well entrenched in the Nordic countries, where most LTC services are organised at local level. In house provision of some LTC services can be seen in a number of countries (e.g. Czech Republic, Ireland). The use of *external service providers*, particularly for residential care, is increasingly important, but it has to be underlined that the concept of external service provision is complex and can refer to a broad range of different contracting and funding arrangements that may be in place in any one system.

As regards the **relationship between public authorities and external LTC providers**, in a large majority of countries the commissioners of LTC services specify tasks to be carried out by external service providers, but in most cases this usually does not appear to equate to formally entrusting a mission of general public interest, although services are being delivered on behalf of the public sector. In the majority of countries LTC providers have an obligation towards the public authority to carry out services for which they have been selected and contracted. Failure to meet the requirements of the contracts may lead to sanctions – ultimately leading to the cancelling of contracts. There are no legal limits on the number of LTC providers in any country.

Health-care related services are usually **financed** in exactly the same way as other health care services: through some combination of taxes, social health insurance contributions, voluntary health insurance contributions and out-of-pocket payments. Social care services are usually funded through some combination of taxes raised at national, regional and local level, coupled with out-of-pocket payments. In a few countries including Germany and the Netherlands there is specific mandatory LTC insurance. In nearly all countries, individuals with LTC needs and their families have to contribute substantially to the costs of any residential care services received. The contributions are usually means-tested, but can take account of an individual's property and other assets in addition to income.

To date, there appears to be very little in the way of **cross-border provision** of social care and LTC services.

Early Childhood Education and Care services[6]

Early childhood education and care (ECEC) policy is complex since it reflects concerns related not only to parental employment but also to maternal and child health, child development, education and protection. The definition of services in EU/EEA countries reflects this multi-sectoral nature, as the different rationales, focuses and emphases evident in the legislation governing and regulating ECEC services attest.

There are many types of ECEC services across EU/EEA countries, ranging from the different types of formal services to informal services. Centre-based services are most common in the majority of the countries, mainly for children over three but also, to a lesser extent, for younger children. Formal arrangements are organised in age-separated or age-integrated centres, ranging from full-time or seasonal provision with or without meals to part-time provision of different types such as mother-toddler groups and playgroups. Organised family day care is also a widespread variety of formal service in almost all countries. Informal care is widespread but no reliable data exists to assess its scope. The variety of service types is matched only by the variety of appellations in the different languages.

In many countries analysed in this study, ECEC policy and provision is becoming a shared responsibility between national governments, regional governments, local authorities and parents. Service provision is devolved in most countries, though the process and timing has taken place at different times over the past thirty years.

Developing legislation and regulation and the framework for financing are usually the responsibility of national governments. Austria and Belgium are exceptions, where these functions are also devolved to the provincial and Community levels, respectively. In Germany, Italy, Spain and the UK the responsibilities are shared by the different levels. In most countries, responsibility for the organisation of ECEC service provision is at local level, i.e. municipalities (local government). Responsibility for developing the framework for financing services goes together with the development of the overall legislation for ECEC services. In most countries it is at national level but there are a few where it is at regional level as, for example, in Belgium, Germany and Spain.

Responsibility for providing the services is split between the public and private sectors to different degrees in the different countries. In the majority of countries legislation allows municipalities either to provide services directly or to contract private (for-profit and non-profit) providers in order to comply with their duty to ensure access to ECEC services for all. Government policy and the possibilities of public financial support (whether as a state earmarked funding or through specific funding schemes), combined with the means of the families served, have a great impact on the activities of the different types of providers.

The **modality of service provision** across EU/EEA countries is very complex. In most of the 22 countries analysed in this study either the majority or more than 50% of ECEC services are *provided directly* by the public authorities. *In house provision* exists in several countries and in seven countries (Belgium, France, Germany, Ireland, the Netherlands, Portugal and the UK)

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[6] Within the framework of this study, the following 22 countries have been analysed as regards the regulatory framework for service provision and financing for ECEC services: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

the majority of ECEC services are offered through *external providers*, though these are often heavily subsidised.

Although there are different **types of relationship between public authorities and external service providers**, some common approaches emerge. Some sort of acknowledgment from public agencies is necessary for the private provider to be able to access public funding. Some countries use public procurement procedures and in almost all cases a contract is drawn up between external service providers and public authorities.

Financing ECEC services in the countries of the European Union is mostly a public responsibility but most non-profit sector providers can access public money to carry out their tasks if they meet certain criteria. There are basically two models of financing: *supply-side funding*, when the money goes to the services, usually based on the number of children, and *demand-side funding*, when the money goes to parents to cover or supplement the cost of ECEC services. Ireland, the Netherlands and the UK use demand-side funding, through vouchers, cash benefits and tax reductions, which reflects their preference for commercial ECEC services. Public (mostly municipal) services are financed from state/regional and local government budgets. The ratio of the cost covered by state, regional and municipal budgets varies from 60% to 80% in these cases. Public funds are available to all types of providers without distinction in Norway and Sweden, while in some other countries only non-profit providers are eligible for such support.

ECEC services provided as public services demand only a low level of contribution from parents (10-20%) that usually covers the cost of meals (e.g. Finland, Greece and Hungary). Attendance is free in most services for children over 3. Parental fees are either capped or are set as a fixed fee (e.g. Hungary, Latvia, Norway, Poland, Sweden). In some cases income-tested fees are introduced (e.g. Germany). In most countries, fees for public services are reduced and/or waived for low-income and/or disadvantaged families.

Out of the 22 countries analysed within this study only 3 countries (Germany, Ireland and the UK) have **cross-border service provision of ECEC services** and all reported the absence of relevant legislation or regulations concerning cross-border providers.

Employment services[7]

Recent years have seen major changes in how labour market policy is conceived of at EU/EEA level. There has been a gradual move away from passive labour market strategies (characterised by an orientation towards benefits that were subject to few conditions and combined with a generalised approach to promoting the employability of the individual), and towards a more dynamic approach (whereby benefits are linked to jobseeking and measures to improve employability, and where a much more personalised approach to job seeking has been developed by employment services). Flexicurity is seen as being an important element of this more dynamic approach, i.e. Active Labour Market Approaches to the issues of finding employment.

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[7] Within the framework of this study, the following 22 countries have been analysed as regards the regulatory framework for service provision and financing for employment services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

These forces have led to the development of new employment services, new packages of services and new philosophies of how employment services should be set up and organised. These changes have been backed up by legislative and structural reform in many countries in a process that is still ongoing. More recently, policy has moved on to embrace what is termed Active Inclusion as a means of promoting employment. Here three elements are brought together with a view to promoting the labour market inclusion of unemployed groups – the provision of adequate income through the benefits system, the development of an inclusive labour market and having adequate access to appropriate services.

There is a remarkable commonality between the countries of the study with regard to the scope of 'individualised' intermediation services to support (or 'activate') unemployed or inactive jobseekers to find and maintain employment, however they are defined at national level. At minimum, these involve information provision services, employment guidance counselling, and job searching. Perhaps less common are services related to employability or skills assessment, job coaching and supported employment, job matching and individualised career or job planning.

All countries included in this study regulate the definition, scope and nature of employment services within a legal framework of legislation and regulations. Ultimately, **responsibility for drafting and developing** this **legislation** usually resides with Labour Ministries or their equivalents, but there may also be some involvement of other Ministries or Employers' and Employees' organisations, especially in countries where there is strong tradition of 'Social Partnership'. In all 22 countries the Ministry of Labour is responsible for developing legislation in the area. In countries with a federal or strong regional structure responsibility usually lies at national level.

Many countries devolve some or all of the **responsibility for service organisation** to State Agencies for employment. These statutory organisations, sometimes in collaboration with regional or municipal authorities, develop the structure for delivering employment services throughout a defined area. It is rare for such agencies to develop these services without central Government involvement by the relevant Ministry.

Many of the countries in the study have set up State Employment Agencies for purposes of **providing employment services**. In seven countries, including the Czech Republic, Slovenia and Slovakia, a single State Agency is responsible for service provision. This arrangement is generally confined to the smaller countries, where it is easier to have a single state agency providing services. In larger countries, it is more common to find that services are supplied by a combination of a state agency and either regional or local authorities. This arrangement exists in Germany, Italy, and the Netherlands.

As regards the **modalities of service provision**, there is no *direct provision* of employment services by national level ministries in any of the countries under study. However, in some of the more regionalised countries, especially in Italy and in Spain, there is some direct provision of services by regional level ministries. All of the countries in the study had some form of *in house provision of services*. In many countries this takes the form of national level employment services agencies. These agencies supply services either on their own or in partnership with regional or local authorities. They may also work in collaboration with external providers. All countries in the study also had some level of *outsourced employment services provision*, either by the for-profit sector or the non-profit (NGO) sector. However, there was considerable

variation between the countries in this regard and no country contracted out all of their employment services to external providers.

As regards the **types of relationship between public authorities and external service providers**, most of the countries in the study use public procurement procedures to obtain the employment services they require from external providers. These involve publishing a call for tender for which external providers submits proposals. In the great majority of countries, the public authorities specified the tasks to be carried out by external providers. However, there is no sense that these public authorities are formally entrusting a mission of general public interest.

In terms of **financing employment services**, it is clear that there are number of common sources of funding for employment services. All countries in the study fund the employment services through ministry budgets. State funding, however, may come from a range of sources. It may come from general taxation or from Social Insurance funds, or sometimes both. Some funding may also come from regional or municipal authorities. In many countries the European Social Fund was involved in at least partial funding of employment services. The source of funding extends to include employers in some countries. None of countries surveyed had user charges for accessing the system, at least with regard to individuals accessing the public employment services.

The information available for this research suggests that **cross-border provision of employment services** is not a significant feature of employment services as yet.

Social housing[8]

Provision of social housing has a long history in EU/EEA countries. The first models were introduced before the emergence of the modern welfare state. There is no single definition of the service in EU/EEA countries and even within one country there are several different definitions. Basic common features of the service are the provision of a sufficient supply of affordable housing for defined target groups and non-market ways of allocation. The regulation for specific providers also refers to a special social – limited/non-profit – business model.

Social housing provision in Europe encompasses development, renting/selling and maintenance of dwellings at affordable prices as well as their allocation and management, which may also include the management of housing estates and neighbourhoods. Ensuring that physical infrastructures are adequate and comply with health and safety standards and with environmental requirements is therefore a particularly important aspect of social housing quality. Most social housing providers perform the activities of landlords. Therefore the relationship between landlord and tenant is another important element in the quality of the service, even when it does not meet the criteria of "social work" in a narrow sense.

However, compared to other social services, the continuous care/advice/empowerment activities towards individuals do not constitute core aspects of social housing provision,

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[8] Within the framework of this study, the following 22 countries have been analysed as regards the regulatory framework for service provision and financing for social housing: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

although management of social housing can increasingly encompass social aspects: for example, care services are involved in housing or re-housing programmes of specific groups or in debt-management of low-income households. But, in most cases, specific care institutions cover the care component and collaborate with social housing providers. As the aspect of "social management" on the estate level as well as on the neighbourhood level is gaining weight, direct employment of social workers, cooperation with social institutions and new training curricula for housing staff is becoming more common.

Regulation of social housing is predominantly adopted at national level, but due to a process of decentralisation in some EU/EEA Member States in the last few years, the role of regions has become increasingly important. Municipalities have a limited legislative power in most constitutions – but enjoy a constitutional autonomy which enables them to develop their own housing policy.

The responsibility to provide services lies with the providers, whereas political responsibility lies with the public authorities, which may provide incentives and financial assistance.

There is a great variety of **modalities of service provision** across EU/EEA countries. In most European countries two or more of modalities coexist. *Direct service provision* can be found in many old EU Member States (and Norway) and in all new EU Member States. In most cases direct provision is undertaken by local authorities. *In house provision* also exists in many EU countries and is often in the hands of companies owned by local authorities, whose legal form is either private (e.g. limited liability companies, joint stock companies) or public. Also *outsourced provision* of social housing services is widespread, although it takes different shapes across European countries. Two broad situations can be distinguished: external providers who are officially 'approved' by a public authority (Austria, Belgium, Denmark, Finland, France, Ireland, Poland, the Netherlands and the United Kingdom), and so-called 'generic' housing providers who are any housing company (for or not-for-profit) who answers a public call for tender or submits a funding proposal out of its own initiative to obtain public funding for the provision of social housing (Germany, Italy, Portugal, Slovenia, Spain) .

The **relationship between public authorities and external social housing service providers** is strongly determined by whether the provider is 'approved' (i.e. registered or officially recognised as such by the public authority) or 'generic' (i.e. any housing providers applying for public funding schemes). In the case of 'approved' providers, these are subject to specific regulations linked to their official recognition as social housing provider on the part of a public authority, which also lays down, amongst other things, the conditions for the way providers conduct their business and specific audit and supervision procedures. In the case of 'generic' housing providers applying for public funding schemes for the provision of social housing services, the relation between the public authority and the provider is set up through a funding arrangement, where the providers apply to the public authority for public assistance and, if successful, receive an act of entrustment together with the funding. In many countries the mode of service delivery by approved bodies and the system of public funding schemes co-exist.

Financing of social housing concerns two different levels: investment (financing of development/new construction of housing) and running costs (costs of operation, maintenance and renewal). Public financial compensation plays a major role in service provision, as financing the costs of investments is one of the crucial questions in social housing. There are schemes of direct financial assistance (in the form of public grants, loans for investments or

regular annuity/interest grants), public guarantee schemes, public assisted saving/bond schemes, loan schemes of special public credit institutions and allocation of land at preferential conditions. A general trend that has been identified is a reduction in direct financial assistance, which has been replaced by the bond/bank schemes and guarantees.

Conditions of access to social housing are regulated in different ways, often through a combination of different regulations and mechanisms, covering three key aspects, namely: eligibility (i.e. who is entitled to receive social housing in the country); priority criteria and pre-emption rights (i.e. whether there is a right to pre-emption by local authorities or another body). Eligibility is widely determined on the basis of income. In most cases there are income ceilings and the allocation process involves means testing. In some cases minimum income criteria apply. Income ceilings are defined either in "housing laws" or promotion/subsidy schemes. These income ceilings may vary between regions, across municipalities, and between funding schemes.

Cross-border service provision exists only to a very low degree in the field of social housing, mainly in the form of acquisition of rental housing stocks by foreign investors, like for instance in Germany.

2. *Types of social service providers*

Long-term care[9]

As regards the **relative importance of private and public LTC service provision** there are a few countries that rely almost entirely on the private provision of services and a few more that rely heavily on the public sector. The majority of countries have a mix of public and private sector providers. However, the patterns can differ by type of LTC service. Typically the private sector is most likely to be involved in the provision of residential care services, but may have a more limited role in the provision of domiciliary and community care services. Nonetheless in many countries a shift towards a greater reliance on private sector provision of services has been observed.

Countries that rely almost entirely on private sector provision for all LTC services include Germany and the Netherlands, where legislation and regulation have ensured that almost all services are provided by the private sector. These two countries have well- established LTC insurance that is used to fund most LTC services. Countries where the private sector provides less than 20% of residential care places include the Czech Republic (16%); Finland (12%); Greece (1%); Norway (10%); Romania (17%); Slovenia (14%); and Sweden (17%).

As regards the provision of domiciliary and community-based LTC services, three countries report having less than 20% of domiciliary care provision in the private sector: Norway, Slovenia and Sweden. In the case of Denmark there was considerable variability across municipalities, with some having only 17% of services provided by the private sector compared with others where more than 45% was provided by the private sector.

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[9] Within the framework of this study, the following 22 countries have been analysed as regards the types of service providers for long-term care services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

As regards the **types of private LTC service providers**, overall the use of the non-profit sector dominates that of the for-profit sector. In many countries cash allowances may be used to pay family members to provide services.

In the Netherlands all residential care must be provided by non-profit providers, while in Germany 34% of all places are provided by the for-profit sector. Looking at domiciliary care services, in the Netherlands for-profit service providers can operate, but home nursing care is usually still delivered by private non-profit organisations. In many countries, a trend towards an increased role for for-profit providers can be seen.

As to the **extent to which LTC service providers are involved in the provision of other services of general economic interest or commercial services**, in many countries it appears that LTC providers were usually not involved in carrying out any additional activities other than provision of services of non-economic general interest; most often other activities include the provision of different social welfare services, and/or to other population groups with some overlapping needs, such as younger people with disabilities.

Early Childhood Education and Care services[10]

As regards the **importance of private and public ECEC service provision**, in most EU countries there are still more public childcare services than private ones. Percentages vary however for children under three and over three. In some countries (Norway and Finland) the private provision increased slightly over the past ten years, without however exceeding the public provision. The UK is the most remarkable exception of a huge increase of private ECEC services, with a 70% increase in private (for-profit) childcare provision since 2002. Still over 65% of children over three in the EU enjoy publicly funded ECEC provision, mostly in schools or as freestanding kindergartens within the education system. This provision may be defined as education, but may also include care, in the sense of offering longer hours for working parents. Countries may offer after-school provision, either integrally with extended education hours, or as a private extra on school premises, for which a small charge may be levied.

Some countries have adopted an explicitly pro-market approach: in Ireland, the Netherlands and the UK, for instance, the policy is to view childcare as a competitive business led by entrepreneurs and to assume that supply of and demand for childcare can best be delivered independently of any state intervention. This private provision includes for-profit as well as non-profit providers. The figure for for-profit providers is highest in Ireland and the UK, where the for-profit sector accounts for over 85% of provision.

Some countries have seen a considerable increase in private childcare provision for under three-year-olds. This is for instance the case in Germany where between 1998 and 2008 the percentage of centre-based settings provided by the so-called "free providers", including private providers, increased from 58.3% to 65.5%. In Norway, too, the trend over the last ten years has been a decrease in the number of public kindergartens (0-6 year-olds) and an increase in the number of private services.

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[10] Within the framework of this study, the following 22 countries have been analysed as regards the types of service providers for ECEC services: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

Notwithstanding these trends, in most EU countries public provision of childcare services for under three-year-olds remains predominant. Especially in those countries that spend a higher percentage of GDP on early education and childcare services, the public sector is a major provider for children under three, e.g. Denmark (>95%), Finland (>90%) and Sweden (82%).

Most post-socialist countries have very low levels of private provision. In Hungary for instance, about 94% of the nurseries and kindergartens are public, maintained by the municipalities directly. In Slovenia, too, over 95% of the childcare services for under three-year-olds are public. Romania seems to have no private provision at all.

As regards the **types of private ECEC service providers**, it should be noted that the distinction between for-profit and non-profit ECEC institutions is not always clear-cut. There is considerable ambiguity about what constitutes "for-profit" provision, since although technically a service may be defined as "for-profit", regulatory controls and modes of funding curtail profitability severely. Generally speaking, in most EU/EEA countries, there is more non-profit than for-profit provision, although percentages vary for children under three and over three.

As to the **extent to which ECEC service providers are involved in the provision of other services of general economic interest or commercial services**, in most countries the service providers do not carry out other activities that are purely commercial; the issue of additional purely commercial activities is mainly relevant for corporate providers.

Employment services[11]

As to the relative **importance of private and public employment service provision**, according to figures available, the level of private provision of employment services is lower than that provided by the public sector. Even allowing for the fact that the services provided are not always comparable, in most countries the level of service provision by the private sector is below 30%, and often well below. Despite this relatively low level of private sector service provision, there appears to be a trend towards an increasing share of service provision coming from the private sector. The Netherlands and the UK pioneered this approach and other countries are privatising these services more and more. Even where figures on trends are not available, it is clear that private sector provision has increased in many other countries.

However, it should be noted also that some countries do not show evidence of this trend towards increasing private sector provision, most notably in Denmark, where there has been a significant reduction in private sector services and where there is some doubt as to whether they will continue to exist.

As regards the **types of private sector providers**, different patterns emerge in relation to whether for-profit or non-profit organisations constitute the majority of outsourced services. The majority of outsourced providers have non-profit status in Belgium, Ireland, and the UK. Several countries (Germany, the Netherlands, Norway and Slovenia) have both types of

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[11] Within the framework of this study, the following 22 countries have been analysed as regards the types of service providers for employment services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

organisations. However, in many EU Member States, the relative importance of for-profit employment services seems likely to increase. The role of NGOs varies considerably. In some countries they are largely involved with people with disabilities, in others they operate across all or most of the range of employment services, whereas in other countries (mostly the new EU Member States), only few NGOs are operating in this area.

As to the **extent to which employment service providers are involved in the provision of other services of general economic interest or commercial services**, there are a number of countries where it is clear that no other activities may be carried out by employment service providers than the employment services which they provide as services of general economic interest. This is mostly true of the public employment service providers, which are mandated by law or regulation to provide employment related activities, but it is also true of private employment services providers in some countries (e.g. the Netherlands).

Social housing[12]

Social housing providers in Europe are characterised by a wide variety of legal statuses and organisational forms and it is extremely difficult to draw a clear line between what is 'public' and what is 'private'. In addition, in some countries, many external providers are ruled by a combination of public and private law, respectively. Two broad types of public provision can be distinguished: direct provision by a public authority and provision by bodies governed by public law. Direct provision by a public authority (mainly municipalities) that own and manage their social housing stock directly. The trend is towards decline in most countries. Amongst the second type of public provision, there is a wider range of providers, notably municipal companies, typically established and owned either 100% or in their majority by local governments. These correspond to *in house* service provision adopted by municipalities for the management of their housing stock. Depending on the country, these companies might be subject to public law or to both public and private law. In addition to municipal housing companies, there are other social housing providers governed (at least partly) by public law. Only in few countries public provision of social housing does not exist (e.g. the Netherlands and Germany).

As regards the **types of private sector providers**, two broad groups can be distinguished: not-for-profit and for-profit. Broadly speaking not-for-profit provision is by far the most prominent way of social housing provision across old EU Member States, and its importance has been growing over the last decades as a result of the trend towards privatisation and stock and/or management transfer to private (mostly not-for-profit) entities. In terms of for-profit providers, their importance is very small in social housing provision across all EU Member States, and non-existent in new EU Member States.

As to the **extent to which social housing providers are involved in the provision of other services of general economic interest or commercial services**, the following can be observed across EU/EEA countries: non-economic services provided play only a very marginal role in

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[12] Within the framework of this study, the following 22 countries have been analysed as regards the types of service providers for social housing: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

social housing. It is mainly in municipality-run social housing sectors that there is a direct institutional link with the social service sector. Provision of pure commercial services by regulated (non-profit) providers exists in some countries, but is covered by relevant regulation and is restricted. It has to be noted that one and the same activity might be regarded differently (social or commercial) in different countries. These services are also closely linked to the provision of accommodation (such as students' or key workers' homes) or provision of public (municipal) infrastructures. As regards for-profit providers, which are gradually being accepted in new provision of social housing, pure commercial activities may even dominate.

3. *Quality tools and frameworks*

The variations in social service provision across Europe are also clearly reflected by the way in which quality of services is regulated. Across the four sectors analysed within the study, several countries have set up various quality tools, i.e. any initiative (regulatory or non-regulatory) which aims to ensure quality of certain aspects of the social service. In very few countries, however, and there are comprehensive quality frameworks encompassing all aspects of service provision for one of the four selected social services.

Long-term care[13]

Generally speaking, there is a wide range of approaches to quality management in relation to LTC services in Europe. Although currently no country has a coherent quality framework for all types of LTC, several countries have developed different tools to ensure quality in the provision of certain types of LTC services, essentially residential. At the same time, quality tools in many countries focus on social care and/or health care services in general rather than specifically on LTC.

It is possible to make a distinction between two broad categories of quality frameworks and tools in the field of LTC – those that are largely generic in focus and deal with LTC as a whole regardless of the setting in which it is delivered, and others that have developed a more targeted approach focussing on a specific service or a group of services within LTC. Very often, it is on residential care services that targeted quality frameworks and tools tend to focus, far less attention having been paid to quality issues in respect of community-based care services (e.g. day care services) or home-care services.

Particularly interesting examples of generic quality frameworks and tools include the *Standards of Quality of Social Services* in the Czech Republic, the *Quality Assurance Framework in Care Provision* in Germany, and the *National Strategy for Quality Improvement in Health and Social Services* in Norway. Examples of targeted quality frameworks and tools include the *National Quality Certificate Scheme for Residential Care* that has recently begun to operate in Austria, the *National Quality Standards for Residential Care Settings for Older People* in Ireland launched in March 2009, and the quality standards for home care services and residential care services for older people introduced in Romania in 2006.

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[13] Within the framework of this study, the following 15 countries have been analysed as regards existing quality frameworks and tools for long-term care services: Austria, the Czech Republic, Denmark, Estonia, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Romania, Spain, Sweden and the United Kingdom.

Across countries in Europe there is significant variety in the scope of quality frameworks and tools, which makes it sometimes difficult to compare quality systems. Several quality frameworks and tools across Europe encompass accessibility and sustainability and set clear standards and obligations, although this is not systematically the case everywhere. Other elements such as the skills and qualifications of employees, and their working conditions, may be also included; sometimes however these issues are regulated in separate legislation.

In the majority of countries analysed for LTC, quality assurance systems are concerned with improving the accessibility and sustainability of services; however, it has to be underlined that these terms are understood and treated in different ways in different countries.

Another important finding is that the fragmentation in responsibility for funding and overseeing LTC service provision has a direct impact on the content of quality frameworks and tools. Fragmentation in responsibility may result in many quality tools that do not apply to the whole range of long-term services provided. This raises the question as to what extent health and social care regulatory bodies can work more closely together, and perhaps consider developing a harmonised approach to quality management in respect of LTC.

Early Childhood Education and Care services[14]

The variety in the way Early Childhood Education and Care (ECEC) services are organised across European countries is reflected in the way quality is regulated. The distribution of competences between childcare and education services within the country also has an impact on the definition of quality frameworks and tools. Regulations on the quality of ECEC have generally been put in place at national level, but in federal countries quality standards are adopted at regional level.

Very few countries in Europe have set up a comprehensive and coherent quality framework for ECEC services, although most countries have legal provisions for the quality of ECEC. This may, however, be split across a number of legalinstruments or embedded in other, more general legislation. An interesting example of a comprehensive quality framework for childcare services is Norway, which has set up a homogeneous and structured quality framework for ECEC services. In other countries there are no homogeneous quality frameworks, but different tools regulating different aspects of quality in ECEC service provision.

The scope and content of the quality tools for ECEC services varies considerably across Europe. In some countries quality tools apply equally to all service providers, whereas in other cases they apply only to certain kinds of providers.

In their quality tools, most EU/EEA countries include requirements for types and levels of staff qualifications, including initial training, but there are considerable differences about where the level is set, and what kinds of qualifications are considered appropriate for different age children. A few countries, mostly Nordic, consider the gendering of the workforce to be a significant issue.

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[14] Within the framework of this study, the following 15 countries have been analysed as regards existing quality frameworks and tools for ECEC services: Belgium, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia and the United Kingdom.

The definition of an ECEC service as an entitlement or as an option or choice for parents also shapes how the quality tools of a given country are framed, what they cover, how they are implemented, and whether they cohere across care and education. As a result, quality tools for ECEC services do not systematically include accessibility. In some countries, the Nordic countries, for example, childcare is an entitlement and the conditions of access and levels of parental contribution are laid down in the legislation as part of the quality tools and frameworks. In the Netherlands or the United Kingdom, for example, quality frameworks and tools for childcare do not include service accessibility. Parents with low incomes receive tax credits, but the provider may be free to set fees without any restrictions. As a result, fees may be very high and accessibility is de facto limited.

A key factor underpinning the scope and content of the quality tool is the level and mode of funding for ECEC services. Childcare services for children under three are expensive to run, because of the high child-staff ratios that are usually deemed to be necessary to provide an adequate service, but unless services are funded adequately, either standards slip or parents must pay more. Generally, as administration and funding for services of all kinds have been decentralised in Central and Eastern European countries, levels of funding have also shrunk, and ECEC services have been closed and/or deregulated. Across all countries in Europe, sustainability related to public funding for services undeniably has an impact on the quality of the service, in particular in the present recessionary climate.

Employment services[15]

The changes employment services in Europe have undergone in the past decades also have strong implications for quality management of employment services. All the countries analysed within the study have put in place some forms of quality systems for employment services. However, there is a wide range of approaches to quality management. In many countries, these approaches were inspired from quality management systems that operate elsewhere in the Public Service or sometimes outside the Public Service, rather than having been specifically designed for employment services.

In Spain, for instance, quality assurance tools are not specific to employment services but are defined nationally for all central government activities and services. However, there are employment service-specific quality assurance measures taken at regional level and there is also a quality programme in place for temporary employment agencies. In some of the new EU Member States specific quality systems for employment services have been designed. A number of countries also reported the influence of the quality management procedures of the European Social Fund (ESF).

As for the scope and contents of the quality frameworks and tools, a diversified picture emerges. Issues such as service accessibility and sustainability, working conditions and skills and qualifications of employees are dealt with differently across the countries.

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[15] Within the framework of this study, the following 15 countries have been analysed as regards existing quality frameworks and tools for employment services: the Czech Republic, Denmark, Estonia, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Romania, Slovakia, Spain, Sweden and the United Kingdom.

Despite the diversity of quality systems and their state of development and innovation, two broad approaches to quality management can be detected in the field of employment services: on the one side, systems that focus on managing processes and, on the other, those which focus on managing outcomes. However, despite possible differences in approaches to quality frameworks and tools across Europe, similar problems have been identified as to how quality of employment services is to be achieved: these include the fragmented nature of many quality management systems (e.g. some quality systems apply only to public employment services, but not necessarily to private services, or vice versa), and the difficulties to manage quality of contracted external services.

Social housing[16]

Across Europe, quality regulation for social housing is scattered throughout different types of legislation: environmental legislation for building and construction, civil law for tenancy regulation, etc. As a consequence, quality regulation in social housing is rather fragmented according to the different dimensions of the service concerned and it is hard to find an example of a regulation which deals exclusively with the quality aspect of social housing.

In Austria, for example, quality is 'mainstreamed' in several pieces of legislation that deal with different aspects of social housing. In England (UK), a regulating body for social housing has been set up (Tenants' Services Authority, TSA) by the Housing and Regeneration Act 2008, and is empowered to set a "regulatory framework" for providers' services and providers' conduct. This new framework is developed as "co-regulation", which means that it relies on the self-regulation of providers, who are expected to develop standards according to local demands, ensure effective tenant involvement, and present reports to the tenants and the public, thus improving the quality of the service.

Self-regulation of service providers on quality is becoming increasingly important and has been set up in many countries, alongside binding quality standards. In Italy, there is legally binding quality regulation in the national and provincial building codes, and general rental legislation and specific regulation for social housing exist with respect to energy efficiency. However, all other quality issues are based on self-regulation of social housing providers, which has recently been introduced.

As for the scope and contents of existing quality frameworks and tools, the quality of social housing in comparison with other services has the peculiarity of also being related to aspects concerning infrastructure building and maintenance as well as infrastructure management. Standards on the quality of buildings are therefore very common in the countries covered in the mapping study: they exist mainly for new constructions and are often stricter than standards for housing which does not have a social character.

As the dominant form of social housing provision in Europe is social renting, the (social) landlord-tenant relationship is the most important factor to influence the quality of the service. Therefore this relationship, together with letting services in the narrow sense, is subject to

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[16] Within the framework of this study, the following 15 countries have been analysed as regards existing quality tools and frameworks for social housing: Austria, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovenia and the United Kingdom.

quality regulations. However, across Europe there is a lack of clearly-defined quality standards covering more specific issues such as promptness of reactions to users' complaints and of necessary steps to be taken in the case of repairs, or problems of tenants with neighbours.

METHODOLOGY NOTE

The information used for the analysis of the present study on social services stems primarily from data collected through 88 national sector-specific experts, covering the four selected social services in 22 EU/EEA countries.

Data has been collected through a data compilation tool that has been designed by the team of European key experts in close coordination with the European Commission's Directorate General for Employment, Social Affairs and Inclusion. The data compilation tool included detailed questions for each of the three sections of the present study: the applicable regulatory framework for each of the four selected social services, the types of service providers and the main quality tools and frameworks. The data compilation tool was accompanied by a list of key concepts and definitions, including the working definitions of the four social services used for the purpose of this study (see Annex A).

Data was collected in each country between January and May 2010, the first ever systematic European-wide data-collecting exercise on such social services and issues. National experts were given a limited number of days to compile the data at national and regional level; they also had to indicate their sources clearly, and to provide the names of other national experts and national authorities contacted to obtain official data.

The very short time period available for data collection at national level and the fact that so many EU/EEA countries have been included in this mapping exercise added to the complexity of the work, and the research team came across the following major challenges:

- The diversity and specificity of the different systems of social services (often set up long before the EU started to deal with social services) across the different EU/EEA countries made it sometimes difficult for national experts to answer the questions, which were very general, for the four different types of social services;

- Despite the list of key concepts and definitions used for this study, their very complexity (especially concepts such as "outsourcing", "in house service provision", "economic and non-economic services", "quality tools", "quality instruments", "entrustment of mission of general interest", "cross-border service provision") meant that some of them had to be explained to national experts several times to ensure that the correct data was provided;

- In many countries, there is a lack of official data and statistics for several sectors at national or regional level;

- In some countries, there are major regional differences as regards social services provision in a given sector, which made the collection of relevant data and information particularly difficult and time-consuming;

- Across all sectors and all countries, the legal provisions on social services change frequently and official data and information quickly becomes outdated.

The European research team and all national experts have made huge efforts to ensure that the data collected at national level is as exhaustive, accurate, and of the highest quality possible. For some countries and some social services, where data proved to be incomplete, the national experts were asked for additional clarifications and data.

The collected data and information was also completed with extensive desk research on data and information available in already published studies, reports and databases. Once all the national data had been collected by the national experts, it was structured by the European research team into 88 sector-specific country profiles. The 88 country profiles served as the basis for drafting the core of the study, the 4 sector-specific chapters of each of the three sections of this study.

Given the challenges that the research team faced when collecting the data, the complexity of social service systems, and the fragmentation of legal frameworks, organisational structure, funding and service provision in many countries, it is important to point out that the data included in this study should be viewed with some caution. All the data collected at national level and used for the core study has therefore been supplemented with data from material from other sources, to help to give a full picture. A complete list of all publications (across sectors and specific for each of the four sectors) analysed through desk research and used as additional sources for data and information for the purpose of this study can be found in Annex B. Last but not least, due to the frequent changes in national and regional regulations on social services, it is important to note that the data collected for this study reflects the situation of social services at a given point in time, which is April 2010.

The huge amount and the complexity of the collected data, the limited time that was available for this study, and the fragmentation in the systems that needed to be analysed to get an as comprehensive view as possible on the four selected social services, made this study a huge and commonly shared effort between all members of the European research team.

SECTION I - REGULATORY FRAMEWORK APPLICABLE TO SOCIAL SERVICES

1. LONG –TERM CARE[17]

1.1. Introduction

This Section provides an overview of the current regulatory frameworks for service provision and financing for long-term care (LTC) services in the context of the Social Services of General Interest. LTC services refer to a range of services for people who require help with basic activities of daily living over an extended period of time[18]. While LTC can be provided to people with physical or mental health problems disabilities, we focus on services predominantly provided to the main client group for these services - older people, i.e. those over state pension retirement age.

Data suggest that an ageing of the population, coupled with changes in the availability of informal family support, increasing costs of care and raised expectations on the quality, intensity and flexibility of services, may raise major challenges for policy-makers contending with maintaining or extending coverage and support for LTC systems. LTC expenditures are projected to increase from just over 1% of GDP in high-income countries to between 2% and 4% of GDP by 2050. In the EU-25 alone the proportion of the population aged 65+ is projected to increase from 17% in 2007 to more than 28% by 2040.

LTC services for older people take different forms across Europe, including services both delivered in long-stay institutional facilities, within day centres and other community based facilities and within individual's homes[19]. There is also a significant variation in the availability of services across Europe, ranging from countries in Scandinavia where there is a high reliance on formal care services to other parts of Europe including Portugal, Spain and Greece where traditionally there has been a reliance on family members to provide care and LTC service provision remains scant.

The provision of LTC services has thus become a major issue for policy makers across Europe and national policies/ strategies are being developed. In France, for example, a national *Plan for Frail Older People* was implemented over the period 2004-2007, which included measures for new services and supports in an individual's own home and in residential care institutions[20].

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[17] The following 22 countries have been analysed as regards the regulatory framework for service provision and financing for long-term care services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

[18] OECD (2005) *Long-term care for older people*.

[19] In the previous SHSGI (2007) study, the services of long-term care included 1) services for older people with severe functional limitations receiving care in institutions; 2) services for people with moderate to severe functional limitations who receive care in the community (at home) often as a combination of informal and formal care; and 3) social services to support care in the community, such as respite care, day care, counselling for both care recipients, their families and other volunteers (p. 97).

[20] Le Bihan, B., Martin, C. (2010) *Reforming Long-Term Care Policy in France: Private-Public*

Similarly in Ireland, policy in relation to older people and LTC has been set out in the Programme for Government 2007-2012 and the latest Social Partnership Agreement *"Towards 2016",* which is about collaboration to develop an infrastructure of LTC services for older people[21].

In setting out our results below it is important to note that the data collated here are taken largely from national reports and should be viewed with some caution because of the complexity of LTC systems, and the fragmentation in legal frameworks, organisational structure, funding and service provision in many countries. We have supplemented this data with material from other sources as part of our desk based analysis to help counter these issues.

Finally it should be borne in mind that the actual provision of LTC services varies considerably: while many countries may in principle provide funding and support for a variety of LTC services, in a number of countries, particularly those in southern Europe non-medical LTC services remain rare and there is a great reliance on families to provide unpaid LTC and support.

Overview of legal frameworks for long-term care

It is clear from this analysis that the legal frameworks for LTC rest at different levels of administration in different countries. They can include frameworks established at national (federal), regional, and local authority levels. Laws may lay down the basic nature and operating framework for health care and social welfare services, rather than for LTC per se. They may define the settings in which LTC is delivered, the conditions and eligibility criteria that need to be met in order to qualify for LTC services and registrations requirements for service providers.

The information with regards to the legal frameworks of LTC suggests that, in the majority of the counties, the LTC systems are characterised by complex legislative frameworks. Legislation may address different aspects of the LTC system, such as the role of local authorities, support for carers, needs assessment, direct payments, as well as the relationship between health and social care services. In England, for example, key LTC legislation includes *the National Health Service and Community Care Act 1990*, *The Carers (Recognition and Services) Act in 1995*, *the Community Care (Direct Payments) Act 1996*, *the Health Act in 1999*, *the Carers and Disabled Children Act 2000*, *the Community Care (Delayed Discharges etc) Act in 2003*, *the Carers (Equal Opportunities) Act 2004*, and *Health and Social Care (Community Health and Standards) Act 2003*.

Trend: Transfer of responsibilities from the federal to the municipal and local authorities

In the majority of the 22 countries analysed some of the key reforms towards the modernisation of LTC took place during the late 1980s and 1990s. In Austria, for instance, an agreement on common measures for people in need of LTC based on Austrian constitutional law was established between the Federal State and the nine Austrian provinces in 1993.

Complementarities, Social Policy and Administration 44(4): 392-410.

[21] Department of the Taoiseach (2006) *"Towards 2016",* Ten Year Framework Social Partnership Agreement 2006-2005, Dublin, Stationery Office.

It defined different types of support, categorised LTC services, defined responsibilities of the Federal State and its provinces (organisation, provision and financing of benefits and services) and sets minimum standards for service provision[22]. In Germany, social LTC insurance was introduced in 1995 as a mandatory measure in order to provide coverage from the risk of needing permanent help, care and support.

Broadly speaking, among the main objectives of the different LTC reforms was the transfer of either legal powers or responsibilities from higher levels of government to more localised structures. For instance, during the 1980s a key institutional change in the context of Belgian LTC was the transfer of the regulatory powers of social care from the federal state to the regions. Some regulations which impact on LTC however, still apply at the national level such as *health insurance* which is regulated at the federal level.

Similarly, in Sweden, a major reform of LTC for older people in 1992 focused on transferring most responsibility away from county councils to local municipalities. They were placed in charge of the provision of LTC services to older people and people with disabilities. This reform also aimed to deinstitutionalise LTC services and to enable individuals in need of daily support to live independently in their own homes.

There seems to be a great deal of variation in the level of regional and provincial legal autonomy across the 22 EU/EEA countries analysed in this study. The evidence indicates that in some cases provinces have the authority to regulate service provision. For example in Austria, the agreement based on Art 15a B-VG (*Federal Constitutional Act*) stipulates a set of LTC services to be provided at the provincial level. Provinces regulate social service provision by law.

In Spain, there has also been a shift of responsibility for social care services since 1980 to the seventeen autonomous communities that make up the country. All now have their own social service laws such as the *Law (12/2007)* in Catalonia that refers to different social care services. Similarly, the *Law (5/1997)* in Valencia regulates the right to social services, in particular services for older people. Regionally devolved legal and regulatory frameworks are also to be found in the United Kingdom where the four countries of the UK have their own health and social care systems, and to some extent difference in legal system, particularly in Scotland.

Common feature: Separate legal frameworks for health and social care services

Many countries in our study have distinct legislative frameworks for health and social care requiring a great deal of coordination between the different layers of governments. One example of separate legal frameworks for health and social care is Norway where LTC is provided and regulated under the *Municipal Health Services Act* (1982) and the *Social Service Act* (1991). Similarly, the development of LTC in the Czech Republic has been influenced by divisions between the health care and social care sectors. The lack of co-operation and integration of services between these two sectors still remains an obstacle in the provision of LTC.

Even in a country like Estonia where LTC is managed at a national level LTC includes two distinct areas: medical care and long-term support services without a medical component

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[22] Trukeschitz, B., Schneider, U. (2010) *LTC financing in Austria*, in: Costa-Font, J., Courbage, C. (Hrsg.) *Financing Long-Term Care in Europe: Institutions, Markets and Models,* Palgrave Macmillan, (forthcoming).

known as specialised social care (SSC). These two types of care are governed by separate national laws: *The Health Services Organisation Act* (HSOA) for LTC adopted in 2001 and *Social Welfare Act* (SWA) for SSC adopted in 1995.

Over recent years, improving the coordination and integration of the health and social care services has been high on the policy agenda in many of the European countries. For example, in Hungary where LTC services are provided by separately managed health care and social care sectors, there are common responsibilities in terms of the types of LTC services provided. In situations where both sectors are involved in the provision of LTC, the services are financed jointly from health and social care budgets[23].

Attempts to bridge the gap between health and social care services are evident in the case of Scotland where the *Community Health Partnerships (Scotland) Regulations 2004* set out the role of CHPs included co-ordinating the planning, development and provision of particular health services with a view to service improvement. One aspiration was that CHPs would support further moves towards collaboration between health and social care services[24]. More recently various policy initiatives, both before and since devolution and the formation of the Scottish Parliament, have aimed to bring health and social care services providers together[25]. Similarly in England, over recent years most localities have moved to closer partnerships between local authorities and primary care trusts. Partnerships have developed at three organisational levels: operational delivery, strategy and governance[26]. In England the majority of health and social care providers are committed to moving to a system of high-quality, personalised support for people who receive LTC, with an increasing amount of control over that care in the hands of individual, their informal carers and family. There is also a trend in a number of countries towards greater individual choice on types of LTC received and the receipt of cash allowances to help fund such choices.

1.2. The concept of long-term care across Europe

Taking into account the above legal and organisational context in which LTC services operate, this chapter looks at the concept of LTC services in Europe, focusing on how they are defined and what is contained with the scope of service provision.

Definition of services

In this Section we are concerned with the definition of LTC services as they are found in national legislation or regulations. A first observation is that in eight countries (Belgium, Czech Republic, Finland, Greece, Ireland, Italy, Poland, and Slovenia) there appears to be no formal definition of LTC services in legislation or regulation. This may, in part, reflect the fact the responsibility for services is often split across health and separate social care services. It may also reflect the fact that definitions of services may be found at local rather than at the

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[23] Gulácsi, L. (2010) *Long-Term Care Country Report*, Hungary.

[24] Bell, D. N. F., Bowes, A. and Dawson, A. (2007) *'Free personal care – recent developments'*, York, Joseph Rowntree Foundation, http://www.jrf.org.uk/sites/files/jrf/2075-scotland-care-older-people.pdf.

[25] Bell, D., Bowes, A. (2006) *'Financial Care Models in Scotland and the UK'*, (Published as *'Lessons from the funding of long-term care in Scotland'*), York, Joseph Rowntree Foundation, http://www.jrf.org.uk/sites/files/jrf/1859354408.pdf.

[26] McDonald, A. (2008) *The changing partnership on care – the role of local authorities*, pp. 61-70, in Churchill, N. (ed.) (2008) *Advancing opportunity: older people and social care*, London, The Smith Institute.

national or regional level. Definitions may also be contained within non-legal policy documents.

In the case of the Czech Republic, a definition of LTC is to be found within the "2005 National Report on Health and Long-Term Care" published by the Ministry of Labour and Social Affairs. This defined LTC as "a wide range of health and social services for persons who, due to the loss of their self-sufficiency, disability and/or by other serious conditions, are not able to independently carry out the basic activities of daily living". In Poland policy documents provide a *working definition of LTC* which states that LTC is "the continuous provision of professional nursing care and rehabilitation over a prolonged period with maintenance of pharmacological and dietary treatment. Such care is provided in health care institutions or in the patient's home"[27].

Where LTC services are defined, this will reflect the structure of LTC service provision in the country. Hungary does explicitly distinguish between two principal types of LTC service within its LTC legal framework: *basic care services* (community care), and *residential care* (long-term and short-term residential care). A similar legislative definition exists in Estonia, while entitlements to social care services linked to need exist in Slovakia. In Austria seven of nine provinces define LTC related services (domiciliary care, semi-institutional care and institutional care) within their *Laws on Social Assistance*.

In the case of Germany, where there is an explicit LTC insurance, strict legal criteria on entitlements and needs for different types of LTC are stated in legislation (see Box 1.1). Some other countries also have legislation on levels of dependency as a criteria for obtaining LTC and support without specifically defining what that LTC may be. In other countries, no one piece of legislation will define LTC; instead there will be a myriad of legislation covering different types of care services. We have also noted that definitions of LTC services may focus on either medical or social care rather than both aspects of LTC and some illustrations of these issues are now provided.

Box 1.1: The legal basis and entitlement to provide different types of LTC services in Germany

In Germany, the legal basis for the provision of LTC services is defined by and regulated in national legislation. Specifically, the LTC insurance is regulated in *Book XI of the Social Code* (1995) (SGB XI). According to section 14 of SGB XI, individuals in need of support for activities of daily living (personal care, nutrition, mobility, housework activities) for at least 6 months due to physical limitations or mental illness are in need of LTC services and eligible to receive benefits from the LTC insurance. The entitlement for LTC services is based on clearly defined criteria set out in national legislation (sections 14 and 15 SGB XI). These apply across the entire country in a uniform manner and refer to different types of personal activities that need to be supported and the amount of support required (in terms of time required to be spend by a carer). The legal basis for the provision of curative care in Germany is also defined by and regulated in national legislation (SGB V).

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[27] Sabbat, J. (2010) *Long-Term Care Country Report*, Poland.

In France, like Germany, LTC is in part defined in terms of the level of dependency of individuals and entitlements thereof to counter these dependencies. However such definitions, unlike Germany, focus on medical needs alone. The only definition of LTC can be found in Appendix 2 of the 2007 Ministry of Health Order. *"The LTC units take care of people with a severe chronic impairment, or with multiple pathologies, either actively in the long run, or recurrently through repeated episodes, the outcome being a decreased independence, if not a loss of it. Therefore, the situations mentioned require continuing medical follow up, iterative medical procedures, continuing medical and nursing surveillance and access to a technical support centre"*. While social care services are provided, in legislation LTC is effectively defined to be "Long-Term Health Care" in hospital settings, which comprise medical procedures in health care provided by doctors and other skilled health personnel, on a daily/ongoing basis[28].

In Spain *Law 39/2006* also specifically provides *definitions of autonomy and dependency* in the context of LTC. According to this law, *autonomy* is the capacity to control, understand and make personal decisions on how to live in accordance to individual's own norms and preferences and ability to undertake the basic activities of daily life. The same law defines *dependency* as a permanent state due to old age, illness and disability, and limited physical, mental and intellectual autonomy. Dependent individuals are then stated to need care and support from other people, or significant help in undertaking basic activities of daily living.

Legislation in Romania, updated in 2008, while not providing a clear definition of LTC, does also think about the personal circumstances of individuals, specifying situations in which older people can benefit from social assistance. In Denmark, again while there is no statutory definition of LTC there is a *legal obligation* to provide health and social services taking account of need and dependency. The *Law on Health Care* (2008) covers needs based health services and a *Law on social services* specifies the provision of services to meet needs for personal help and care and help and care for practical tasks in the home. In Latvia, the *Law on Social Services and Social Assistance* (1/01/2002, nr. 168 (2743)) defines social care services as a set of measures aimed at meeting the basic needs of the individuals who are unable to take care of themselves due to old age or functional disorders. These include services provided at individuals own homes as well as services in long-term social care institutions.

There are also countries which define specific care services that typically form part of the scope of LTC services, rather than LTC as a whole, including Sweden and the UK (England and Scotland). Relevant legislation in Sweden included the *Social Services Act (*2001:453 - with amendments up to and including Swedish Code of statutes 2010:52); *Act (1993:387) concerning Support and Service for Persons with Certain Functional Impairments* (updated to include the Swedish code of statutes 2009:813); and the *Health and Medical Service Act (*1982:763 - with amendments up to and including Swedish Code of statutes: 2009:979). In Scotland, the *Regulation of Care (Scotland) Act 2001* provides *definitions of different care services.* According to the Act 2001, a "care service" is any of the following: a support service; a care home service; a school care accommodation service; an independent health care service; a nurse agency; a child care agency; a secure accommodation service; an offender accommodation service; an adoption service; a fostering service; an adult placement service;

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[28] CIRCULAIRE N°DHOS/O2/F2/DGAS/DSS/CNSA/2007/193 du 10 mai 2007 relative à la mise en œuvre de l'article 46 de la loi de financement de la sécurité sociale pour 2006 modifiée concernant les unités de soins de longue durée.

child minding; day care of children; and a housing support service. A "support service" is a service provided, by reason of a person's vulnerability or need, to that person or to someone who cares for that person. The Act also provides definitions of a "care home service", a "housing support service", a "personal care", and "personal support". In summary, whilst there is no official definition of LTC services, LTC services could be seen as an umbrella term that includes services defined under the Act as support services, care home services or housing support services[29].

Scope of services

Our analysis in *Table 1.1.1* suggests that the scope of LTC services is clearly defined in some countries, such as in Germany, Sweden, and the United Kingdom. In other cases it can be more difficult to set clear boundaries with regards to the scope of LTC services provision. There is much variation across countries. Services tended to be grouped according to various dimension including care setting, duration of care service, focus on users' needs, the purpose of services (e.g. support services in Scotland). In summary, a wealth of information indicates not only a great diversity of the LTC services across Europe but also a lack of a standardised classification system of LTC services.

In saying this, generally speaking LTC services may cover some combination of domiciliary care services, residential care and community care services in all countries. Domiciliary care can include help with bathing, dressing, feeding, shopping and cooking as well as some home nursing care where needed. Community care can include a range of diverse activities including transportation to and participation in day care centres, participation in social activities, befriending services, counselling and advice.

Residential care is a feature of LTC in most countries although, as noted later in this report, the availability of both residential and domiciliary care services in some countries, particularly those in southern Europe is extremely limited. Residential care also covers short term respite care, which is as much for the benefits of informal carers as for service users themselves.

Some countries also consider support for informal carers, including advice, cash allowances and respite care to fall within the scope of LTC services. In addition to these types of services, there may be other help with housing, for instance providing individuals with an opportunity to move into more sheltered accommodation where residents remain independent but have a warden and/or other professional staff living separately in the same location.

Table 1.1.1   The scope of LTC services in study countries

Country	Scope of LTC services
Austria	• Domiciliary care (health related home care and home care, social care, meals on wheels, assistance with housekeeping); • Day care centres; • Long-term residential care services (all forms of residential homes with 24-hour nursing and care attendance facilities, including supported accommodation with warden on premises); • Short term residential care (including short term nursing and respite care),

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[29] Dawson, A. (2010) *Long-Term Care Country Report*, Scotland.

	rehabilitation (including physiotherapy);
	• Mobile counselling services;
	• Home adaptations;
	• Services to support needs of informal carers;
	• Cash benefits to allow older people to purchase their own LTC services.
Belgium	• Residential care: nursing homes and social care homes;
	• Day centres, day care centres, and night centres;
	• Day centres and night centres that additionally provide paramedical care, and if necessary therapy and social care, for old people in partnership with a nursing or social care home;
	• Domiciliary care: home support for activities of daily living;
	• "Coordination centres of domiciliary care services" designed to develop "care plans" and to coordinate care and home services for dependent persons; remote monitoring of service users. Coordination centres can provide physiotherapy, the loan of equipment, adaptation of premises, occupational therapy, the distribution of meals, help for family carers, continuing care and transport services;
	• Cash allowance service to allow older people to purchase LTC services.
Czech Republic	• Within health sector: long-term hospital care for rehabilitation only;
	• Within social care sector: cash benefits dependent on level of disability; community based social services.
Denmark	• A range of social care and physical/ psychological health services including support for dementia; plus housing support and pensions;
	• Residential nursing and social care facilities;
	• Cash payments to allow older people to purchase LTC services.
Estonia	• Medical care: specialist nursing care; geriatric nursing care and residential nursing homes;
	• Day nursing care and home nursing care;
	• Access to interdisciplinary geriatric evaluation teams. Non-medical residential care homes;
	• Domiciliary social care services; welfare services.
Finland	• Community care services: domiciliary care services; financial support for informal carers; day centres;
	• Residential care: LTC in health centres; municipal residential care homes;
	• Cash benefits to purchase LTC services.
France	• Domiciliary nursing services, including help with washing, dressing and wound care;
	• Domiciliary social care service to help with instrumental activities of daily living, such as home making activities and other related personal assistance for activities of daily living, excluding nursing care;
	• Medical and non-medical residential care homes;
	• Cash benefits to purchase LTC services.
Germany	• Basic care includes activities in support of personal hygiene, nutrition and mobility;
	• Domiciliary care to help with activities of daily living, including shopping, cooking, tidying up, washing up and heating;

	• Specialist dementia care services; • Provision of some medical services, e.g. injections, management of blood sugar levels, wound dressing; • Cash payments to purchase LTC services.
Greece	• Rehabilitation, social care and home care.
Hungary	• Community care: Domiciliary care including help was basic and instrumental activities of daily living, washing, cooking, shopping and physical health (available during working hours on weekdays only); Meals services; Crisis support services; Advocates to help obtain basic social care services; • Residential care services: residential care provided within the health sector, other residential care homes, short-term residential care (respite and rehabilitation); housing maintenance support; and temporary aid; • Financial benefits to support housing costs (e.g. help with heating costs). Means tested financial support.
Ireland	• Domiciliary and community care: home help services, nurse visits, occupational therapist, chiropodists, physiotherapists, speech and language therapists; • Provision of mobility aids and adaptations; • Residential care – nursing and non-nursing services, including sheltered accommodation;
Italy	• Cash payments are most significant service: the 'companion payment' (indennità di accompagnamento) is made to severely disabled people regardless of age; • Needs and means tested local cash payments for care financed by regions and municipalities through their health and/or social funds.); • Integrated Domiciliary Care: home help and home health care inputs (home nursing, physiotherapy and visits by specialists and the GP) for those who need help with activities of daily living.
Latvia	• Home care, day care centres, sheltered group homes, social rehabilitation services at a person's home, crisis centres, long-term social care and social rehabilitation institution; • Types of service differentiated according to the setting and the duration of services provided.
Netherlands	Services covered under LTC insurance: • Personal care: e.g. help with taking a shower, bed baths, eating and drinking; • Nursing: e.g. dressing wounds, giving injections; • Supportive guidance: e.g. helping client organise his/her day and manage his/her life better, as well as day-care or provision of daytime activities; • Activating guidance: e.g. talking to the client to help him modify his behaviour or learn new forms of behaviour in cases where behavioural or psychological problems exist; • Treatment: e.g. care in connection with an ailment, such as dementia; • Accommodation: e.g. sheltered housing or continuous supervision in connection with cognitive impairments, including residential care;

	• Personal cash budgets to pay for household care, personal care, nursing, supportive guidance, activating guidance, respite care, mediation costs.
Norway	• Home-based care; • Rehabilitation services e.g. physiotherapy; • Residential care: nursing homes and sheltered housing; • Cash benefits to purchase LTC.
Poland	• Residential care: long-term medical or nursing facility or social care facilities; • Home nursing care including assistance and advice on self-care, health education, assistance with problems of independent functioning; • Community based social care services; day care centres; home adaptations; • Cash benefits to purchase LTC.
Romania	• Temporary or permanent home care services (social services, socio-medical services, and medical services); • Temporary or permanent care in a home for older people (social services, socio-medical services, and medical services); • Day centres, social clubs for older persons; supported housing.
Slovakia	• Cash benefits for family carers; • Home nursing care; • Community care: Day/week centres of care; • Residential social care homes.
Slovenia	• Community and domiciliary services: personal care; family assistance; social care including help with instrumental activities of daily living; • Residential care; • Cash benefits to pay for LTC services.
Spain	• Domiciliary care can include personal care provided by a personal assistant, as well as home help for activities of daily life such as cooking and cleaning; • Support for remote telecare to monitor individuals in their own homes; • Day care centres and residential nursing home care can also be provided.
Sweden	• Domiciliary care: help with activities of daily living and personal care, including activities to reduce social isolation and make individuals feel safe and secure in their homes such as safety alarms. Home nursing. Adaptations at home. • Assisted transportation services e.g. mobility scooters. • Cash grants for home adaptations. • Community care: meals on wheels services; day care centres. • Support for informal family carers: cash allowances, provision of respite care services for family members. Tax relief for individuals who hire someone to help with household tasks. • Cash / voucher benefits to purchase LTC services.
United Kingdom	• Residential care: nursing and social care residential homes. • Domiciliary care: home helps; home health care services; access to specialist therapists e.g. occupational therapists, podiatrists; alarm systems.

	• Community care: Day care centres; social activities and lunch clubs, befriending services. Meals on wheels services. Respite care services; • Cash allowances to purchase care; some cash allowances for some informal carers. • Certain services falling under the definition of housing support services might also be thought to form part of the provision of LTC services. These provide support, assistance, advice or counselling to a person who has particular needs, with a view to enabling that person to occupy residential accommodation as a sole or main residence. In Scotland in particular, personal care services might be seen as being delivered to the person being cared in a residential care home as well as at home.

Table 1.1.1 also indicates that it is very common for services to be split according to whether they have a health related function or not, thus many countries have both long stay nursing homes and long stay social care homes where no nursing care is provided. Several countries have highlighted cash allowances as being part of the scope of their LTC services, as for instance in the Czech Republic where a care allowance is paid based on their level of dependency; this can then be used to help cover the costs of LTC services. Only a minority of countries: Denmark, the Netherlands and Germany explicitly mentioned special dementia services. The scope of services is distinguished in different ways across countries: in most there is simple distinction between residential, domiciliary and community care services. Approaches focusing primarily on *users' needs* can also be seem, as in the case in Germany (see Box 1.2) and the Netherlands.

Box 1.2: The scope of long-term care services in Germany

In Germany, there are four different types of LTC services: basic care service; household assistance; additional services for people with dementia, cognitive impairment and mental illnesses; and curative care services.

The concept of basic care is defined in *German Social Code, Book XI* (SGB XI) and includes activities in support of personal hygiene, nutrition and mobility (§14 SGB XI).

Services in relation to household assistance are also defined in SGB XI (§14) and include the following activities: shopping, cooking, tidying up, washing up, cleaning and changing of clothing and heating the accommodation.

Dementia care is regulated in § 45a of SGB XI, the so-called complementary law on care services (Pflegeleistungs-Ergänzungsgesetz), and includes services provided to people with dementia, cognitive impairments and mental illnesses who have a considerable need of care and supervision due to a highly restricted competence in the completion of daily routines.

Curative care services are regulated in SGB V and include medical services such as injections, medication, control of blood sugar data, change of bandages etc. The services are provided on the basis of prescriptions issued by medical practitioners.

1.3. Legal and institutional frameworks for service provision

This chapter reports on the legal and institutional frameworks for LTC services that exist within the study countries. The aim here is to describe in broad terms what these frameworks are, thereby setting the scene for a discussion of how services are actually provided within these countries in chapter 1.4.

a. Responsibility for developing legislation/regulations related to service provision and financing

In most countries overall legal and institutional frameworks for LTC are developed at the national level, with legislative proposals brought forward to Parliament for consideration, amendment and approval. As *Table 1.1.2* indicates, in many countries the responsibilities for developing legislation and regulation in respect of service provision and financing of LTC may be split between a Ministry of Health which focused on health care related aspects of LTC and another Ministry with focuses on social and personal care. Responsibilities for legislation and regulation for personal and social care are more likely to be devolved to the regional level. There appears to be a trend towards a greater decentralisation of responsibility for LTC services, as evidenced by recent developments in Spain and Germany. Different ministries and different legislation and regulation may be in place in respect of financing health-care related LTC and personal and social care related LTC.

Table 1.1.2   Responsibilities for legislation and regulation, organisation, financing and delivery of services

Country	Responsibilities for legislation and regulation, organisation, financing and delivery of services.
Austria	*Legislation and regulation***:** responsibility is shared under agreement between Federal Ministry of Labour, Social Affairs and Consumer Protection and the Nine Provincial Governments. *Organisation of service provision:* Responsibility rests with the nine provincial governments. *Financing of service provision*: Federal, provincial governments and local municipalities. *Delivery of service provision*: Responsibility for the framework of service delivery rests with the nine provincial governments.
Belgium	*Legislation and regulation:* responsibility for health care related LTC rests with the Federal Government. Social care and personal care activity responsibilities rest largely with regional governments. *Organisation of service provision:* Not stated in Wallonia report; responsibility of Flemish Parliament in Flanders. *Financing of service provision:* Federal, regional and local government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with national and regional government.
Czech Republic	*Legislation and regulation:* Ministry of Labour and Social Affairs. *Organisation of service provision:* Responsibility rests with regional and municipal government.

	Financing of service provision: Responsibility rests with both the Ministry of Labour and Social Affairs, as well as local municipalities. *Delivery of service provision:* Responsibility for the framework of service delivery rests with local municipal administrations.
Denmark	*Legislation and regulation:* National Government, mainly Ministry of Social Affairs and Ministry of Health. *Organisation of service provision*: Responsibility rests largely with municipalities and regional governments. *Financing of service provision:* Municipalities are responsible for financing of social care aspects of LTC. Regions are responsible for financing health care aspects of LTC. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the regions and municipalities.
Estonia	*Legislation and regulation:* Ministry of Social Affairs. *Organisation of service provision:* Ministry of Social Affairs. *Financing of service provision:* Ministry of Social Affairs. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the Ministry of Social Affairs and local municipalities.
Finland	*Legislation and regulation:* Ministry of Social Affairs and Health. *Organisation of service provision:* Responsibility rests with municipalities. *Financing of service provision:* Responsibility rests principally with the municipalities with national legislation covering subsidies from central govt. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the local municipalities.
France	*Legislation and regulation:* National Government, in particular the Ministry of Health and the Ministry of Labour, Solidarity and Public Service. *Organisation of service provision:* Health-related services are organised by Regional Health Agencies, while local authorities organise social care services. *Financing of service provision:* National government, via health and the CNSA insurance funds, and local government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with national, regional and local government.
Germany	*Legislation and regulation:* Federal Ministry of Health, but responsibility for residential care in process of being transferred to the Länder. To date four Länder have begun putting legislation in place. *Organisation of service provision:* Joint responsibility of the Länder, local authorities, care providers, care insurance providers and the Medical Review Board (MDK) of the health insurance funds. *Financing of service provision:* Federal rules govern the LTC insurance funds. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the Federal government and Lander.

Greece	*Legislation and regulation:* Ministry of Health and Social Solidarity. *Organisation of service provision:* the organisation of service provision is the responsibility of the Local Authorities and overseen by the Ministry of Health and Social Solidarity. *Financing of service provision:* Very limited role for state and local authorities. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the Ministry of Health and Social Solidarity and local authorities.
Hungary	*Legislation and regulation:* Ministry of Health and the Ministry of Social Affairs and Labour. *Organisation of service provision:* Local government. *Financing of service provision:* National and local government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with national, county and municipal government.
Ireland	*Legislation and regulation*: Department of Health and Children for legislation/regulations related to service provision and financing. Department of Environment, Heritage and Local Government responsible for legislation/regulations for sheltered housing and housing-related provisions. *Organisation of service provision:* the national Health Service Executive is mainly responsible for organising provision of LTC. Local authorities are mainly responsible for organising provision and/or eligibility/entitlement for sheltered housing and housing-related provisions. *Financing of service provision:* National government, administered by the Health Service Executive. *Delivery of service provision:* The (national) Health Service Executive is responsible for provision of health and personal social services or arranging provision by others. Local authorities are responsible (although not statutorily) for provision of sheltered housing or supporting its provision by others.
Italy	*Legislation and regulation:* National Government enacts fundamental legislation, sets overall aims and general rules, while the 20 regional authorities develop their own laws and regulation on how health services are provided. Personal social care regulated at regional level. *Organisation of service provision:* National and regional government. *Financing of service provision:* Regional and municipal government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with regional and municipal government.
Latvia	*Legislation and regulation:* National government including Ministry of Welfare. *Organisation of service provision:* National and local government. *Financing of service provision:* National and local government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with local government.

Netherlands	*Legislation and regulation:* Ministry of Health, Welfare and Sport. *Organisation of service provision:* Insurers providing Exceptional Medical Expenses Insurance. *Financing of service provision:* National level through the Exceptional Medical Expenses Insurance Scheme. *Delivery of service provision:* National level, under the auspices of the insurance companies providing Exceptional Medical Expenses Insurance.
Norway	*Legislation and regulation:* Ministry of Health and Care Services. *Organisation of service provision:* Local municipalities. *Financing of service provision:* Local municipalities supported by national government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with the five regional health authorities and local municipalities.
Poland	*Legislation and regulation*: Minister of Health and Minister of Labour and Social Policy. *Organisation of service provision*: National government through the National Health Fund in respect of health care related LTC. All tiers of local government have duties with regard to the organisation of social services. *Financing of service provision*: Central and local government. *Delivery of service provision*: Responsibility for the framework of service delivery rests with the Regional Governors (Wojewoda).
Romania	*Legislation and regulation:* Ministry of Labour, Family and Social Protection. *Organisation of service provision:* Local authorities. *Financing of service provision:* Local authorities. *Delivery of service provision:* Responsibility for the framework of service delivery rests with local authorities.
Slovakia	*Legislation and regulation:* Ministry of Labour, Social Affairs and Family and the Ministry of Health. *Organisation of service provision:* Regional authorities and municipalities. *Financing of service provision*: National, regional and municipal government. *Delivery of service provision:* Responsibility for the framework of service delivery rests with regional and municipal authorities.
Slovenia	*Legislation and regulation:* Ministry of Labour, Family and Social Affairs. *Organisation of service provision:* Ministry of Labour, Family and Social Affairs. *Financing of service provision:* Ministry of Labour, Family and Social Affairs and municipalities. *Delivery of service provision:* Responsibility for the framework of service delivery rests with central government and municipal authorities.
Spain	*Legislation and regulation:* National Government responsible for legislation for framework with minimum standards / protections. Regional governments responsible for legislation / regulation. *Organisation of service provision:* The 17 regional (autonomous community)

	governments and local municipal governments.
	Financing of service provision: Regional government with a framework for LTC financing established at national level.
	Delivery of service provision: Responsibility for the framework of service delivery rests with regional government for health related services and with municipalities for social care services.
Sweden	*Legislation and regulation:* Ministry of Health and Social Affairs.
	Organisation of service provision: Responsibilities are shared by county councils in respect of health care services, with municipalities organising and determining eligibility for social care services.
	Financing of service provision: Largely county councils and municipalities; with some support from central government.
	Delivery of service provision: Responsibility for the framework of service delivery rests with county councils for health related services and with municipalities for social care and housing services.
United Kingdom	*Legislation and regulation:* In England, LTC is a responsibility of National Government, predominantly the Ministry of Health. In Scotland, LTC is the responsibility of the Scottish government. The UK Government also has an indirect part to play in relation to regulating the financing of LTC services in Scotland because there are interactions between the financing of care and the social security and benefits systems, regulation of which is a matter reserved to the UK Parliament. Interpretation of legislation in court actions in the judicial system can also clarify issues of access and type of service provision.
	Organisation of service provision: In England this is the responsibility of local municipalities and also local NHS Commissioners. In Scotland this is a shared responsibility of NHS Health Boards and local authorities.
	Financing of service provision: In Scotland responsibility for setting out the financing framework for LTC service provision is shared between the UK Government, the Scottish Government and Scottish local authorities. In England responsibility for setting out the financing framework for LTC service provision is shared between the UK Government and local authorities.
	Delivery of service provision: Legislation in both England and Scotland places responsibility on local authorities to provide, maintain or make arrangements for the provision of social and LTC services. In addition some health care related services will be delivered as part of the National Health Service in both England and Scotland.

b. *Responsibility for organising service provision*

As *Table 1.1.2* indicates while much of the responsibility for legislation and regulation rests with national government, the organisation of services, particularly non-health care LTC services is often highly decentralised and rests with not only with regional governments, but often local authorities such as county councils and local municipalities. This is often because it is at municipal level that any assessment of need for LTC services is needed, as for instance in Denmark. Other countries where services are organised at municipal level include the Czech

Republic, Finland, Norway, Poland, Romania, Slovakia and the UK (both England and Scotland - Box 1.3).

It is not surprising in countries where responsibility for health and social care services rests with different administrations that responsibility for organising services is often split between health-care related and social care related services. In Sweden responsibilities are shared by county councils in respect of health care services, with municipalities organising and determining eligibility for social care services. In France health-related services are organised by Regional Health Agencies, while local authorities organise social care services. In Ireland, the national Health Service Executive is mainly responsible for organising provision of LTC and also plays an important role in defining eligibility criteria on a general, local or case-by-case basis, while local authorities are mainly responsible for organising provision and/or eligibility/entitlement for sheltered housing and housing-related provisions.

There have been moves in some countries, including Sweden, England and Scotland to voluntarily create partnerships between local social and health care agencies to organise services. Partnership arrangements vary - in some cases budgets can be pooled to provide services, although one partner may take the lead in managing the partnership.

In Germany, where the main role of the state is the provision of monetary and non-monetary benefits arising from LTC insurance, ensuring that there is a sufficient supply of services to meet need is a joint responsibility of the federal states, the local authorities, the care providers, the care insurances and the Medical Review Board (MDK) of the health insurance funds.

Box 1.3: Organisation of long-term care services in England and Scotland

In England local municipal authorities have a duty to provide needs assessment for anyone who might require community care. There are no national eligibility criteria that provide an entitlement to a given level of services for a given level of dependency, and local authorities can take into account their fiscal situation when deciding local eligibility for services. Eligibility criteria, arrangements for assessments and budgetary arrangements are therefore determined locally, and there is marked variability between local authorities in the intensity and range of services provided.

In relation to health-related aspects of LTC provision, the Scottish NHS Boards have created Community Health Partnerships (CHPs) between the different health boards and relevant local authorities to manage and provide, or to have a lead role in co-ordinating, influencing or directing the delivery of all community related health services including community and public health nursing and services. Each local authority has the power to decide on the scale of service provision and timescale for accessing personal and nursing care services is appropriate for their area, in line with Scottish national definitions and standards.

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   c. Responsibility for financing service provision

This question is concerned with the source of financing for LTC services. Detailed information on funding LTC in the 22 countries is provided section 1.6 of this chapter. As *Table 1.1.2* indicates this is a highly complex area with differing hierarchies of responsibility for financing. There are also many different models of long-term financing exist. All of the countries in this study reported that some of the responsibility for financing services rests with the State,

although in the case of some countries like Greece, long-term social and non medical residential care services are very limited, with a de facto expectation that families will be the mainstay of what an informal care dominated system.

Health-care related services are usually financed in exactly the same way as other health care services: through some combination of taxation, social health insurance contributions, voluntary health insurance contributions and out of pocket payments. Social care services are usually funded through some combination of taxes raised at national, regional and local level, coupled with out of pocket payments. In a few countries including Germany and the Netherlands there is a specific mandatory LTC insurance. In nearly all countries individuals with LTC needs and their families will have a responsibility to contribute substantially to the costs of any residential care services received. The contributions are usually means tested, but can take account of an individual's property and other assets in addition to income.

d. Responsibility for providing the services

Responsibility for providing services is shared by the public and the private sector to different degrees in the 22 countries. While the public sector is usually responsible for the framework under which services are provided (see *Table 1.1.2*) the private sector often has an important role to play and the balance between public and private sector providers is examined in more detail in Section 2 of this report. Responsibility for the provision of services may rest with different tiers of administration. In respect of health related LTC services, the responsibility for providing services usually rests with national and or regional health care services or with sickness funds. They may provide services directly through their own facilities or may contract with external providers. In contrast for social care services, ensuring their provision was predominantly a function of local government.

For instance, in Italy Local Health Authorities are in charge of delivering or purchasing health-related home assistance, residential health care and other LTC services for older people, while local municipalities are responsible for any publicly funded social care services provided. Italy is just one example of a number of countries where non-medical LTC provided by the public sector is very limited; in practice there is a reliance on families to provide care and support. A similar situation was reported in Hungary and Greece. In Spain 65% of all care for older people is still provided by families. It should be noted that where cash benefits are used to pay for LTC services that the individual chooses, it may be the case that entirely new types of services may be providing *in response to demand* from individuals.

e. Responsibility for evaluating/monitoring the performance of service

Table 1.1.3 below provides an overview of the responsibilities for monitoring and evaluating LTC service performance in the study countries. Different arrangements are often in place for health and social care aspects of LTC services. Most monitoring and evaluation appears to focus on inspecting the quality of services and ensuring they comply with any minimum standards. Only a small number of countries explicitly mentioned monitoring of financial performance, e.g. the UK were statutory Audit bodies perform this function.

A reliance on service providers conducting their own internal evaluations and/or monitoring performance was reported in the Netherlands, Germany, Belgium and Poland. Internal evaluation was usually accompanied by a reliance on some form of inspection service that

might randomly assess service providers. Municipalities in many countries have responsibility for monitoring social care orientated LTC services.

Table 1.1.3   Responsibility for monitoring and evaluating long-term care services

Country	Responsibility for monitoring and evaluating long-term care services
Austria	Provincial administrations. New Care Quality System being developed.
Belgium	Internal reports are prepared by service providers for regional authorities. Regional administrations undertake random inspections of providers.
Czech Republic	Regional administrations.
Denmark	Municipalities, Regions and national Ministries/Agencies.
Estonia	Ministry of Social Affairs, Estonian Health Insurance Fund, Social Insurance Board.
Finland	National Supervisory Authority for Welfare and Health (Valvira).
France	National and local level. At national level, there is National Quality and Evaluation Agency which evaluates social care institutions and services (ANESM). In addition, regular local auditing/ inspection of residential care institutions.
Germany	Regions and local municipalities inspect residential care services. They are also subject to evaluation by the Medical Review Board of the different social insurance funds. Social care service providers must publish results of internal monitoring.
Greece	Ministry of Health and Social Solidarity and Institute of Social Protection and Solidarity.
Hungary	Not stated.
Ireland	National level through the Health Information and Quality Authority.
Italy	Local Health Authorities monitor health-related care services. Personal social care services are responsibility of local municipalities.
Latvia	Ministry of Welfare.
Netherlands	National Health Care Inspectorate (IGZ). The Dutch Health Authority also has role in supervising health and LTC market.
Norway	Health-related care: Norwegian Directorate of Health and the Norwegian Board of Health Supervision. Social welfare services: County governors.
Poland	Internal evaluation by service providers. National Health Fund audits the organisation and implementation of LTC contracts in terms of access to health care, concurrence with terms and conditions, choice of drugs, devices and equipment. Supreme Chamber of Audit reviews finances of health care services.
Romania	Ministry of Labour, Family and Social Protection through the Divisions of Labour, Family and Social Protection organised at county level.
Slovakia	Social care: Ministry of Labour, Social Affairs and Family in cooperation with municipalities and regional administrations. Health-related care: Ministry of Health and Health Surveillance Authority.

Slovenia	Social care: Ministry of Labour, Family and Social Affairs.
Spain	Regional administrations.
Sweden	National Board of Health and Welfare.
United Kingdom	England: The Care Quality Commission is an independent statutory body that monitors all adult health and social care services in England. The performance of both health and local authority services are also subject to evaluation by the Audit Commission. Scotland: At national level, the Scottish Commission for the Regulation of Care ('the Care Commission'), the Scottish Social Care Council (SSSC) and the Social Work Inspection Agency (SWIA) have responsibility for evaluating and monitoring the performance of LTC services. Scottish local authorities have responsibility at the level of the unitary authority for evaluating and monitoring care services provided by or procured by them. Health and social care services are also subject to financial and performance audits by Audit Scotland.

1.4. Modalities of service provision

This chapter addresses the issue of who is providing LTC services. This could involve (i) direct provision by a public authority, (ii) 'in house' provision and (iii) external service provision by either profit making private sector organisations or by non-profit making organisations (NGOs).

The very broad nature of LTC services, covering services provided within health care systems, social care systems and social welfare systems, means that classifying the modality of service provision is very complex. The data collected also reflect some conceptual challenges associated with terminology, and caution must be exercised in the way that terms have been interpreted across countries. This can also make it difficult to make use of statistical data, as in Scotland where the definition of 'in house' provision of services adopted in this study does not match that used in Scottish statistical returns[30]. Despite this, very cautiously, there appears to be a general trend towards more reliance on the externalisation of LTC services across Europe, as in England (see Box 1.4) and Denmark.

Box 1.4: Shift in modality of long-term care service provision in England

In England, until the late 1980s, majority of the services were provided by local authorities. Today the majority of services are provided by the private for-profit and not-for-profit sectors, as a result of legislation which brought about the separation of commissioning and provision functions at local authority level. This was done in order to create a level playing field between in house and independent sector providers. As a result there is now no direct provision of LTC residential services in England, while in house provision only accounted for 6% of total care home services in 2009.

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[30] Dawson, A. (2010) *Long-Term Care Country Report,* Scotland.

As *Table 1.1.4* indicates, only in Hungary does it appear to be the case that all services are provided by the public sector alone, while external service provision of residential care services in Norway are very limited: 90% per cent of the nursing facilities are owned by the municipalities. In 2008 only 4% of LTC institutions were run by private for-profit organisations and 6% by non-profit organisations. Overall the balance between private and not for profit service provision can vary substantially by type of service provided, e.g. there can be a different balance in private and not for profit private sector provision between residential care services and domiciliary care services. (For further information on the balance between public and private sector provision see *Tables 2.1.1* and *2.1.2* in the LTC chapter of Section 2 of this study).

Unpaid informal care by family members remains an importance source of care in countries in southern Europe, particularly for non-medical services such as washing, dressing, cooking and shopping. In Greece, for example, only 1% of older people live in residential care facilities, although there is direct provision by the state of some community centres for older people, as well as some social services (counselling and psychosocial support, information on rights and health issues) and limited family assistance (assistance with housework, personal care and eating, as well as befriending).

Table 1.1.4   Modalities of long-term care service provision

Country	Direct provision	In house provision	Outsourced service provision
Austria	No information available	Yes	Yes
Belgium	No information available	No information available	Yes
Czech Republic	Yes	Yes	Yes
Denmark	No information available	Yes	Yes
Estonia	No	No	Yes
Finland	Yes	Yes	Yes
France	Yes	No	Yes
Germany	No	No	Yes
Greece[31]	Yes	Yes	Yes
Hungary	No	Yes	No
Ireland	No	Yes	Yes
Italy	No information available	No information available	Yes
Latvia	Yes	No information available	No information available
Netherlands	Yes[32]	Yes	No

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[31] Less than 1% of older people live in residential care: reliance on informal care.

Norway[33]	Yes	Yes	Yes
Poland	Yes	Yes	Yes
Romania	Yes	Yes	Yes
Slovenia	No information available	Yes	Yes
Slovakia	Yes	Yes	Yes
Spain	Yes	No	Yes
Sweden	Yes	Yes[34]	Yes
UK	No	Yes[35]	Yes

Twelve countries still have direct service provision of LTC. In most of these cases services that are provided are linked to the provision of community care based support (including support for informal carers) rather than the provision of residential care services. We have however excluded from the Table data pertaining to the payment of cash transfers to individuals with care needs and/or their families, who in turn can then use these funds to purchase their own LTC services.

Direct provision of care services at a national level is relatively rare, although in Latvia all state social care institutions are directly managed and financed by the Ministry of Welfare. Rules can also differ depending on whether a service is provided by the health or non-health sectors. Local government can directly provide social care services, including residential care homes and domiciliary care in Poland. In contrast, there is no direct provision of LTC by the Ministry of Health.

Direct provision of services appears most well entrenched in the Nordic countries, where most LTC services are organised at a local level. In Norway, although municipalities can purchase services from private LTC providers, private sector provision is very limited. Most LTC (with some of the larger cities as exceptions - especially Oslo) is directly provided by central administrative municipal units. In Sweden, approximately 84% of all domiciliary care in 2008 was provided by care staff employed directly by municipalities. In Romania more than 80% of residential care is directly provided by the municipalities, while 61% of community social services at county and municipality level are directly provided.

Municipalities in Finland directly provide most LTC services, especially in major cities, mostly through municipal social service departments. They also directly provide financial support to informal carers. The small size of municipalities also has led to in house service provision in the country. Several municipalities may come together to form a joint authority to provide services. These joint authorities are independent legal public entities governed by municipal legislation. A similar situation is seen in Denmark where many municipalities provide services in their own institutions, while some use outsourcing to institutions in other municipalities or

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[32] Local government can technically directly deliver.

[33] Although technically available there is very little external provision of services.

[34] Less than 1% of residential care places.

[35] Refers only to care home services: in house provision accounts for just 6% of total provision.

private institutions. There must be separate administration and delivery of services either within the public sector or by setting up external bidding processes.

In house provision of some LTC services can be seen in a number of countries. In the Czech Republic semi-autonomous bodies provide residential and domiciliary services at regional and municipal level, while in Ireland the Health Service Executive provides a substantial component of LTC services 'in house', through publicly provided community/home care services and public nursing homes. It is the largest provider of home care in terms of direct employees.

The use of external service providers, particularly for residential care, is increasingly important. Service provision in Germany is almost entirely outsourced, either to professional provider organisations or to family carers. 55% of residential care homes are private, non-profit (55%), 38% are private for-profit and 7% public. Most home care organisations are private, for-profit (58%), 41% are private non-profit and 2% public.

In France, contracts for residential care with not-for-profit organisations covered 26% of total places in 2007, with the for-profit sector accounting for a further 16%. The majority of the care homes in England are now run by the independent sector providers who enter into contracts with local authorities. In March 2009, 76% of homes were private-for-profit establishments while 16% of care homes were not-for-profit. As for home care agencies, around 75% were run by private-for-profit providers and 11% were not-for-profit organisations[36]. The concept of external service provision is complex. It can refer to a broad range of different contracting and funding arrangements that may be in place in any one system, including public subsidies with the costs of care provided in the public sector as in Ireland (see Box 1.5).

Box 1.5: External LTC service provision in Ireland

In Ireland, there is substantial external provision of services by the Health Services Executive (HSE) who provide funding to not-for-profit organisations to provide home care services, especially home help services. Another form of external provision is through cash payments made under the home care packages scheme to enable older people to purchase home care services privately. There is also outsourced provision of nursing home services in the sense that costs of using private nursing homes are publicly supported in the same manner as the use of public nursing homes. Thus private provision is an important component of the overall 'publicly-supported provision' in the Irish public-private mix in this field. The provision of tax reliefs for privately accrued costs of care can also be considered to be an (indirect) form of outsourcing of public responsibilities in this field. The financial supports available for development of sheltered housing in Ireland can also be considered to be a form of public 'externalisation'.

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[36] Care Quality Commission (2009) *The quality and capacity of adult social care services: An overview of the adult social care market in England 2008/09*, Care Quality Commission.

1.5. Relationship between public authorities and external service providers

a. Type of relationship between public authorities and external service providers (use of public procurement procedures, use of concessions, specific conditions or requirements such as authorisations, licensing, etc., own initiative service delivery with public authority recognition, etc.)

This chapter is concerned with the relationships between public authorities and external service providers. In particular, it examines the issues concerning contracting and procurement. It further examines whether or not there is an entrustment of a mission of general interest to the external contractors.

Table 1.1.5 provides an overview of these issues. Where external providers are used, public procurement processes making use of competitive tenders have been common. Where direct cash payments are made to individuals with LTC needs to purchase services there usually are requirements for services to be registered with national authorities to maintain specific quality standards, as in Denmark, Finland, Sweden and the UK.

Table 1.1.5   *Types of relationships between public authorities and external long-term care service providers*

Country	An overview of the types of relationships between public authorities and external long-term care service providers
Austria	Providers of LTC services may be selected by public procurement procedures established by the provincial authorities. In respect of residential care homes announcement obligations or recognition procedures apply in all provinces. In six provinces there are 'announcement' obligations, which apply to both the establishment and management of homes. Prospective service providers have to submit detailed documentation on plans to ensure that they conform with existing rules on service provision. Recognition proceedings apply in all provinces. Criteria on the provision of home care services, including volume of service and staff requirements can be specified in recognition proceedings or as preconditions prior to the completion of funding agreements and contracts. The number of providers is not regulated by law, but may be regulated under provincial authority guidelines.
Belgium	For residential care responsibility for certification, monitoring and quality control of residential care services is divided between the federal and regional level. As regards home care services procedures of authorisation for service delivery is under the responsibility of regional authorities. In Wallonia any type of organisation can apply for an authorisation, but the law stipulates that 29% minimum of beds of residential care are reserved for the public sector, 21% minimum to the associative sector and maximum 50% to private for profit sector. For domiciliary care a decree stipulates the conditions to receive an agreement to provide services for one year and then for an unlimited period, provided the provider complies with standards as defined by the decree. Only non profit and public organisations can apply for such an agreement. Similar provisions exist in Flanders where non-profit and for-profit private organizations providing residential care services need to have an accreditation.

Czech Republic	Since 2007 all service providers are required to register. Licensing of the social service providers is based on the registration procedure at the regional administration level. The service provider can be "an individual" or a "legal entity" with a responsibility for ensuring adequate working conditions and professional staff qualifications, technical/hygiene conditions and quality of care. The registration is not limited to specific types of providers. After the registration procedure is completed, the provider is entered in the official electronic register (database) which is set up by the Ministry and used by the Regional Office(s).
Denmark	Individual municipalities have public procurement process open to all. The procurement bidding process must specify technical details of tasks to be undertaken. All service providers must be licenses. In addition as there is free choice of service provider in Denmark, for services chose by service users, but funded by municipalities – the municipalities must specify quality and price requirements in line with national regulations on service provision. There are no limits on number of service providers.
Estonia	The contracting procedure is set by the Estonian Health Insurance Fund (EHIF) and it is open to anybody given that eligibility criteria are met. Contracts specify volume and cost of services that must be delivered. There are no limits on number of service providers.
Finland	Service providers are selected in the municipalities through open competition. Tasks and qualification requirements for service providers must be specified by the municipality in their initial call for bids. Selected service provider and municipality enter into a contract specifying terms for the service provision. In addition individuals can use LTC vouchers to purchase their own services. In this case the service provider must have authorisation from the Regional State Administrative Agency (AVI). There is no set limit to the number of providers.
France	Residential care service providers must be authorised. The authorisation process covers quality of care and protection of service users. Contracts between service providers and funders are established; these also specify codes and frameworks to be respected. There are no limits on number of service providers.
Germany	LTC providers need to meet licensing requirements. LTC funds all have the same benefits, contribution rates and contracts with the care service providers resulting in no competition between the funds. Care providers conclude so-called supply contracts with the LTC insurance funds. The contract defines kind, contents and amount of care services. It also defines the so-called care package containing a detailed list of the costs of each service. There are no limits on number of service providers. However some of the regions restrict the subsidies for investment in new nursing homes, thereby limiting competition in the area of residential care.
Greece	There is very little provision of external formal care in the country and information on relationship with the very limited use of external providers is not available.
Hungary	Outsourcing of social services to external providers is unusual in Hungary.

Ireland	Outsourcing of home care packages is by way of public procurement. The primary purchaser of services, the Health Services Executive (HSE) compiles a list of 'preferred' providers following a public call for tender. Under this process the HSE has established minimum standards for service provision, including recruitment, monitoring and complaint management policies that each provider must meet, in order to be placed on this list. In the case of other services provided (by voluntary / non-statutory organisations), organisations apply for funding and this is arranged through 'service arrangements' or 'grant agreements'. There is no overall limit on the number of providers in the sector by law, but only non-profit organisations are eligible for some grants and providers of home care package services are drawn from the list of 'preferred providers' compiled on the basis of an open call for tenders.
Italy	The most common procedure is the use of public procurement. There is no limit to the number of providers that can be authorised as long as they meet the registration criteria.
Latvia	Open competition tendering process for all potential providers who meet criteria set in tender documents. Service providers must be registered and meet specific quality standards. Tasks are defined in contracts. There is no overall limit on the number of providers in the sector by law.
Netherlands	External service providers are not used in the Dutch LTC system.
Norway	Selection of service providers is carried out through a public procurement procedure, open to all providers. Contracts specify services to be delivered. There is no overall limit on the number of providers in the sector by law, but there is very little use of external LTC providers.
Poland	Public procurement process. Calls for tender specify terms and conditions with detailed information delivery requirements built into contracts. All LTC residential facilities must be registered. There is no overall limit on the number of providers in the sector by law.
Romania	Tenders published. Only not-for-profit external service providers can be used (by law). Detailed contracts specify provision. There is no mention in the law concerning the limitation of the number of social services providers, the financing of the services (public and private) is however limited to the overall budget available for social services.
Slovakia	If local authorities are not able to provide services from their own services tenders for services are issued. Contracts with winning supplied specify tasks/services as defined in the Act on Social Services. There is no overall limit on the number of providers in the sector by law.
Slovenia	Time limited concessions are granted following an open invitation to tender. Concession contract specifies details of service to be provided. The number of providers is not limited by law, although it will be influenced by national strategy and action plan.
Spain	Open competition, with contracts awarded following a tendering process. Once the concession is made, local authorities typically set out the contract, and evaluate and inspect each institution or service together with the cooperation of the regional social service. Providers are autonomous as long as they comply with the service requirement established in their contracts. The number of providers is not limited by law.

Sweden	Procurement through public tendering process. Tender specifies service delivery requirements. Since 2009 individuals can choose their own providers of social services. Most service providers will need to be accredited in terms of quality and be registered with the National Board of Health and Welfare. The number of providers is not limited by law.
United Kingdom	There is an overarching framework for public procurement in both Scotland and England. The commissioning arrangements used to purchase services vary between local authorities, but they all need to comply with the principle of "Best Value", which requires local authorities to ensure that the services commissioned are the most effective and cost-effective in improving the wellbeing of the population under their care. A contract agreed between the local authority and the provider establishes the nature of the service to be provided. The number of providers is not limited by law.

b. Definition of the tasks to be carried out by the service provider and entrustment of a specific mission of general interest

In a large majority of countries for which information was available, the commissioners of LTC services did specify tasks to be carried out by external service providers, but in most cases this usually does not appear to equate to formally entrusting a mission of general interest, although services are being delivered on behalf of the public sector. Some exceptions can be identified. Aspects of a specific mission of general interest can be found in legal regulations in Austria. According to the Federal Act governing LTC cash benefits, LTC benefits serve the purpose of ensuring as far as possible required care and support, as well as the possibility to *improve a self-determined and need-oriented life*. Similarly in Slovakia tasks and services to be provided are defined in the Act on Social Services and a contract is then prepared by the local municipal authorities.

In France too, under contractual agreements providers are entrusted with missions of general interest which include a large range of services. Interestingly, with regards to the Act 2002-2[37] related to social and social care services, in agreement with the stakeholders, the legislator qualified the missions of the establishments for social and social care services as "missions of general interest and of social utility"[38] rather than "missions of public service". In contrast to public services provided by national monopolies (e.g. transportation, electricity and post), social services have been entrusted with a mission of general interest at national and local levels, where the majority of service provision comes from the private sector.

Sweden is a typical example of how the public procurement can operate, with tasks defined in the tender documentation and subsequent contract. These task(s) are consistent with requirements of good quality and safety defined in law. The final responsibility for ensuring the delivery of these requirements to service users rests with public authorities, but the providers will be held responsible for the breach of contract towards the public authority which may mean the future loss of contract to provide services.

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[37] Act 2002-2 for Renovating Social and Social Care action (Loi n° 2002-2 du 2 janvier 2002 renovant l'action sociale et medico-sociale).

[38] Article 5, Act 2002-2 and Art L311-1 Social Action and Family Code.

> c. *Forms this entrustment takes and the degree of autonomy that the act of entrustment leaves to the service provider in the identification of the specific tasks to be performed*

The form that entrustment can take, as well as the degree of autonomy permissible to service providers, vary across countries. However in many countries, it is difficult to identify specific acts of entrustment specifying the precise tasks due to the high level of fragmentation in the provision of both home care and residential care services in many countries. Many decisions on the public provision of services may be taken at the level of local municipalities; in many instance contracts will be in place as in Danish and Finnish municipalities.

In the Wallonia region of Belgium historically services developed autonomously; over time they been subject to an evolving process of authorisation by public administrative bodies. In Greece the issue does not arise due to the negligible support from the state available for the private provision of LTC services, while in Poland contracts with external providers are only necessary when there is no capacity within public sector care facilities.

Where specific examples of acts of entrustment can be identified they can be embedded within legislation, tender documents and specific contracts for the provision of services, as for instance seen in Czech Republic, Denmark, England, Finland, Flanders, France, Germany, Norway, Romania, Scotland, Slovakia, Spain and Sweden. The tasks to be performed by service providers can also be stipulated in legislation on the provision of social care services. The terms of reference for activity can also be set out in public procurement procedures, as in Italian regions. There may be specific set limits on the level of funding available for services, distinguishing services from the fees that can be realised from privately funded LTC residents. In England and Scotland for example, there are nationwide specific set limits on the level of funding that can be allocated to LTC residents supported by the public purse. In Ireland, there appears to be no specific 'act of entrustment', at least defined in those terms, although requirements are placed on service providers under legislation re the manner in which services are made available to the public, and in relation to Service Delivery Specifications set out in contracts.

Where there are published specifications for the provision of services, there is limited scope for initiative on the part of service suppliers when they submit proposals. Rather, they publish specifications for the task to be undertaken and it is expected that external providers meet these requirements. Nonetheless the fragmentation of service provision means that in practice service providers may have high degree of autonomy on the exact way they deliver services, as long as they remain within the principles of an overall service delivery framework, as in France.

An important development is the move towards increased use of cash benefits or vouchers, allowing service users to purchase service that best meet their needs. Acts of entrustment have not been applied to this growing service delivery model, where the contract for service provision is between the service user and service provider. Service providers may still however to comply with various recognition and accreditation procedures and thus comply with a broad service standards and frameworks.

d. *Obligation of selected providers towards the public authority to perform the service*

The country reports suggest that, on the whole, LTC providers do have an obligation towards the public authority to carry out services for which they have been selected and contracted. Failure to meet the requirements of the contracts may lead to sanctions – ultimately leading to the cancelling of contracts.

e. *Limitation of the number of providers active in the sector concerned by law (under which circumstances and procedures)*

There are no legal limits on the number of LTC providers in any country. Nevertheless there may be non binding guidelines in place in some provinces in Austria, while in a number of countries (Czech Republic, Italy, Poland, Romania, and Slovenia), the number of providers that are funded may be influence by priorities declared national plans on future need for social care. To be eligible for public funding in many countries services needed to be approved for registration by national authorities. The introduction/ extension in the use of cash benefits in some countries, as part of 'free choice' of LTC provider systems potentially creates incentives for new LTC providers to enter markets, as suggested in Sweden.

1.6. Financing sources for service provision

a. *Modalities of financing service provision*

This chapter looks at the sources of financing for LTC services in the 22 study countries. In doing so, it seeks to identify the main sources and so far as is possible, the relative importance of these sources of funding. In addition, it also looks at the extent to which service users and their families fund LTC, as well as any restrictions on entitlement to LTC services (often funded and delivered outside of the health care system).

As *Table 1.1.6* indicates there are multiple sources of funding for LTC in different countries. In many countries funding differs depending on whether an aspect of LTC is seen to be medical in nature or a social care activity. Funding through taxation is often collected at local level in many countries, which means that the level of resources for social care can vary significantly between different areas of a country, as has been seen in Spain and Italy. The Netherlands and Germany are unusual in having mandatory LTC insurance.

Table 1.1.6   *Modalities of financing long-term care service provision*

Country	Description of modalities of LTC financing
Austria	Tax based federal and provincial system to raise revenue. Distributed to cover costs of LTC in different ways. Funding raised from taxation. The federal social insurance agency pays for medical home care. Provinces and local municipalities contribute towards the costs of LTC (particularly maintenance costs for care homes and the costs of home care; they also provide means tested financial support towards other LTC costs in the last resort where private means are insufficient). LTC allowances paid to those with LTC needs are also funded by the federal government. Individuals make a means tested contribution to the costs of domiciliary and residential care service. No data are available specifying the relative importance of these different funding sources.

Belgium	Part of LTC (residential and home nursing care) is covered by the universal health insurance system, financed through a combination of contributions paid by employees, employers and retirees, supplemented by taxation. Other non-health system LTC services and financial allowances are financed through general taxation at federal and regional level.
Czech Republic	Taxation and social health insurance covers some residential care services provided within health care system, mainly for rehabilitation. Other long-term residential care costs must be covered by service users. Social care services are funded through a mixture of central government grants, supplemented by client contributions, which can be no more than 85% of income.
Denmark	Municipalities finance LTC from municipal taxes and block grants from central government; block grants equalised across local municipalities.
Estonia	Health related LTC services are financed under National Health Insurance Fund (raising funds from taxation and employee contributions), supplemented by service user co-payments. Social services funded through general taxation, supplemented by client contributions.
Finland	Most LTC costs are financed via taxation – income tax, property taxes and corporation tax. Most taxes are raised at municipal level, with subsidies provided from central government to co-finance services. User charges in 2008 accounted for 7.5 % of municipal social and health care expenses and 17 % of the costs of residential care in 2007.
France	Overall responsibility for health-related care for older people rests with the CNSA (Caisse nationale de solidarité pourl'autonomie) – National solidarity fund for autonomy, created in 2004. This had a budget of €16 billion in 2008, which is made up of contributions from social health insurance employer contributions supplemented by taxation[39]. Local authorities also fund social care related services. In addition there is a cash benefit that individuals receive (Personalised Autonomy Allocation - APA). 68% of the APA is financed through local taxation. The remainder (€2 billion in 2008) of the APA expenditure comes from the CNSA. Families are responsible for the accommodation costs of residential care, but means tested financial assistance is available from local authorities. The CSNA also helps subsidise this local authority expenditure by €1 billion per annum.
Germany	LTC services are financed through LTC insurance. This is a tax funded universal insurance system. Additional funding from individual Lander. The level of individual contribution to LTC insurance depends on income and paid equally by employers and employees. Exemptions exist for dependent family members, unemployed people or informal carers under specific circumstances. Hotel costs of residential care paid out of pocket by service users.
Greece	Residential LTC is rare in Greece. What is available is funded through a combination of general taxation funds from the state and daily fees charged to service users covered from health insurance. There is usually no co-payment. Other social care services, including cash benefits, are financed from the State budget or insurance funds.

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[39] Caisse Nationale de Solidarite pour l'Autonomie (2010) (National solidarity fund for autonomy) http://www.cnsa.fr/article.php3?id_article=664

Hungary	Health related LTC services are funded through a combination of social health insurance, national and local taxation. Social care services, including residential care, are covered by a combination of central government subsidy, local government subsidy and co-payments by service users. Co-payments cannot exceed more than 80% of older person's income.
Ireland	Financing of publicly provided/funded health and social services comes from general taxation, with a means-tested element for eligibility (or priority) for publicly-provided or funded services. Out of pocket contributions to the costs of residential care can be substantial – 80% of income contributed towards residential care and 5% of value of assets above €36,000. Tax-relief on the costs of care are also a feature of public support for higher income older people and their families.
Italy	LTC services provided by the health care system are funded through national and regional taxation and provided free of charge. Social care services are funded by municipalities, through funds received from central government and local taxes. Residents of non-health system funded residential care can incur high charges.
Latvia	Health related services are funded through general taxation. Other LTC services are financed by general taxation raised by Ministry of Welfare and municipalities, supplemented by out of pocket payments. Residents of LTC facilities contribute 85% of their pensions towards LTC[40].
Netherlands	LTC is financed by the Exceptional Medical Expenses Act (AWBZ) – a mandatory social insurance scheme. This covers about 73 % of the costs, with taxes another 5%. The rest is financed through private insurance and out of pocket contributions.
Norway	LTC is financed through municipal taxes, block grants from central government and some co-payments by service users. Co-payments for residential care cannot exceed more than 80% of individual income.
Poland	LTC services are in part covered by the National Health Insurance Fund, local government funding and out of pocket payments. It is not clear what portion of costs are covered by out of pocket contributions, but is made by patients and their families in terms of additional costs.
Romania	LTC services are funded from various sources including state, county and municipal budgets. There are payments made by service users, as well as external sources of funded including international donations. The main sources of funding are county and municipal budgets.
Slovakia	Social care services are funded through national, regional and local taxation supplemented by means tested payments by services users.
Slovenia	LTC services are partly financed from taxes (national and municipal), and partly from social security contributions (compulsory health insurance/ compulsory pension and disability insurance). Social care services are covered from public funds only if the user or her or his relatives are unable to pay on their behalf.[41]

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[40] Tragakes, E., Brigis, G., Karaskevica et al. (2008) *Latvia: Health system review*, Health Systems in Transition 10(2): 1–253.

[41] Albreht, T., Turk, E., Toth, M. et al (2009) *Slovenia: Health system review,* Health Systems in Transition 11(3):

Spain	Public LTC is mainly financed by taxation, via central state funding (20%), regional funding (30%) and local funding (50%). In addition there can be means tested out of pocket payments for services.
Sweden	Between 82% and 85% of LTC services are financed by local municipal taxes. National taxation accounts for 10% of LTC costs, with service users covering 5% to 6% of costs.
United Kingdom	In England LTC is funded through general taxation at both national and local level. Because of the means-tested nature of the state social care support, a significant proportion of people with LTC needs independently finance their residential care. It is up to individual local authorities to decide how to use their resources and how much of it to spend on social care. Unlike the situation in England, in Scotland most of the costs of personal (as opposed to medical care alone) are also met entirely by the state, although means testing and user charges can apply in some circumstances.

b. Involvement of service users in the financing of the service

In most countries user charges apply for social care services, including the costs of residential care. These charges usually means tested with maximum levels set down in legislation or regulation. In Finland legislation defines an upper charge for user charges for community care services which municipalities may not exceed. In long-term institutional care the out-of-pocket fee is dependent on income. It may be not more than 85 % of monthly income and in practice this rate of charge is used. User charges account for less than 20% of all residential care costs[42]. In Sweden, individuals entitled to social care assistance according to the Social Services Act, pay a fee for these services, the calculation of which is stipulated by the act. This was set at a maximum of 900 SEK per annum in 2010.

In England, people with the assets over £23,500 are excluded from state financial support in residential care, and in most cases from state support for community services. The user contribution for those with less than £23,500 is calculated on the basis of their income and assets, minus an estimated cost of living. However, residential nursing care provided within the National Health Service is free of charge. In Scotland, different processes for means testing apply to contributions towards residential (care home services) costs and contributions towards non-residential social care services. Personal care is free of charge. In *care home services* (assuming care home services costs at the local authority 'standard rate') for adults aged 65 or over there is no contribution to the first £156 per week of *personal care* if assessed as having need. There is also no contribution to the first £71 per week of *nursing care* if assessed as having need[43]. In another means tested system in Slovenia individuals must 'exhaust all their means' for social care services before they can become eligible for means tested benefits[44]. Similarly in Slovakia, individuals with more than €40,000 in savings are not eligible for public support [45].

1-168.

[42] Columbo, F. et al (2011) *Help wanted? Providing and paying for long-term care*, Paris, OECD.

[43] Dawson, A. (2010) *Long-Term Care Country Report*, Scotland.

[44] Columbo, F. et al (2011) *Help wanted? Providing and paying for long-term care*, Paris, OECD.

[45] Ibid.

In France, cash benefits received from the state can be put towards the costs of residential care, but there will be means tested user charges (see Box 1.6). There are also substantial user contributions in Ireland based on income and the value of assets (such as property): for long-term *nursing home care*, the individual will contribute 80% of their income and 5% of the value of any assets per annum (with the first €36,000 of their assets, or €72,000 for a couple, disregarded for this purpose). In Latvia, 85% of the value of an individual's state pensions goes towards the costs of residential care. Responsibility for funding the costs of services can also fall on family members. In Romania older people may have to pay up to 60% of the 'hotel' costs of residential care, dependant on their level of income. The responsibility for the remaining 40% can rest with family members, while in Poland the monthly payment for board and accommodation is at the level of 250% of the lowest pension; however the payment cannot exceed 70% of the monthly income of the resident. The money is often deducted directly from their pensions or other cash benefits received.

Box 1.6: User charges for long-term care in France

The costs of social care services delivered in an individual's own home or in a residential care facility may be covered by the cash benefits received through the Personalised Autonomy Allocation – APA scheme. The level of user charges towards the cost of the care and support they receive is dependent on income. Below a fixed monthly income threshold (€696 in 2010) users do not pay for any home care. For older people living in residential care institutions, the benefit package is free of charge if their incomes are below €2,295 per month. Above this threshold there is a co-payment varying between 0% to 80% of the national functional capacity related tariffs set for funding residential care.

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    c. Conditions of access to service (means testing or other selection mechanisms to access a service)

We have already indicated that means testing may be used to determine whether service users need to make a contribution towards the costs of LTC services received. Prior to this, most countries employ some form of clinical and functional needs assessment to determine eligibility for services, although the shape of such assessments varies considerably. Their importance has grown as the differences in the way social and health care related elements of LTC are financed have become ever more starker. Entitlements can also vary within countries, depending on the extent to which municipalities and regions have their own procedures.

In Germany, for example, eligibility for LTC is based on clear, nationally uniform criteria for three different levels of care. The benefits that a person receives depends on what care level they fall into, whether they are at home or a care institution and whether they choose to take cash benefit or care in kind. Persons belonging to care level three receive the highest benefits. The definition of care levels is the responsibility of the umbrella organisation of LTC insurance funds and the Medical Review Board (MDK). Several associations are involved in this process.

Many other examples of needs assessment processes can be highlighted. Both Sweden and Estonia assess ability to manage the activities of daily life when prioritising the help that individuals receive. In Ireland access to home and community care services is commonly through assessment by a public health nurse. For nursing home care, individuals undergo a care needs assessment carried out by a multi-disciplinary team of health care professionals.

In France, eligibility for LTC services is based on a nationally defined set of criteria AGGIR (*Autonomie Gerontologique, Groupe Iso Resources*[46]) which is used for assessing the necessary resources used to support older people with different levels of dependency. According to their level of need, older people can be classified from *GIR1* – "the most dependent group" (i.e. people without any mental and physical independence requiring continuing personnel's surveillance) to the "least dependent group" *GIR6* (independent people who need some help with *activities of daily living).*

In Scotland, an assessment of need is required before the provision of any of the types of care falling within the definition of LTC services. This takes the form of Single Shared Assessment (SSA). In England, local authorities carry out an assessment of need to determine the level and type of disability and dependency of an individual. They use the national *Fair Access to Care Services (FACS)* framework to categorise an individual's level of need as low, moderate, substantial or critical. Anyone below their local authority's needs eligibility threshold must pay for their own care.

Another illustration of this can be seen in Poland where the clinical criterion for eligibility for state supported long-term in-patient or domiciliary health care treatment is severe disability, measured using the well-validated Barthel Index. However, there is no consistency in scoring on the Index between providers and purchasers, with the National Health Fund tending to score patients higher then do the providers and hence with a mismatch in the degree of perceived dependency and therefore greater difficulty in achieving funding for some patients.

1.7. Cross-border provision of services

a. Importance of cross-border provision of services from service providers established in other countries

To date, there appears to be very little in the way of cross-border provision of social care and LTC services. The data gathered indicates no significant cross-border provision in most countries. In Belgium, there are some French providers operating in Wallonia but no precise data is available regarding the volume of services they provide. In Sweden, some larger private companies, such as Carema Care, Attendo Care, Aleris, Förenade Care and Norlandia care provide care in other Nordic countries. In the sparsely populated north of Finland and Sweden, there is some collaboration between municipalities in Finland and Sweden on health care related services. In Norway, less than 2% of nursing and retirement homes are owned by foreign companies while provision of long- term care outside Norway for the Norwegian citizens is marginal, although some municipalities have established holiday resorts in Spain for LTC users. In the United Kingdom some service providers running care homes may have their main office or registered office for the purpose of serving official documents located outside the UK.

b. Regulations (national, regional/local) on cross-border provisions

Little information was provided on regulations on the cross-border provision of services; there appears to be a reliance on general EU internal market legislation and on compliance with relevant national laws, as noted in Norway, Scotland and Sweden. In Denmark regional and

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[46] Article 12, 99-316 decree, 26 April 1999.

local level authorities are encouraged to consider international providers in their specification of bidding material.

In the Czech Republic, for instance, it was noted that a service provider established in another EU country can provide social services without being registered if the provider is licensed in the country of origin. The provider must notify the local authorities that it is operating and is obliged to meet the care standards specified by the Czech legislation and regulation.

The most detailed information was provided on the situation in Wallonia (Belgium). Legislation allows foreign operators who meet the required standards in their home countries to obtain equivalence in Wallonia. Such operators can obtain an authorisation to provide services without, necessary having, automatically, access to public financing[47]. No legal modification has been introduced for the authorisation of domiciliary care and all providers have to be registered under Belgian law.

c. Country/ies of origin of cross-border service providers

In terms of the origin of cross border services we have already noted that in Belgium, residential care homes may be operated by French LTC service providers, while Swedish companies may operate in countries such as Denmark and Finland. Very little additional information was provided.

One exception was Germany where families have cash to directly purchase services. In Germany, given the high costs of LTC (costs for 24/7 professional care by a German provider are estimated to lie between €3,000 and 10,000 € per month), families are looking for cheaper alternatives turning to either care service providers or household workers from abroad, primarily from Eastern European countries. Costs can be considerably lower, estimated to be around €2,000 per month, based on 38.5 working hours per week. This may involve the direct employment of a foreign worker in a household, according to the EU regulation ensuring the free movement of workers, although this freedom remains restricted for workers coming from Poland, Slovakia, Slovenia, Hungary, the Czech Republic, Bulgaria and Romania until the end of 2011.

Such workers are only allowed to carry out household work (shopping, cleaning, cooking etc.) and, since December 2009, selected basic care measures (personal hygiene). Employment is arranged via the German Employment Agency (Bundesagentur für Arbeit) under certain conditions, including that working times are limited to 38.5 hours per week and to an overall period of 3 years. Moreover working conditions must be comparable to those guaranteed to German workers and others. Families can also contract with a foreign service provider or with a foreign self-employed carer in accordance with EU Directive 96/71/EC. Applicable conditions include that the overall period of service is not longer than 12 months (can be extended to 24 months), the carer stays employed with the provider abroad and working conditions are comparable to those in Germany.

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[47] Nyssens, M. (2010) *Long-Term Care Country Report*, Belgium (Wallonia).

2.   EARLY CHILDHOOD EDUCATION AND CARE[48]

2.1. Introduction

Over the past few decades the terminology related to childcare and education services for young children below school age has gradually changed. Today, "Early childhood education and care" (ECEC) is widely used as the overall term, replacing "childcare" and "education" related to young children, as the complexity of the functions of provisions has now been recognised and understood. When "childcare" and "education" are used separately, emphasis is put on the care or educational element respectively of the specific service.

The focus of ECEC services – especially for children under the age of three – has moved from economic and health/child protection to education, with more emphasis on socializing experiences and pedagogy, and generally to a holistic approach to child development. These moves do not mean that earlier emphases are no longer valid but that other aspects have come to the forefront, showing that ECEC contributes to an equitable society and combats exclusion.

There is a growing awareness that children and families have multiple needs. More attention has been paid recently to policies and services facilitating women's employment and creating a work-life balance. During the past fifty years one of the largest changes was the huge movement of women into paid employment but their family duties mostly remained the same. Although partners and fathers take a much greater share of household chores than before, flexible work arrangements, parental leave and ECEC arrangements for children are all needed to ease the burden. One of the big issues is that in spite of the EU emphasis on cohesive society and social inclusion, these services often reproduce inequalities through unequal access and through practices that do not take diversity into account. There is clearly a need for universal programmes that are inclusive and help poor, vulnerable, disabled and minority children to reach their potential. There is a growing acknowledgement that governments have to take the lead. Breaking the uniformity of services and introducing new types of services, for instance, has been the approach of former socialist countries where the standard centre-based provision is being diversified by family day care, home childcare services, parenting programmes, mother-toddler groups, toy libraries, etc. Put crudely, three dichotomies have emerged in ECEC services across Europe: education versus care; targeted services versus universal services; public responsibility versus a market opportunity.

Education and care: Services may be intended primarily to assist mothers' (and fathers') access to the labour market, and other considerations, even the well-being of the child, are secondary[49]. Or services may be intended primarily to provide education for young children, and labour market access is a secondary consideration[50]. Almost all countries have free universal education with a high take-up (2+ in Belgium and to a decreasing extent in France).

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[48] The following 22 countries have been analysed as regards the regulatory framework for service provision and financing for ECEC services: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

[49] Mahon, R. (2006) *The OECD and the Work/Family Reconciliation Agenda*, In Lewis, J. (ed.) (2006) *Children, Changing Families and the Welfare State*, Cheltenham/Ma USA, Edward Elgar Publishing, pp173-191.

[50] OECD (2006) *Starting Strong II: Early Childhood Education and Care*, Paris, OECD.

Take-up in childcare is lower, which is mainly due to accessibility problems. In practice there is a considerable overlap between care and education services in most countries, even where administrative responsibilities may be different.

Targeted versus universal services. Services may be welfare-based and, particularly for children under three, are aimed at supporting vulnerable children, preventing family breakdown and compensating for socio-cultural disadvantages. In some countries, both universal and targeted access are incorporated into education legislation. In Hungary, for example, socially disadvantaged, Roma and special needs children are targeted: kindergartens that have a certain percentage of Roma children can receive additional financial support and special needs children have additional normative funding in services. Most countries take the view that services should be inclusive but some countries argue that targeted welfare services are more appropriate for the most vulnerable children, including children with disabilities. Countries that promote universal access do so for reasons of social integration, inclusion and citizenship, so that all children have an entitlement to similar experiences. Education services are usually universal, but childcare services vary. Targeted services may be problematic, particularly if funding is restricted. The question of boundary maintenance then arises, that is, who is eligible for services and who is not, and what processes exist to determine eligibility[51].

Public versus private provision: Education services are mainly public, but in a number of countries there is a mix of providers; mainly non-profit childcare services are more mixed, with a higher number of for-profit providers, particularly in Ireland, the Netherlands and the UK. Funding for private provision may not be channelled directly to the service (supply-led) but may be allocated to eligible parents through some form of tax credits (demand-led). Generally, across the fifteen countries, services are publicly funded, though not necessarily publicly provided. When services are not publicly provided, then typically a variety of voluntary organisations, including churches, offer services, as, for example in Germany.

For-profit provision is in the minority in most countries with the exception – in the childcare sector – of Ireland, the Netherlands and the UK. These countries represent one end of a continuum in their belief in the for-profit market as a means of delivering services. In the Netherlands, the for-profit sector provides for children up to the age of four, after which time almost all provision is publicly funded. In the UK, private childcare provision is extensive, providing for 70% of childcare.

2.2. The concept of early childhood education and care across Europe

Most countries therefore have several *types of provision* although universal and uniform education systems (with or without care attached) predominate for children over three years of age. Countries may also support parental leave as an alternative to childcare for very young children. Services may be funded, delivered and regulated at national, regional or local level, sometimes in complex ways. The administration of services may come under the health, social welfare or education ministries or – and this is more common – may be split between ministries; for example, kindergartens/early education will come under education and childcare will come under social welfare. Many systems are hybrid.

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[51] Eurydice (2009) *Tackling Social and Cultural Inequalities through Early Childhood Education and Care in Europe,* EACEAP9, Eurydice, Europe.

Variation within countries is much more likely in some countries than in others. Eastern European systems are more likely to be uniform, as the childcare system is underdeveloped or was allowed to decline after transition around 1990. At the other extreme, countries like the Netherlands and the UK promote consumer choice above other considerations and, as a result, tend to have more fragmented services.

Definition of services

ECEC policy is complex since it reflects concerns related not only to parental employment but also to maternal and child health, child development, education and protection. The definition of services in the countries of the EU reflects this multi-sectoral nature, as the different rationales, focuses and emphases evident in the legislation governing and regulating ECEC services attest.

John Bennett[52] makes the distinction between unitary systems, part-unitary systems and split services. Unitary systems are those which have a common legislative framework and administration, and offer all children before school age co-ordinated education and care experiences, usually in some form of freestanding kindergarten. Examples of unitary systems include Denmark and Finland (both welfare-led), and Latvia, Lithuania, Slovenia and Sweden (education-led). Nordic provision usually provides integrated ECEC services across the age spectrum, from the end of maternity leave to school starting age. Part-unitary services are those in which all services have a common legislative framework but there is considerable variation in how services are provided. Examples of part-unitary systems include Austria and Germany (both welfare-led) and Spain and the UK (education-led). All other EU countries have spilt legislative and administrative systems. Most often the split is by age, with services for children under 3 coming under the auspices of social welfare and health, and services for older children coming under education. The emphasis in the former is on childcare and child welfare, and in the latter on education and preparation for school.

Within countries, significant diversity can also exist when responsibility for early childhood services lies with the regions or with local government. In Italy, for instance, recent regional laws reflect different policies according to the political orientations of the regional councils. The region of Emilia-Romagna, which has had a centre left-wing government for many years, recently revised its *specific law on services for children under the age of three,* describing in detail the functioning of all types of services. By contrast, the Lombardy region defines services for children under three years in a law entitled *"Regional policies for the family",* which "acknowledges the family as a social politically relevant subject" and promotes new types of services based around the family, in preference to centre-based services.

Support for parents with young children in most EU countries includes (a) parental leave; (b) ECEC services; and (c) financial support in the form of allowances and tax credits. Although this chapter deals with ECEC services only, it should be kept in mind that the different elements of the support system have a considerable impact on the scope and availability of services.

Some countries have a long period of paid and unpaid leave (maternity, paternity and parental), two years or more, such as the Czech Republic, France, Hungary and Poland. In these countries

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[52] Bennett, J. (2010) *Early Childhood Care and Education Regional Report*: *Europe and North America,* UNESCO.

these serve as an alternative to providing services for children under the age of three. The period of leave with a payment replacing two thirds or more of earnings ranges between less than two months in the UK to twenty five months in Hungary[53].

Ideally, policies on leave and access to ECEC should be coordinated, but in practice this rarely happens. In some countries (e.g. Denmark, Norway, Sweden), a universal entitlement for children to publicly funded ECEC services begins at the end of the well-paid leave. In most countries, however, the leave ends and there is no ECEC entitlement. In sum, there is a gap between the end of leave and the start of availability of ECEC services in spite of the women being encouraged to enter the labour market. In some countries long leave ends when the child reaches the age of three. Some countries, such as France, Germany, Hungary and Spain, then provide widely available services for three-year-olds and over. However, there is not necessarily a place for all children.

In sum, there is not one consistent definition of ECEC across Europe, but many overlapping interpretations, in particular of childcare. The main interpretations are:

- Care for children of working mothers, at home or outside the home;

- Out-of-home care for children under three;

- Out-of-home care for all children before school starting age and after school;

- Out-of-home care for children who are at risk of maltreatment.

These definitions of childcare are intertwined with those of early education and health. Depending on whether childcare is conceptualised as part of, or separate from, early education, the service will vary in its legislative framework and service provision. The type of service that is provided, the age range of the children who attend, the place where childcare is provided, and the level and type of training and conditions of work of the staff who work in the service are contingent on the concept of childcare adopted. In addition, education-orientated services are more likely to be publicly funded and provided, whereas those without an educational orientation are more likely to be privately provided. This is the general sweep (for more detailed differences between funding for public and private providers see chapter 2.6. – financing sources for service provision).

Table 1.2.1 illustrates the great diversity of responsibilities amongst ministries for different services for children, which contributes to a great diversity in legislation, funding, modalities of service provision, conditions on access, and rules on quality of services within the ECEC sector across Europe.

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[53] Moss, P. (ed.) (2009) *International Review of Leave Policies and Related Research 2009,* Employment Relations Research Series no. 102, London (UK), Department for Business Innovation & Skills.

Table 1.2.1   Responsibility for ECEC services

Country	ECEC services for children under the age of 3			ECEC services for children of 3 and more	
Responsible ministry	Welfare	Health	Education	Welfare	Education
Austria			x		x
Belgium	x				x
Czech Republic		x			x
Denmark	x			x	
Finland	x			x	
France	x				x
Germany	x			x	
Greece	x	x			x
Hungary	x				x
Ireland	x (0-4 year-olds)				x (4-6 year-olds)
Italy	x				x
Latvia			x		x
Netherlands	x				x
Norway			x		x
Poland	x				x
Portugal	Labour and Solidarity				x
Romania	x				x
Slovakia		x			x
Slovenia			x		x
Spain			x		x
Sweden			x		x
United Kingdom			x		x

Table adapted from UNESCO, 2010[54]

The scope of services

Developing a comprehensive system of services is a huge challenge in itself, whether we talk about unitary or split systems. In a unitary system, government responsibility, relevant legislation, regulation, access and funding are similar for all services. In a split system responsibilities are divided between ministries – most often by the age of children – which frequently causes problems of coordination. Devolving the responsibility for service delivery to different levels of government can also pose difficulties in setting up co-ordinated services.

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[54] UNESCO (2010) *Early Childhood Care and Education Regional Report: Europe and North America,* http://unesdoc.unesco.org/images/0018/001892/189211E.pdf.

The participation of the 0-3 age group in services is low in most countries. The Barcelona targets of having at least 33% of children under the age of three enrolled are not met by many countries in Europe (CEC, 2008)[55]. The highest attendance for this age group is in Denmark with nearly 75%, followed by the Netherlands, Portugal, Sweden, Spain and the UK with more than 33%. The lowest attendance rates occur in several Eastern European countries including the Czech Republic, Hungary, Poland and Slovakia with rates below 10%. However, attendance rates are not meaningful in themselves and the time spent in the service should also be considered. For example, the Netherlands and the UK have high attendance rates but few children spend more than thirty hours or more per week in the service.

There are many reasons for the low levels of participation. For a start, there is less policy focus on this age group compared to older children. The belief that children under three years should be raised at home is evident in many countries. Usually, the countries where this view prevails have the lowest level of services for these children. In some cases, the generous availability of paid childcare leave may mask the need for services. In other cases, only a limited public budget and/or support may be available for organised services. In yet other countries, the absence of reliable data or unfocused and unreliable data can mislead or block decision-making as relevant policy decisions need to be based on evidence.

Attendance of children over three in ECEC services is high. Belgium, Denmark, France, Germany, Ireland, Italy, Spain and Sweden have met the Barcelona target of having 90% of the age group in services, while several other countries come quite close.

There are many types of ECEC services, ranging from the different types of formal services to informal services. Centre-based services[56] are most common in the majority of the countries mainly for children over three but also, to a lesser extent, for younger children. Formal arrangements are organised in age-separated or age-integrated centres, ranging from full-time or seasonal provision with or without meals to part-time provision of different types (such as mother-toddler groups, playgroups). Organised family day care is also a widespread variety of formal service in almost all countries. Informal care is widespread but no reliable data exist to assess its scope. The variety of service types is matched only by the variety of appellations in the different languages.

Care and education aspects vary within the different types of services. It is generally believed that younger children require more personal attention and care, whereas the older ones need a

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[55] CEC (2008) *Report on the implementation of the Barcelona objectives concerning childcare facilities for pre-school-age children.*

[56] "Centre-based early childhood education and care is collective (more than 5 children) with early education and care for young children from 6-12 months to 6 years, as opposed to services provided in households or family settings. The centres may be public or private, and normally cater to toddlers and/or older children until they go to kindergarten or perhaps reach school age. Many countries still operate a split between services for children 0-3 years and those for children 3-6 years, but current trends favour age-integrated centres. Programmes are typically full-day or part-day (less than 20 hours per week) and are in all cases run by a minimum number of qualified professionals. Centres open either for the school year only (with scheduled school holidays), or for the longer work year, that is for about 11 months. In our definition of centre-based early childhood education and care, we include crèches, kindergartens, pre-school (normally 3-6 years) and publicly provided pre-primary classes, but not playgroups, or out of school care." (OECD (2006) *Starting Strong II Early Childhood Education and Care*, p. 227).

more educational approach[57]. Some countries define their ways of working with children in their pedagogical plans geared to the age and characteristics of the children. What is provided in the services is usually determined by a curriculum in services for children above the age of three, which is most often defined by (education) legislation.

2.3. Legal and institutional frameworks for service provision

In many countries ECEC policy and provision is becoming a shared responsibility between national governments, regional governments, local authorities and parents. Service provision is devolved in most countries, though the process and timing took place at different times over the past thirty years (in the 1970s in Denmark, Finland and Italy, in the early 1980s in Belgium, and in the early 1990s in the former socialist countries). This change was motivated by the desire to bring decision-making and service delivery closer to the families.

a. Responsibility for developing legislation/regulations related to service provision and financing

In spite of passing on responsibilities to the regional and local level, it seemed important to keep a role for the national/federal government. All twenty two countries have shared out responsibilities between the different levels (federal/national, regional and local). Developing legislation and regulation and the framework for financing are the function kept by most governments on the national level. Austria and Belgium are exceptions, where these functions are also devolved to the provincial and Community level respectively. In Germany, Italy, Spain and the UK the responsibilities are shared by the different levels. In Spain, for example, there is basic national legislation but the development of most regulations for services for children under three has been devolved to the seventeen Autonomous Communities. In Germany, the sixteen Länder (regional level) are responsible for transforming the main federal law on childcare into individual regional laws. In the UK, power has been devolved to the constituent regions of the UK, Scotland, Wales and Northern Ireland since 1999. The regions have separate legislation for ECEC service provision and financing.

b. Responsibility for organising service provision

In most countries, responsibility for the organisation of ECEC service provision is at local level, i.e. municipalities (local government). There are only a few exceptions. In Belgium it remains at Community level, with government agencies being responsible for organizing and managing service provisions in both the Flemish and the French Communities. In Ireland, the Netherlands and the UK, the provision of childcare is considered as a business and the market influences the development of services. The government has a control over the providers but only by making sure through inspections that they comply with specific criteria.

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[57] Most early childhood experts would dispute this interpretation and stress the primacy of the pedagogical (education in the broad sense) relationship in all forms of care and education, including with the youngest children.

c. Responsibility for financing service provision

Responsibility for developing the framework for financing services goes together with the development of the overall legislation for ECEC services. In most countries it is on the national level but there are a few where it is on the regional level, as for example in Belgium, Germany and Spain.

d. Responsibility for providing the services

Responsibility for providing the services is split between the public and private sectors to different degrees in the different countries. Section 2 of this report addresses the relative importance and mix of public and private provision. In the majority of countries legislation allows municipalities either to provide services directly or to contract private (for-profit and non-profit) providers in order to comply with their duty to ensure access to ECEC services for all. Government policy and the possibilities of public financial support (whether as a state earmarked funding or through specific funding schemes), combined with the means of the families served, have a great impact on the activities of the different types of providers. As mentioned above, in Ireland, the Netherlands and the UK, ECEC service provision is considered as a business.

e. Responsibility for evaluating/monitoring the performance of service

The task of evaluating and monitoring services is tackled in a variety of ways. The different approaches to ECEC services taken by governments have an influence not just on legislation and the system but also on the type of evaluation used. Just as in other aspects, unified systems usually have an integrated approach to evaluating and monitoring service performance by having all the services under one national authority. In countries with split systems, services for children under the age of three are usually monitored closely by health agencies while services catering for children of 3 years and older are usually monitored by education authorities (since these most often are organised as part of the education system). Evaluation is usually related to licensing and/or meeting specific criteria for running services and working with children. Meeting specific criteria to work with children relates to curriculum and pedagogy, and is usually a means of ensuring good quality.

Where licensing is the norm, e.g. in Hungary, the agency issuing the license usually has the responsibility for inspection as well. In some countries (e.g. Czech Republic, Denmark, Norway, Sweden), the funders of services or the agency responsible for organizing service provision is also responsible for evaluation. In many countries, this is the municipality. In the *Flemish Community* in Belgium, Kind and Gezin monitors the quality of services for children under the age of three, whereas education inspectors monitor both public and private services for older children. In the *French Community*, the law imposes an evaluation at two levels: at local level, there is an evaluation every two years by a local advisory committee, based on an inventory and report provided by the service at Community level, another evaluation is done every five years by the Observatoire de l'Enfance, de la Jeunesse et de l'Aide à la Jeunesse (Observatory for Infants, Young People and Young People Support).

Table 1.2.2   *Responsibilities for legislation and regulation, organisation, financing and delivery of services, as well as monitoring and evaluation*

Country	Responsibilities for legislation and regulation, organisation, financing and delivery of services, as well as monitoring and evaluation
Austria	• Responsibility for developing legislation/regulations and for the implementation, including service provision is at provincial level. All nine provinces have their own Kindergarten Education Act applicable to all types of ECEC, governing service provision by the different institutions and their tasks, external and internal organisation, supervision and staffing matters. • Financing services is the responsibility of the municipal level, with some federal financial support for the expansion of services.
Belgium	• Responsibility for developing legislation/regulations, financing and service provision are at regional (Community) level. The Flemish Community, the French Community and the German Community each have their own regulations for ECEC. • Government agencies (Kind and Gezin in the *Flemish Community* and the Office de la Naissance et de l'Enfance in the *French Community*) are responsible for organizing and managing service provision. • Responsibility for evaluation is on the regional (Community) level, done by Kind and Gezin in the *Flemish Community* and by the Office de la Naissance et de l'Enfance in the *French Community*.
Czech Republic	• Responsibility for developing legislation/regulations is at national level; • For financing services for children under 3 it is at local level, and for children between 3 and 6 it is split between national and local levels. • Most often municipalities are the service providers.
Denmark	• Responsibility for developing legislation/regulations and financing is at national level, whereas • Local authorities have the duty to provide services. • Responsibility for evaluating the services is with the municipalities.
Finland	• Responsibility for developing legislation/regulations is at national level; • For financing at national and local level through local taxes and state subsidies, and municipalities are responsible for service provision. • Evaluation is done at the regional level by 6 Regional State Administrative Agencies.
France	• Responsibility for developing legislation/regulations is at national level, whereas financing is the responsibility of the local, regional (CAFs - Caisses des allocations familiales) and national levels for services for children under the age of 3, and at national level for children between 2/3-6 years of age. • No information about responsibility for evaluation.
Germany	• The responsibility for developing legislation/regulations related to service provision and financing is shared between the federal government, the 16 regional (Länder) governments and local government bodies. At regional level, governments are responsible for transforming the essence of federal legislation into individual childcare laws.

	• At local level, the municipalities are in charge of organizing and securing funding for early education and care provision. • Responsibility for setting framework regulations for evaluating and monitoring services is at the regional (Länder) level. Responsibility for the implementation is generally delegated to the service providers.
Greece	• Responsibility for developing legislation/regulations is at national level, • Responsibility for financing services for children below 4 years of age is at national and local levels, and • Service provision is the responsibility of municipalities. • Responsibility for monitoring and evaluation is on the regional level, done by Primary Directorates and Offices.
Hungary	• Responsibility for developing legislation/regulations and financing is at national level. • Municipalities have the duty to organize and provide ECEC services. • Evaluation of services for under 3's is the responsibility of the system of public administration on the county level, carried out by the county Guardianship Agencies. The evaluation of services for children 3-6 years of age is the responsibility of the providers, which are mostly municipalities.
Ireland	• Responsibility for developing legislation/regulations is at national level, the Office of the Minister for Children and Youth Affairs (OMCYA) being responsible for regulations and for developing ECEC policy. • The majority of the services are commercial. Different schemes have been set up to support parents to be able to pay for the services. • The Health Service Executive is responsible for regulating and inspecting services. 31 Pre-school Inspection teams are located in the country.
Italy	• Responsibility for developing legislation/regulations and financing is at national, regional and local levels. Regions pass legislation complementing the national legislation. At local level, municipalities pass regulations for their own services. • Responsibility for service provision is at all levels: national, regional and local. • Responsibility for financing services for under 3's is at the local level with some support available from the regional level; and is at the national level set by national legislation for services for 3-6 year olds. • No information about evaluating the services
Latvia	• Responsibility for developing legislation/regulations is at national level. The General Education law regulates the ECEC system but various ministries are responsible for different aspects. • Municipalities are responsible for organizing and providing services and ensuring access for all children to ECEC institutions. • On the national level, the Education Quality Public Service supervises the implementation of educational laws and regulations in all public and private services. At the local level, the municipal Education Boards are responsible for the quality of the services.
Netherlands	• Responsibility for developing legislation/regulations and financing is at national level. • The implementation of the legislative framework lies with the national and

	local authorities. • ECEC service provision is business influenced by the market. • Local Health Authorities (CGD) are responsible for the inspection and quality of care and welfare of children. The quality control of the sector is the responsibility of the organization CGD Netherlands, which is the umbrella organization at national level of all local CGDs.
Norway	• Legislation for ECEC services is developed at national level. The Norwegian Ministry of Education and Research has been responsible since 2006. • The state and the municipalities are responsible for financing, and the municipalities are responsible for the organisation of all services. • Municipalities are obliged to provide guidance and to ensure that services operate in accordance with the rules. The county governor, operating at the county level, supervises the municipalities.
Poland	• Responsibility for developing legislation/regulations is at national level. • Municipalities are responsible for financing and service provision, and regulate parental fees. • The evaluation of services for under 3's is the responsibility of the national Ministry of Health. Evaluation of services for children between 3-6 is the responsibility of the regional education superintendent.
Portugal	• Developing legislation/regulations and financing is the joint responsibility of the Ministry of Education and the Ministry of Labour and Solidarity. To ensure coordination among all ECEC promoting units, the "Gabinete para a Expansão e Desenvolvimento da Educação Pré-Escolar" (the Bureau for the Expansion and Development of Pre-school Education) was set up. • The responsibility for financing services in on the national level with the Ministry of Labour and Solidarity and the Ministry of Education. • National, regional and local levels have different responsibilities for service provision. • Evaluation of services for under 3's is the responsibility of the Ministry of Labour and Solidarity and done by the Ministry's Inspection General, the Social Security Regional Centres and the Sub-Regional Services. Evaluation of services for children between 3-6 is the responsibility of the Inspector General for Education, together with the Social Security Regional Centres.
Romania	• Legislation (including secondary legislation) related to ECEC services and financing is adopted at national level. • Municipalities are responsible for service provision. • Responsibility for evaluating services is at county level and are done by different institutions (public health directorates, school inspectorates, and the Agency for Ensuring the Quality of Pre-University Education within the Ministry of Education).
Slovakia	• Responsibility for developing legislation/regulations and financing is at national level. • Municipalities are responsible for service provision for children over three. • Evaluation of services is the responsibility of State School Inspection.

Slovenia	• Responsibility for developing legislation/regulations, including financing, is at national level. • Municipalities are responsible for service provision. • Evaluation of services is the responsibility of the inspector responsible for education and the inspector responsible for health care.
Spain	• There is basic national legislation but the development of most regulations for services for children (including financing) and their implementation has been devolved to the 17 Autonomous Communities. • Municipalities are responsible for the management of services for children under three. • Regional education authorities are responsible for evaluating the services.
Sweden	• Legislation on ECEC services is developed at national level. The Ministry of Education and Science is responsible for the national policy, financial framework and the establishment of overall national goals and guidelines regarding ECEC. • Municipalities are responsible for service provision. • Municipalities are responsible for monitoring the quality of services, and the National Agency for Education at national level is responsible for the overall evaluation of ECEC services.
United Kingdom	• In England, ECEC decision-making has progressively been centralised since 1997. The Government has legislated through a series of Childcare and Education Acts. • Local authorities are left with very little discretion concerning organisation of provision, eligibility and entitlement criteria, or provision of services. • All monitoring and evaluation of services is carried out centrally by the Office for Standards in Education (Ofsted) according to Government criteria. Ofsted conducts much of its business online, and expect users to obtain any relevant information, guidance, application forms etc online. The Government also commissions independent research evaluations of its childcare and early education initiatives such as *Sure Start* and *Neighbourhood Nurseries* through tenders issued to research organizations.

2.4. Modalities of service provision

Countries do not routinely collect data about the modalities of service provision. In the rare cases where data is available, official statistics do not necessarily clearly distinguish between the different types of modalities. Therefore, the information provided in the following chapter should be considered with due caution. As *Table 1.2.3* indicates, several modalities of service provision co-exist within a given country.

Table 1.2.3   Modalities of service provision

Country	Direct provision	In house provision	Outsourced service provision
Austria	Yes	No information	Yes
Belgium	No for under 3's	No	Yes

(French speaking and Flemish community)	Yes for 3-6 year olds		
Czech Republic	No	Yes	Yes
Denmark	Yes	Yes	Yes
Finland	Yes	No	Yes
France	Yes	No	Yes
Germany	Yes	Yes	Yes
Greece	Yes	No	Yes
Hungary	Yes	No	Yes
Ireland	Yes	No	Yes
Italy	Yes	Yes	Yes
Latvia	Yes	Yes	Yes
Netherlands	No for under 3's Yes for 3-6 year olds	No	Yes
Norway	Yes	No	Yes
Poland	No	Yes	Yes
Portugal	Yes	Yes	Yes
Romania	Yes	Yes	No
Slovenia	No	Yes	Yes
Slovakia	No	Yes	Yes
Spain	Yes	No	Yes
Sweden	Yes	No information	Yes
UK	No	No	Yes

a. *Direct provision by the public administration*

Most of the 22 studied countries report that either the majority or more than 50% of ECEC services are provided directly by the public authorities.

b. *"In house" service provision*

Some countries report the existence of *in house* ECEC service provision. However, it has to be underlined that the term "in house" is not generally known at national level and due to the absence of official data, information on this point needs to be considered with caution.

c. *Provision by external service providers*

Six of the countries (Belgium, France, Germany, Ireland, the Netherlands, Portugal and the UK) offer the majority of their ECEC services through external providers, though these are often heavily subsidised. In the Flemish Community in Belgium, for example, non-profit services are almost completely publicly funded, and other independently provided services can

also receive some limited public funding. In France, most services for under three-year-olds are independently set up and provided but the provider seeks some form of state funding or the parents get funding when they use these services. Some *écoles maternelles* (about 20%) are private, but receive public subsidies via a contract with the Ministry of Education. In Germany, 63.9% of centre-based services provided by non-profit agencies or so-called "free providers" are subsidised by the state. In Portugal, the majority of ECEC services are independently set up and provided, but receive some form of state funding. The Eastern European countries have very low levels of private (either non-profit or for-profit) provision.

2.5. Relationship between public authorities and external service providers

a. *Type of relationship between public authorities and external service providers (use of public procurement procedures, use of concessions, specific conditions or requirements such as authorisations, licensing, etc., own initiative service delivery with public authority recognition, etc.)*

There are different types of relationship between public authorities and external service providers but some common approaches emerge. Some sort of acknowledgment from public agencies is necessary for the private provider to be able to access public funding. There is a wide range of arrangements between countries where either there seems to be no such process or no data is available (e.g. Romania and Slovakia), and those countries where the private provider has to satisfy the criteria for approval by running the service according to legislation (e.g. Norway). At the other end are the countries that use public procurement procedures (e.g. Finland, Italy, Latvia and Spain). In between, the requirements are tied to having a license, meeting certain criteria, and complying with existing legislation regulating ECEC services. In some countries only non-profit providers are eligible while in others the process is open to any providers. Public procurement procedures are not common and in some cases discretionary decisions are made. In almost all cases a contract is drawn up.

In Norway and Sweden, all approved services are eligible for public grants, whether they have for-profit or non-profit status. In Slovenia, the concession contract specifies the type and quantity of services to be provided by the non-public provider, the level of financing to be paid to that provider from the local or the central government budget, and the rules concerning the calculation of prices and parental fees. A concession is granted on the basis of a public tender and for a fixed period of time. The selection criteria are: the demand for certain services at a certain location, price, complementarity of programmes, etc. In the market-oriented countries (Ireland, the Netherlands and the UK) external providers are not eligible for public funding, but schemes/subsidies can be used to stimulate the market if necessary.

Table 1.2.4   Relationship between pubic authorities and external service providers

Country	Description of relations
Austria	There seem to be no tendering procedures used. Providers of ECEC service need to receive a licence. For-profit providers do not receive any financial support. Recognised non-profit associations, parent groups and church organisations receive municipal subsidies under certain conditions. Grants are made either discretionally or when the corresponding requirements in the province's laws are met. Once they are licensed and receive funding, providers

	are obliged to deliver the service.
Belgium	There is no tendering procedure in either the Flemish or the French Community. In the Flemish Community, eligibility for public funding is tied to accreditation and licensing. In the French Community, there is a procedure for authorisation whereby the provider must notify the governmental public agency (ONE), obtain its authorisation and must adjust the programme to the "Code de qualité de l'accueil".
Czech Republic	In the Czech Republic, ECEC services are not really tendered out. Private initiatives are allowed if they comply with some legal conditions.Private services for children under the age of 3 are regulated by the Trade Act, which lays down some requirements such as the type and level of staff qualifications. Private services for children between 3-6 years of age have to meet the requirements of the Education Act in order to be subsidised.
Denmark	There are very few outsourced service provisions in Denmark and no real tendering process. In order to receive municipal subsidies, for outsourced services to independent daycare centres, a running agreement must be signed. Private centres and private daycare arrangements set up by parents must be approved by the local authorities, but no agreement needs to be signed
Finland	ECEC services can be provided directly by the municipalities or outsourced to private providers through a public procurement procedure open to all providers. The permission to set up a private centre is granted by the municipality with the obligation to comply with the national legislation. In addition, municipalities can define the selection criteria.
France	Under the auspices of the Conseil Général, the PMI (Protection Maternelle et Infantile, a national public system of preventive health care and health promotion for all mothers and children from birth through age six) is responsible for licensing (agrément) services for young children outside the school system (including crèches, assistantes maternelles, haltes-garderies). Private écoles maternelles receive public subsidies via a contract with the Ministry of Education.
Germany	In Germany, the number of private, for-profit providers is overall very low. Public child welfare bodies are obliged to encourage/stimulate activities by voluntary, non-profit and non-public agencies such as service provision by church organisations and individual welfare organisations, provided they meet certain criteria (e.g. ability to fulfil professional requirements to provide a service, following non-commercial aims, respect of constitution, etc.)
Greece	The implementation of a 2008 government policy will require municipal services to become non-profit enterprises and to follow public procurement procedures for the provision of ECEC services. Private services for children under the age of 4 are supervised and regulated by the Ministry of Health and Social Welfare, whereas private kindergartens must obtain an annual license.
Hungary	Municipalities draw up "supply contracts", whereby the responsibility for service provision is delegated. Non-public providers are usually selected on a discretional basis, since the interest to run such services is very low (almost non-existent).

Ireland	Anyone can set up an ECEC service once they have notified the Health Service Executive (HSE) of their intention to do so. The HSE is responsible for inspecting services which cater for children aged 0-6, under the Child Care (Pre-School Services) Regulations 2006. All notified settings are subject to inspection by the Preschool Inspectorate – comprising Public Health Nurses and Environmental Health Officers.
Italy	Local public authorities can outsource ECEC services to any provider as long as requirements laid down by regional and local regulations are met (authorisation or authorisation and accreditation). The agreement can take different forms (call for tender, convention, concession). Calls for tenders are the most common.
Latvia	Service providers are selected by the public authority through a public procurement procedure which is open to anybody who meets the necessary requirements in order to be able to provide the service (including experience, reputation, resources and staff qualifications). Public authorities may delegate specific tasks.
Netherlands	The provision of ECEC services is a business. Private providers have to comply with specific conditions and requirements. The government controls this market by making sure that private providers comply with the Quality Standards. However, the government is responsible for ensuring that childcare services are available and therefore it stimulates the market by means of subsidies.
Norway	Approval by the municipality must be obtained for ECEC services. Owners of kindergartens must apply for approval according to current rules, and must run their service in accordance with the legislation. All approved kindergartens have the right to public grants.
Poland	All external providers need to be registered, even if they do not receive public funding from the municipalities.
Portugal	Licensing is open to all institutions that meet the criteria (physical conditions, technical and human resources) to work as ECEC service providers. Once licensed, a Management Agreement is concluded between the District Social Security Centres and the different institutions. Licensing is compulsory for private institutions also which deliver services without public funding.
Romania	No information was available for Romania.
Slovakia	No information about procedures was available. Private or church operated services for children over 3 have to follow an agreed curriculum. Private services for children under 3 have to obtain a free trade licence.
Slovenia	If there is a need for ECEC places in a municipality, a private service is granted a concession (a contract between the state and the licensed non-public provider) within the framework of the national programme. These services are performed as public services.
Spain	External service providers are selected by public authorities through public procurement procedures which are limited to non-profit service providers by law. These are subject to specific conditions or requirements in order to be able to provide the service (e.g. authorisations, licensing).

Sweden	The legislation allows municipalities to outsource the running of ECEC services, provided the financial conditions are the same for municipally and non-municipally run entities. This means that when issuing a permit, municipalities are also obliged to provide the same municipal grant to non-municipally and municipally-run activities and that parental fees should be the same. Private provisions funded by the municipalities are expected to meet the basic standards of public childcare, although without the obligation to follow the Pre-school Curriculum.
United Kingdom	Any provider may set up in business for childcare, in any premises, providing he/she has registered with Ofsted as being able to offer a sufficient standard of care and can meet regulations. The local authority role is limited to keeping a list of providers and places available. No distinction is made by Ofsted concerning for-profit or non-profit providers; the categories are not recognised in official records of provision.

   b. Definition of the tasks to be carried out by the service provider and entrustment of a specific mission of general interest

In a large majority of countries, public authorities which outsource ECEC services specify the tasks to be carried out by external service providers. However in most cases this usually does not appear to equate to formally entrusting a mission of general interest. In the vast majority of countries covered in this study (e.g. Belgium, Czech Republic, Denmark, Finland, Hungary, Ireland, the Netherlands, Poland, Slovakia, United Kingdom) all ECEC service providers – be they a public authority providing an ECEC service, an outsourced service provider or a private service provider - have to comply with the applicable legislation, regulations or standards, which clearly set out the tasks a provider has to carry out. If any authorisation or accreditation procedures apply for external or outsourced service providers (e.g. Belgium, most regions in Italy), they also usually refer to the applicable legislation, and regulation, including at regional level.

Some specific cases appear such as Latvia, where the obligations of service providers are determined in a contract between the public authority and service providers. In Denmark outsourced provision to independent day care centres is entrusted with a "mission of general interest", but as in most other countries service providers have to fulfil the aims and rules set out in the applicable legislation, which must be followed by any services provider.

   c. Forms this entrustment takes and the degree of autonomy that the act of entrustment leaves to the service provider in the identification of the specific tasks to be performed

The form that this entrustment takes and the degree of autonomy enjoyed by the service provider in the identification of the specific tasks to be performed differs from country to country. In almost all cases a contract is drawn up and the autonomy of the service provider is limited only by existing regulation related to ECEC services. Additional constraints might relate to the admission of children (defined in Denmark and Finland as a municipal responsibility), or to maximizing parental fees (government regulation in Hungary). Meeting quality criteria and some developmental objectives for children at the end of each school year are often required (e.g. Flemish Community in Belgium, and Portugal). In Germany, agreements are made between the public and private providers about the distribution of

funding. The way this is specifically organised is the responsibility of the regional governments (*Länder*). The public providers are expected to establish standing committees with public and private-sector membership at local level in order to plan the organisation of services effectively. In Italy, the agreement can take different forms: calls for tender, conventions and concessions.

d. Obligation of selected providers towards the public authority to perform the service

Most often, the main obligation is to run the service (e.g. Denmark, Finland, Germany, and Portugal). In the Flemish Community of Belgium, accredited centres have to organize the childcare service and have to have a minimum number of children. Municipalities can specify requirements of their own and may delegate specific tasks. In Latvia, the contract contains information about, among other things, the time period and procedures for the providing of the service, the specific liability of contracting parties, quality evaluation criteria for the services provided, the procedures for settlement of mutual accounts, regulations for the granting of financial and other resources, and the procedures for the supervision of the activities of the authorised person. In Portugal, an additional duty is to regularly provide data required by Social Security, such as the number of clients each month.

e. Limitation of the number of providers active in the sector concerned by law (under which circumstances and procedures)

No such limitations were reported. On the contrary, in Germany and Greece, the government policy is to stimulate non-public agencies to provide ECEC services. In Greece, municipal services will be required to change their status and become non-profit providers.

As far as Austria, the Czech Republic, France, Greece, Norway, Poland, Romania, Slovenia and Sweden are concerned, there is no data or information available either because these questions are not applicable, or because relevant information could not be found in the country.

2.6. Financing sources for service provision

Financing ECEC services in the countries of the European Union is mostly a public responsibility but most non-profit sector providers can access public money to carry out their tasks if they meet certain criteria.

a. Modalities of financing service provision

There are basically two models of financing: a) supply-side funding, when the money goes to the services, usually based on the number of children and b) demand-side funding, when the money goes to parents to cover or supplement the cost of ECEC services. Ireland, the Netherlands and the UK use demand-side funding, through vouchers, cash benefits and tax reductions, which reflects their preference for commercial ECEC services[58].

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[58] Bennett, J. (2010) *Early Childhood Care and Education Regional Report: Europe and North America,* UNESCO.

Public (mostly municipal) services are financed from state/regional and local government budgets. The ratio of the cost covered by state, regional and municipal budgets varies from 60% to 80% in these cases.

Public funds are available to all types of providers without distinction in Norway and Sweden, while in some other countries only non-profit providers are eligible for such support. Privately-owned services in Norway receive a higher amount of earmarked state grant than the public ones to compensate for the lower level of municipal funding. Private services for children under the age of three are more likely to be excluded from receiving public support than the ones for children over 3. For example, in Latvia, private services can receive state funding only for financing salaries for teachers providing compulsory pre-primary education for 5-6 year-old children.

Table 1.2.5   Financing sources for service provision

Country	Description of modes of financing
Austria	60%-70% of costs are covered by municipal budgets; 15-25% by the Bundesländer governments, and some 15% (including childcare) is provided by parental fees, with variation across regions. As a rule, facilities run by for-profit providers do not receive any financial support. Facilities run by recognised non-profit associations, parent groups and church organisations receive municipal subsidies under certain conditions. Parental fees amount to less than 30% of the costs of services for children under 3, and less than 10% of the costs of services for children between 3-6 years of age. Parental contributions differ throughout the provinces, but in all provinces there is a defined maximum.
Belgium	Government agencies (Kind and Gezin in the *Flemish Community* and the Office de la Naissance et de l'Enfance in the *French Community*) oversee the funding of childcare services. Services for children between 2½-3 and 6 years of age are financed by the Communities directly or by local authorities subsidised by the Communities. In the Flemish Community, families pay a means-tested fee in accredited services and no means-tested fees in independent services. The main source of funding for the latter ones is parental fees. In the French Community, parents are eligible for tax deduction and a mechanism set up by the Office de la Naissance et de l'Enfance was introduce to "spread the burden of parental fees". Services for children between 2½-3 and 6 years of age are allowed to charge only for extra-curricular activities.
Czech Republic	Public services for children under 3 are funded from the budget of the founder, which is most frequently the municipality. It is entirely up to the municipality to set the fees to be charged. Private service providers set the fees on a commercial basis. Services in public kindergartens for children between 3 and 6 are funded by the founder, the state and the parents, whereas in private kindergartens the entire cost is borne by the parents.
Denmark	There are high levels of tax-based funding channelled directly to services. Local authorities finance on average 80% of the cost of an ECEC place, and parents finance the rest through fees.
Finland	Financing for ECEC services come from three sources: 25-30% state subsidy,

	15% parental fees and the rest is covered by municipalities. Parents do not have to pay for children in preschool education, which is for 6-7 year-olds.
France	Services for children under 3 are funded by CAFs (Caisses des allocations familiales) which receive funding from national government, local authorities and parents. Income-related allowance is paid to parents who use family day care or a childminder at home. Parental fees in services for under 3's are defined by a sliding scale. Employers can support parents' childcare fees by vouchers. Services for children aged between 3 and 6 are part of the education system and receive government funding. No information about parental fees.
Germany	Funding is the responsibility of the Länder and the municipalities (and parents). Non-profit childcare sector providers receive public money from the regional governments and municipalities to carry out their task. In addition, they contribute towards meeting the costs themselves. Parents also bear the costs of childcare by paying an income-related fee. A survey in 2008 in 100 cities and towns reported immense differences in the amount of parents pay for services.
Greece	Financing for services for children under 4 comes from municipalities (who receive funds from the Ministry of Health and Welfare) whereas financing for services for children over 4 comes from the state budget and the public investment budget. Parents pay fees only to cover meals in municipality/public services but have to pay full fees (covering the whole cost of a child) in private services.
Hungary	The financing comes from 3 sources: the state (25-30%); the municipalities (60-65%), and the parents (10%). Money from the state goes to municipalities or to other eligible service providers. Eligibility criteria for non-municipality providers to receive state funding are a license and a contract with the municipality for service provision. There is no difference in the percentage of parents' contribution between the services for children under 3 and 3-6.
Ireland	Historically Ireland has government grant-aided (community childcare subventions scheme) rather than publicly funded 'public' services. In defence of its reluctance to directly invest/subsidize childcare, the government instead provided different support schemes, which can be used by parents to subsidize childcare costs. In the Supplementary Budget of April 2009, the government announced the phasing out of the Early Childcare Supplement and its replacement with a year's universal (optional) preschool for all children between the ages of 3 years 3 months and 4 years 6 months from January 2010.
Italy	Public provision of services for children under 3 (directly provided or outsourced) is financed by local authorities, which receive some support from regional authorities. In average, parents' fees cover about 18-20% of municipal expenditure for these services. Private services are paid entirely by parents. State and municipal services for children over 3 are funded by the state and local authorities respectively. Parents pay only for the meals and the municipally provided bus transport. Some funding is also available for private services as laid down by national legislation.
Latvia	Municipal educational institutions, including ECEC services, are financed from local government budgets. Municipalities receive funding from the state

	budget to cover the salaries of teachers providing compulsory pre-primary education for five- and six-year-olds, whereas salaries for staff working with younger children are dependent on local resources. Parents pay only for the cost of meals Private services can access state funding only for financing salaries for teachers implementing compulsory pre-primary education for 5-6 year-olds. Parental fees are set by the provider. The Latvian system has integrated services for the 0-6 age group.
Netherlands	Services for children under 4 are financed jointly by the parents (one third of the cost) and the government and employers (two thirds). The employers' share is paid to the tax authorities and not the employees. Services for children over 4 are fully financed by the government.
Norway	All ECEC services receive earmarked state grants. The amount differs according to the children's age (decreasing with age) and attendance. Privately-owned services receive a higher amount than public ones to compensate for the fact that municipalities contribute less in the funding of private services compared to those owned by municipalities. Parental fees are capped at 20% of the costs.
Poland	Funding for all ECEC services comes from two sources: municipalities and parents. Municipalities do not receive central resources for this purpose, ECEC services are financed from their general local revenues. Parents pay for meals and a fixed fee.
Portugal	Services are financed mainly by public funds. Average cost to parents for services for children under 3 amounts to about 11% of an average aggregate family income. Services for children over 3 are free, except in for-profit institutions.
Romania	The financing of ECEC services comes from 3 sources: state, municipalities and parents. All costs of the public ECEC services must be covered by the local authority with the exception of the educational staff salaries which are paid by the Ministry of Education. Private initiatives do not receive funding from public authorities. Parents contribute to the cost of the service for children under 3 but working parents receive tickets worth €90/month, which cover the cost for public services. In the services for children over 3, parental fees cover the cost of kits and meals.
Slovakia	Services for children over 3 are financed by the state and municipalities. Parents pay a modest fee and the cost of meals.
Slovenia	There are four sources of finances: municipalities, parental fees, the state budget, and donations and other sources. ECEC services are mostly financed from the municipalities' budgets.
Spain	ECEC services for children over 3 are financed by public sources and are free for families. Families with children under 3 pay most of the costs.
Sweden	Municipalities are obliged by the School Act to provide sufficient resources for ECEC. Parental fee per child is capped (at around 9% of the cost).

United Kingdom	Approximately 13% of the costs of childcare are subsidised by the Government through the tax and benefit system. Parents can claim an allowance per child, are eligible for an additional working tax credit, and can receive childcare tax credit, depending on total family income. Nursery education is free at the point of use. It is financed as part of the school budget.

b. Involvement of service users in the financing of the service

ECEC services provided as public services demand only a low level of contribution from parents (10-20%) that usually covers the cost of meals (e.g. in Finland, Greece and Hungary). Attendance is free in most services for children over 3. Parental fees are either capped or are set as a fixed fee (e.g. Hungary, Latvia, Norway, Poland and Sweden). In some cases income-tested fees are introduced (e.g. Germany). In most countries, fees for public services are reduced and/or waived for low-income and/or disadvantaged families. For instance, there is municipal subsidy in Austria, there is a reduced or completely waived fee in accredited centres in the Flemish Community in Belgium, in Denmark, Greece, Hungary, Italy, Latvia, Norway and Slovenia, and the State provides support through "developmental contracts" in Portugal.

In countries where public provision is low (Ireland, United Kingdom), parents are charged for the full cost of care by the private providers. Government schemes and different types of support (some offered by employers in the form of vouchers) for parents exist.

c. Conditions of access to service (means testing or other selection mechanisms to access a service)

National legislation gives all children after their first birthday the right to a place in services ("universal access") in Denmark, Finland, Norway and Sweden. In most other countries, efforts have been made to provide universal entitlement over the past few years. Most commonly only children over three are eligible for this by law. In practice, the legislation often cannot be implemented and children and families are not guaranteed a place due to the shortage of ECEC services. In other cases, conditions might be laid down to allow wide access, such as in Hungary, where there is a legal duty to provide childcare with meals for those children under three whose parents cannot look after them during the day because they work, study, are sick or for any other valid reason. Generally, services under the auspices of education authorities are more widely accessible for free and without any conditions since these are usually considered to be part of the public education systems.

In most countries, municipalities – which are responsible for the service provision – decide on enrolment criteria. Private providers set up the conditions themselves or accept municipality decisions if it is part of a contractual agreement.

2.7. Cross-border provision of services

a. Importance of cross-border provision of services from service providers established in other countries

Out of the 22 countries only 3 countries (Germany, Ireland and the UK) have cross-border provision and all reported the absence of relevant legislation or regulations concerning cross-

border providers. In Germany, there is very little such provision. In Ireland, different childcare franchises exist in the pre-school market but there is no detailed information on the number of settings or the numbers of children attending.

b. Regulations (national, regional/local) on cross-border provisions

In Germany no legislation or regulations exist concerning cross-border providers. In the UK, national legislation and regulations pertain only to sites of provision based in the United Kingdom.

c. Country/ies of origin of cross-border service providers

In the United Kingdom, of the top 20 companies providing childcare and nursery education, all but one are corporately owned, the majority by offshore equity companies. These 20 companies account for 8.2% of the market. The largest company has headquarters based in Singapore, another is based in the Cayman Islands, a third in India. These companies have frequently changed hands – with all the accompanying restructuring that is involved – as investment priorities shift.

3. EMPLOYMENT SERVICES[59]

3.1. Introduction

There have been a number of elements or forces that have influenced employment services and their organisation in recent years in Europe. These have included policy changes in how they are conceived (the move towards active labour market policies), the mainstreaming of groups who were formerly thought to be outside of the open labour market (most notably disabled people), and the overhaul of structures and services that has taken place in the new EU Member States. In addition, the annual employment planning undertaken by the EU/EEA Member States and the Commission has contributed to a general move towards similar employment policies in the EU/EEA Member States. The European Social Fund (ESF) that is used to finance vocational training and other programmes to boost employability has had a similar effect. There have also been moves to change the contingency relationship between the unemployed person and the benefits that they receive[60]. In many countries such as the Netherlands, the UK and Denmark, the right to receive benefits has been made contingent on the beneficiary actively seeking work – failure to do so may see benefits being reduced.

Employment services may be conceived of in several ways. Recent years have seen major changes in how labour market policy is conceived of at EU/EEA level. There has been a gradual move away from passive labour market strategies, which were characterised by an orientation towards benefits that were subject to few conditions and a generalised approach to promoting the employability of the individual towards a more dynamic approach whereby benefits are linked to job seeking and measures to improve employability and a much more personalised approach to job seeking has been developed by employment services. Flexicurity is seen as being an important element of this more dynamic approach which may be characterised as comprising Active Labour Market Approaches to the issues of finding employment.

These forces have led to the development of new services, new packages of services and new philosophies of how employment services should be constructed. These changes have been backed up by legislative and structural reform in many countries in a process that is still ongoing.

More recently policy has moved on to embrace what is termed Active Inclusion as a means of promoting employment. Here three elements are brought together with a view to promoting the labour market inclusion of unemployed groups – the provision of adequate income through the benefits system, the development of an inclusive labour market and having adequate access to appropriate services.

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[59] The following 22 countries have been analysed as regards the regulatory framework for service provision and financing for employment services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

[60] Serrano-Pascual, A., Magnusson, L. (eds) (2007) *Reshaping Welfare States and Activation Regimes in Europe*, Peter Lang Publishing Inc.

3.2. The concept of employment services across Europe

The core focus of this chapter is on 'individualised' intermediation services' to support (or 'activate') unemployed or inactive jobseekers to find and maintain employment. 'Individualised' refers to there being a personal service dimension (e.g. career guidance, counselling, active placement and post placement support, etc.) as opposed to more generic provisions such as standardised training programmes.

The data taken from the national reports should be viewed with some caution for a number of reasons. In some countries, the apparent absence of specific elements may be due to how they are defined rather them not being present. Consequently, while there is relative certainty about the presence of elements, there is some uncertainty over the genuine absence of some elements.

Definition of services

In this chapter we are concerned with the definition of intermediation services as they are found in national legislation or regulations. In seeking to identify national definitions, a number of observations may be made. Firstly, not all countries use the term intermediation and even where it is used, it is clear that while there may be a relatively common understanding of what these services might constitute, the definitions used are not identical across the EU/EEA Member States of the study.

A second observation concerns the method used to define these services. Many countries have recent legislative instruments concerning employment and the labour market on their statute books, but none seem to have included a formal definition of these services as part of the legislation. Instead, it is much more common for intermediation services to be defined in regulations rather than in legislation.

A third observation is that even in countries where no definition of intermediation services could be identified, there was usually a package of personalised services that closely resemble the services of intermediation.

The information collected in the study reveals that only one country had defined intermediation services in its primary legislation – Italy (see Box 1.7 below). However, the remaining 21 countries have either defined the term in secondary regulations or have a defined a package of services which amounts to the provision of intermediation services.

Box 1.7: The concept of intermediation services in Italian legislation

Intermediation services were initially defined by law in 1997. In 2000, they were further defined as providing work focused interviews every 6 months and making proposals for job opportunities or training. In 2003 intermediation was defined as involving the promotion and management of matching work supply and demand, including job placement of disabled and disadvantaged groups of workers and the collection of CVs of potential employees; pre-selection of suitable candidates and creation of a specific database; carrying out administrative communications; recruitment and brokering activities; career guidance, planning and implementation of training activities aimed at job placement.

Scope of services

In this chapter the issue of the scope of services included in the definition of intermediation services is addressed. Specifically, the question here concerns what kinds of activities are defined as being part of intermediation services, either formally in legislation or regulation or more informally through practice. *Table 1.3.1* below details the main elements of the scope of service provision in the 22 studied countries.

There is a remarkable commonality between the countries of the study with regard to the scope of intermediation services, however they are defined. At minimum, these involve information provision services, employment guidance counselling, and job searching. Perhaps less common are services related to employability or skills assessment, job coaching and supported employment, job matching and individualised career or job planning.

A common feature across some countries, but not all concerns the inclusion of employment intermediation services for people with disabilities within mainstream services, whether they relate to the first time employment of people with disabilities or their reintegration into employment. In recent years, there has been a move towards the mainstreaming of such services, but it has not reached all countries as yet.

Table 1.3.1   *The scope of employment intermediation services in the study countries*

Country	Definition of employment/intermediation services
Austria	Intermediation services include information provision, counselling, employment and training support, job search support and employer related services.
Belgium	In Flanders, services consist of support in job search, vocational training and job placements. In Wallonia, services consist of information provision, skills assessment, support planning, job searching, guidance, training and placement.
Czech Republic	Intermediation consists of job searching, counselling, and information provision.
Denmark	Services involve referral, information exchange, providing advice and job matching services to enterprises and job seekers and individual employment planning.
Estonia	Intermediation services mean providing information, job mediation training, career counselling, work practice, public work experience, coaching for working life, and wage subsidies.
Finland	The term intensified 'service' is used and involves information provision, job planning, work placement, job searching and job matching. Job coaching and vocational guidance are also available.
France	State Agency 'Pôle Emploi' undertakes a wide range of activities that include vocational guidance, work ability assessment, job coaching, job search assistance, advice on entrepreneurship and personalised planning.
Germany	Intermediation services are defined in regulations as involving individual profiling, labour market analysis, advertising of job seekers, advice provision and training.

Greece	Services include vocational guidance, training, job matching, social security benefits and services for the social inclusion of marginalised groups.
Hungary	Intermediation services include information provision, training, support for self-employment and rehabilitation services.
Ireland	Employment services include guidance, work experience, job matching, job placement, information and services. Post employment and training assistance is also provided for.
Italy	Intermediation involves matching work supply and demand, recruitment and brokering activities; career guidance, and planning and implementation of training activities aimed at job placement.
Latvia	Services are defined as involving training, temporary work, measures to increase the competitiveness of the individual, entrepreneurship promotion, complex support measures and measures for specific at risk groups.
Netherlands	Services include education and training, placement under probation, subsidies for employers that employ an unemployed person, procedures for reintegration abroad, support for entrepreneurship and social activation.
Norway	Services include personalised assessment of needs and a personalised plan. Services should include counselling, clarification, the development of an action plan and training and vocational rehabilitation.
Poland	Employment agency services are defined by law as involving job placement, services to employers, job matching and information provision.
Romania	Intermediation services include information and counselling, labour intermediation, training, business start up advice, and promoting labour mobility.
Slovakia	Intermediation services provided by the public employment services (PES) are information and counselling, consultancy, education and training and personal planning. Consultancy may involve job matching, motivation and social skills training.
Slovenia	Intermediation services offer information, employment planning, employment counselling, job placement and work permit services.
Spain	Intermediation involves information provision, assessment and vocational guidance.
Sweden	Intermediation services include guidance, labour market programmes, vocational rehabilitation and activities for young people with disabilities.
United Kingdom	Intermediation services include employability assessment, employment guidance and counselling, identifying training and educational needs, opportunities for work experience, information services, personalised specialist advice, and specialist services for employers in relation to people with disabilities.

An example of a comprehensive approach to intermediation services is provided by Denmark (see Box 1.8).

Box 1.8: The scope of intermediation services in Denmark[61]

As well as the general provision of information and guidance, Danish job centres must provide a personal program for job seekers. An individual and flexible contact program is arranged and this contact program should take into consideration the jobseekers wishes and abilities as well as the needs of the labour market. If ordinary employment is not immediately realistic, the program is oriented towards bringing the jobseeker closer to the labour market.

During the contact program, individual job meetings with a focus on tangible jobs and job seeking are convened. During these meetings the jobseeker's situation is assessed and appropriate measures for the individual jobseeker are discussed. These measures could include advice on employment and job searching, but in cases where immediate employment for the jobseeker is not realistic the measures could include providing access to training courses and employment promoting initiatives. The meetings shall also be used to determine the impact of these measures and whether the jobseeker is ready for the labour market.

These job meetings must be held every 3 months so long as the jobseeker is receiving benefits. However, if the jobseeker has skills within a field where there is a shortage of labour or if the jobseeker is not considered able to find a job themselves, these job meetings must be more often. While jobseekers are active in employment promoting initiatives the meetings can be held by phone or electronically.

In this example, the scope of services in Denmark can be seen to be characterised by an active labour market approach, whereby there is frequent intervention, there are a number of pathways through the system and the services that are offered are flexible and directly oriented toward the labour market. The main tools used are employability assessment, guidance and counselling, job searching and job coaching.

3.3. Legal and institutional frameworks for service provision

This chapter reports on the legal and institutional frameworks for employment services that exist within the study countries. The aim here is to describe in broad terms what these frameworks are, thereby setting the scene for a discussion of how services are actually provided within these countries in chapter 3.4 – modalities of service provision.

Table 1.3.2 below outlines the main findings in relation to the legal and institutional frameworks for service provision in the 22 countries under study.

Table 1.3.2   *Responsibilities for legislation and regulation, organisation, financing and delivery of services as well as monitoring*

Country	Responsibilities for legislation and regulation, organisation, financing and delivery of services as well as monitoring
Austria	Legislation development is by the Federal Ministry of Labour, Social Affairs and Consumer Protection. Service provision is by the Public Employment Service (AMS) through the regions which also undertakes Monitoring and evaluation. Financing is provided by the Social Insurance and the ESF.

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[61] It should be noted that people with disabilities access all mainstream employment services in Denmark.

Belgium	Legislation development is by regional government. State agencies provide services at regional level for the French, Flemish, German and Brussels regions. In Wallonia, the Parliament and the Walloon Institute for evaluation undertake monitoring and evaluation. Financing is on a regional basis.
Czech Republic	Legislation development is done by the Ministry of Labour and Social Affairs which also undertakes monitoring and evaluation. Service provision is by Employment offices which are an agency of the Ministry. There is State funding for PES and some State and private funding for PRES.
Denmark	Legislation development is by the Ministry of Employment. Service provision is by the municipalities by means of job centres. The municipalities monitor Job Centres, while municipalities are monitored by regional authorities and by the Ministry of Employment. Financing is by means of municipal taxation.
Estonia	Legislation development is by the Ministry of Social Affairs. Service provision is by the Unemployment Insurance Fund (PES), while monitoring and evaluation is done by both of these. Financing is via the State budget and ESF.
Finland	Legislation development is by the Ministry of Employment and Economics and the Social Partners. Service provision is by the employment and economic development offices, the labour force agencies, the municipalities and the Social Insurance (PES). Monitoring and evaluation is by the Ministry of Employment and Economics while financing comes from the State budget, the municipalities and the Social Insurance Institution.
France	Legislation development is done by the Ministries of Labour and Social Insurance. Service provision is by the state agency Pôle Emploi. Monitoring and evaluation is undertaken by the Unemployment Insurance Agency while financing comes from State, Regional, Departmental and ESF sources.
Germany	Legislation development is by the Ministry for Labour and Social Affairs, and the regional assemblies (Bundesrat). Services are provided by local job agencies under the Federal employment agency. Monitoring and evaluation is undertaken by the Ministry for Labour and Social Affairs, scientific studies, the Institute for Employment Research, and Industry associations for the private sector. Financing comes from the social insurance funds disbursed by Ministry of Labour and Social Affairs
Greece	Legislation development is done by the Ministry of Employment and Social Protection. Service provision is by the Centres for employment promotion and the Manpower Employment Organisation (PES). Monitoring and evaluation is done by Central Government and the regional authorities. Financing comers from the ESF and state finances.
Hungary	Legislation development is done by the Ministry of Social Affairs and Labour and the National Employment and Social Office. Service provision is by the National Employment service. Monitoring and evaluation is by the Ministry of Social Affairs and Labour and financing comes mainly from the State budget and some local government and private sources.

Ireland	Legislation development is done by the Department of Trade, Enterprise and Employment, Department of Social Protection. Service provision is by the State Training Agency and Local Employment Services. Monitoring and evaluation is done by Department of Trade, Enterprise and Employment and the State Training Agency while financing comes from State sources.
Italy	The Ministry of Labour undertakes legislation development. Public Agencies at regional level provide services. Regional authorities undertake monitoring and evaluation. Finance comes from the state, the regions and the ESF.
Latvia	The Ministry of Welfare develops legislation and undertakes monitoring and evaluation. The State Employment Agency provides services. Financing comes from State sources.
Netherlands	The Ministry for Social Affairs and Employment develops legislation and provides funding for services. Services are provided by a range of agencies including municipalities, social welfare and reintegration bodies (PES). Monitoring and evaluation is done by the Social insurance agency and the Ministry of Social Affairs and Employment.
Norway	The Ministry of Labour develops legislation. Service provision is by the Labour and Welfare Service and Local Government. Monitoring and evaluation is done by the Office of the Auditor General. Financing comes from the social insurance.
Poland	Legislation development is by the Ministry of Labour and Social Policy and the National Social Council on Employment. Service provision is by the PES, the voluntary labour corps (for young people) and training agencies. Monitoring and evaluation is done by Regional government, the Ministry of Labour and Social Policy and the Labour Fund inspectorate. Financing comes from Social insurance.
Romania	Legislation development is by the Ministry of Labour, Family and Social Protection advised by the National Commission on Employment Promotion and the National Adult Training Board. Service provision is by the National Agency for Employment and the County Employment Agencies. Monitoring and evaluation is done by the National Statistics Institute and Ministry of Labour, Family and Social Protection, Local and Regional Government. Finance comes from the Social insurance and some employer funding.
Slovenia	Legislation development is undertaken by the Ministry of Labour, Family and Social Affairs. Service provision is by the Employment Service of Slovenia Local Offices. Monitoring and evaluation is undertaken by the Ministry of Labour, Family and Social Affairs and the Labour Inspectorate, Court of Auditors while financing comes from the Social insurance, the state budget and the ESF.
Slovakia	The Ministry of Labour, Social Affairs and Family develop legislation and undertake monitoring and evaluation. The State Employment Agency provides services while funding comes from the State for PES and private funding for PRES.

Spain	Ministry of Labour and Social Security and regional Governments develop legislation. Service provision is done by regional Government. Monitoring and evaluation is undertaken by 6 organisations at national, regional and ESF level while financing comes from the State and the ESF.
Sweden	Legislation development is by the Ministry of Employment. Service provision is by the Public Employment Service. Monitoring and evaluation involves self-evaluation, the Institute for Labour Market Policy Evaluation and the National Audit Office[62]. Financing comes from the Ministry of Employment.
UK	Legislation development is done by the Department of Work and Pensions. Service provision is by the state agency Job Centre Plus and by REMPLOY. Monitoring and evaluation is undertaken by the Department of Work and Pensions and the National Audit Office. Financing is by the Department of Work and Pensions.

a. Responsibility for developing legislation/regulations related to service provision and financing

All countries regulate the definition, scope and nature of employment services within a legal framework of legislation and regulations. Ultimately, responsibility for drafting and developing this legislation usually resides with Labour Ministries or their equivalents, but there may also be some involvement of other Ministries or the Social Partners, especially in countries where there is strong tradition of Social Partnership.

The findings from the study indicate that in all 22 participating countries the Ministry of Labour is responsible for developing legislation in the area (these may also be called Ministries of Employment, Work or Enterprise). In countries with a federal or strong regional structure responsibility usually lies at national level. Belgium is an exception to this finding, with responsibility for legislation in the area residing at the regional level. In Germany, responsibility is at federal level but legislation must be ratified in the regional assembly also. Spain has a similar system to that of Germany in this regard.

Some countries cite more than one Ministry as having responsibility for legislation in the area. For example, France and Ireland report that the Ministries for Social Insurance or equivalents are also involved. This may relate to the organisation of services, where insurance benefits may be administered as part of the same organisation that provides employment services.

Ultimately, Ministries of Finance or Social Insurance agencies are responsible for legislation regarding the financing of employment services and benefits systems. The day to day management of the funding for employment services systems is devolved to the agencies that are supplying services, but these services have a limited role in defining legislation in the area.

Most countries would have some level of consultation with regard to the development of legislation – this would usually involve service providers, expert agencies or the social partners. However, the potential role of these elements in defining legislation was acknowledged only in Finland, Hungary, Poland and Romania.

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[62] See, for example: http://www.riksrevisionen.se/upload/521/summary_rir_%202010_6..pdf

b. Responsibility for organising service provision

It might be expected that the organisation that develops the legislation would also be responsible for organising service provision. In general terms, this proposition is true, with the legislating ministry or agency being or partly responsible for service organisation in fourteen out of the 22 countries of the study. In countries such as Sweden, the UK, the Netherlands and Finland, this is the case.

However, many countries devolve some or all of the responsibility for service organisation to State Agencies for employment. These statutory organisations, sometimes in collaboration with regional or municipal authorities, develop the structure for delivering employment services throughout a jurisdiction. It is rare for such agencies to develop these services without central Government involvement by the relevant Ministry, though Austria, France Hungary, Ireland and Romania have relatively little central Government involvement in service organisation.

c. Responsibility for financing service provision

This question is concerned with the source of funding for employment services. However, in reporting on the answers to this question, it should be made clear the services in question were not always confined to intermediation services, but rather they extended to cover the entire range of employment services, including training in some cases.

All of the countries in the study reported that responsibility for financing of the system lay with the State. State funding however, may come from a range of sources. It may come from general taxation, as in countries such as the UK and Ireland, or it may come from Social Insurance funds, as in Romania, or sometimes from both of these sources.

Some funding may also come from regional or municipal authorities. For example, in Denmark, the municipalities provide most of funding for employment services while in Hungary and Italy there are smaller levels of regional/municipality funding.

Many countries mentioned that the European Social Fund was involved in at least partial funding of employment services. It was not always clear what this funding related to, but it is likely that it was largely confined to the finding of training schemes.

The source of funding extended to include employers in some countries. In Estonia, for example, employers contribute towards the funding of specific aspects of the system such as work mediation services (i.e. where employers make request for workers).

d. Responsibility for providing the services

This chapter is concerned with the organisations that are responsible in a legal sense for the delivery of employment services. The main issue here is whether the responsibility resides with the State (through the relevant Ministry), with a State Agency or with local or regional Government. The issue of the involvement of private sector provision of services is dealt with in detail in the employment services' chapter of Section 2 of this study (types of social service providers).

It is important to underline that Article 6 of the ILO Convention on PES[63] describes the minimum service provisions that should be supplied by Public Employment services. The convention states that:

'The employment service shall be so organised as to ensure effective recruitment and placement, and for this purpose shall:

(a) assist workers to find suitable employment and assist employers to find suitable workers, and more particularly shall, in accordance with rules framed on a national basis-

    (i) register applicants for employment, take note of their occupational qualifications, experience and desires, interview them for employment, evaluate if necessary their physical and vocational capacity, and assist them where appropriate to obtain vocational guidance or vocational training or retraining,

    (ii) obtain from employers precise information on vacancies notified by them to the service and the requirements to be met by the workers whom they are seeking,

    (iii) refer to available employment applicants with suitable skills and physical capacity,

    (iv) refer applicants and vacancies from one employment office to another, in cases in which the applicants cannot be suitably placed or the vacancies suitably filled by the original office or in which other circumstances warrant such action;

(b) take appropriate measures to-

    (i) facilitate occupational mobility with a view to adjusting the supply of labour to employment opportunities in the various occupations,

    (ii) facilitate geographical mobility with a view to assisting the movement of workers to areas with suitable employment opportunities,

    (iii) facilitate temporary transfers of workers from one area to another as a means of meeting temporary local maladjustments in the supply of or the demand for workers,

    (iv) facilitate any movement of workers from one country to another which may have been approved by the governments concerned;

(c) collect and analyse, in co-operation where appropriate with other authorities and with management and trade unions, the fullest available information on the situation of the employment market and its probable evolution, both in the country as a whole and in the different industries, occupations and areas, and make such information available systematically and promptly to the public authorities, the employers' and workers' organisations concerned, and the general public;

(d) co-operate in the administration of unemployment insurance and assistance and of other measures for the relief of the unemployed; and

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[63] http://www.ilo.org/ilolex/cgi-lex/convde.pl?C088

(e) assist, as necessary, other public and private bodies in social and economic planning calculated to ensure a favourable employment situation.'

A recent study under the Progress programme[64] has documented the kinds of services that are offered by public employment services (PES) throughout the EU/EEA to unemployed job-seekers. The *Table 1.3.3* below indicates how common these services are.

Table 1.3.3 ***Frequency of provision of different components of employment services by PES in the EU/EEA[65]***

Service	Frequency*
Systematic collection and provision of labour market information (vacancies/skills needs)	26
Job search assistance (help in search and identifying sources of vacancies)	26
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and inter-view performance)	26
Job broking (helping unemployed people to find and apply for appropriate vacancies)	26
Employer notified vacancy information	25
Vocational/Careers advice	25
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	24
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	24
Employer notified vacancy information through website	24
Group activities (such as 'job clubs' or work-shops)	23
Job creation programmes (public sector work programmes)	22
Temporary work trials/placements	21
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/ competencies/ qualifications)	21
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	20
Employer notified vacancy information through onsite computer terminals	18
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	18

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[64] DG-Employment, Social Affairs and Equal Opportunities - Progress (2009) The Role of the Public Employment Services related to Flexicurity in the European Labour Markets, European Commission, VC/2007/0927.

[65] Table adapted from VC/2007/0927 study report - The Role of the Public Employment Services related to Flexicurity in the European Labour Market.

Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	18
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	17
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	8
Health promotion programmes (medical checks, health or fitness programmes)	6

* Number of countries currently offering the service at least partially.

The types of employment service investigated in this study were not confined to intermediation services and include, for example, the provision of job creation programme and the direct provision of training services. In addition, the services investigated include a number of non-traditional employment services such as the provision of or referral to personal support programmes or health promotion programmes.

However, the study does refer to a number of service elements which are central to employment intermediation. These include the collection and provision of labour market information, job search, support and coaching, job broking, advice, and active job broking. As might be expected, the vast majority of countries provide these services through the PES. However, not all do and in most cases where these services are not available it is planned to make them available in the future.

As indicated in *Table 1.3.2*, many of the studied countries have set up State Employment Agencies for purposes of providing employment services. In seven countries, such as the Czech Republic, Slovenia and Slovakia, a single State Agency is responsible for service provision. This arrangement is generally confined to the smaller countries, where it is easier to have a single state agency providing services. In larger countries, it is more common to find that services are supplied by a combination of a state agency and either regional or local authorities. This arrangement exists in Italy, Germany and the Netherlands.

Denmark is an exceptional case – its employment services are supplied (and funded) exclusively by local authorities. Belgium also shows a variation on this trend - its employment services are organised purely on a regional basis, with regional agencies supplying services in Flanders, Wallonia and Brussels with a fourth (Arbeitsamt der DG) supplying services to German speaking people.

There are also more complex models of responsibility. These are to be found in Finland, the Netherlands and the UK, where there is also involvement of agencies that are responsible for the integration or re-integration of people with disabilities. Box 1.9 below illustrates this complexity with regard to Finland.

Box 1.9: The responsibility for service provision in Finland

The local level Employment and Economic Development Offices are responsible for implementing active labour market programmes. They offer individual customer service in the areas of job seeking, career planning, occupational rehabilitation and entrepreneurship. They also give advice on applying for unemployment benefits and supports for employment. Employment and Economic Development Offices give guidance for business start-ups. Employment and Economic Development Offices have specialised personnel who assist person with disabilities to the vocational rehabilitation services he or she needs. Employment and Economic Development Offices can purchase medical examinations and expert consultations. Labour Market Training is outsourced. Most of the job-search training activities are outsourced as well as other so-called group activities for jobseekers.

LAFOS (the State Labour Force Agency) offer multi-professional services as well as outsourced services (such as labour market training and group activities). Most of the Employment and Economic Development Offices services are available in the LAFOS. The LAFOS can refer clients to the rehabilitative work experience and other health and social services of municipalities.

Municipalities also organise courses for the unemployed, assist associations, foundations and companies to hire the unemployed and fund specific projects.

KELA, the Social Insurance Institution, collaborates with all of these agencies in referring people with disabilities to these services.

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e. Responsibility for evaluating/monitoring the performance of service

The data collected in the study point to a number of features of how evaluation and monitoring of employment services are carried out. It is concerned mainly with the responsibility for monitoring the performance of the service in operational terms, rather than with financial evaluation, which would normally be carried out by National Audit Offices. However, some countries provided information on financial auditing and this information is also summarised below.

The structure of employment services in a country influences the number and type of agencies involved in performance monitoring. Where the structure is relatively simple, e.g. where there is a single state agency supplying these services, the responsibility for monitoring and evaluation generally lies with the ministry that is responsible for the agency. Countries such as the Czech Republic, Hungary and Slovakia are examples of this type of oversight.

In countries with a more complex structure of employment services, where they reflect, regional or local structures, responsibility for monitoring and evaluation tends to reflect these structures also. For example, in Denmark, where the municipalities are responsible for providing employment services through a network of local offices (PES) and a small number of private employment services' providers (PRES), the municipalities monitor the job centres, the municipalities are monitored by the regional authorities (who fund the service) and the regions are monitored by the Ministry of Employment.

The data also make it clear that at the level of service provision, be it by PES or private employment services (PRES), the tasks carried out by the employment service are usually

monitored using some form of contract monitoring procedure by the public sector contractor. This is especially the case for PRES.

Some countries, especially Germany, have addressed the issue of evaluation with a high level of comprehensiveness. They have involved not only the public sector agencies, but they have also conducted an extensive range of scientific studies to evaluate the performance of specific initiatives. This has come about as a result of the major Harz reforms of recent years.

3.4. Modalities of service provision

This chapter addresses the issue of the way in which the service is provided. This could involve (i) direct provision by a public authority, (ii) what is termed 'in house' provision, i.e. where services are provided by a public sector agency that is controlled by the State and (iii) it could involve external service provision by either profit making private sector organisations or by non-profit making organisations (NGOs).

This chapter also seeks to quantify the level of services supplied by each of these types of organisation, though it did not prove possible in all cases to do so due to difficulties in obtaining appropriate data.

It should be noted that the different sectors do not necessarily supply identical services – it is common for the different sectors to supply different employment related services. The type of service that is being outsourced is not usually the same as that provided by the public authorities. Some countries have outsourced training services only (e.g. Ireland, UK), while others have outsourced intermediation activities (e.g. Italy).

It did not prove possible to systematically quantify the relative size of the public and private sectors in many countries. In many countries, the data needed to make that comparison were not available, while in others the comparison did not make sense because the public and private sector did not supply similar types of services. Nevertheless, it is possible in some EU/EEA countries, based on different indicators, to attempt to address the issue of the relative size of these sectors. The data which provide the basis for these comparisons is presented in *Table 1.3.4* below.

Information provided in T*able 1.3.4* should be treated with caution as there is little common data across countries. Nevertheless, it would appear, that despite the trends towards increasing privatisation, by far the majority of services are offered by the public sector. The UK is somewhat of an exception to this, where the main employment services tool 'Pathways to Work' is mainly supplied by the private sector. In contrast, the numbers of clients using outsourced services in the other countries is much lower and often very low.

It should be noted that data (where available) on the number of suppliers should be treated with caution – generally the private sector suppliers are much smaller and they generally offer a limited range of services compared to the public sector.

Table 1.3.4   *Modalities of employment services provision*

Country	Direct provision	In house provision	Outsourced service provision	
			Private, for profit sector	**Private, not-for profit sector**
Austria	No	Yes	Yes	Yes
Austria	PES has 99 regional offices while there are 427 private placement agencies. Numbers have increased from 42 private services servicing 1,970 clients in 1999 to more than 400 services servicing 11,060 clients in 2008 - less than 3% of the total number of clients.			
Belgium	No	Yes	Yes	Yes
Belgium	12% of services in Flanders and 5-7% in Wallonia have been outsourced.			
Czech Republic	No	Yes	Yes	Yes
Denmark	No	Yes	Yes	No
Denmark	Only two outsourced Job Centres out of 91. Private sector providers are being phased out in Denmark.			
Estonia	No	Yes	Yes	Yes
Estonia	Only 6 out 177 outsourced services are NGOs.			
Finland	No	Yes	Yes	Yes
Finland	All training is outsourced to a range of private and public suppliers.			
France	No	Yes	Yes	Yes
Germany	No	Yes	Yes	Yes
Germany	About 14% of beneficiaries were served by PRES in 2008. This has increased over time. The numbers of PRES are also generally increasing from year to year.			
Greece	No	Yes[66]	Yes	Yes
Hungary	No	Yes	Yes	Yes
Ireland	No	Yes	Yes	Yes
Ireland	The State Training Agency has about 62% of employment service officers; the local employment services (LES) have about 38% of employment officers.			
Italy	Yes[67]	Yes	Yes	Yes
Italy	There are 539 public employment centres and many more private centres that provide a limited range of services. Precise figures are not available.			
Latvia	No	Yes	Yes	*No data*
Netherlands	No	Yes	Yes	Yes

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[66] There are very few private providers in Greece.

[67] In Italy there is some direct provision of services at regional level.

Norway	No	Yes	Yes	Yes
	Outsourcing takes place only in relation to rehabilitation services and accounts for 28% of the market.			
Poland	No	Yes	Yes	Yes
Romania	No	Yes	Yes	*No data*
Slovenia	No	Yes	Yes	Yes
Slovakia	No	Yes	Yes	Yes
	27% of unemployed use outsourced services, a figure that has risen over the years. Only 2 out of 746 PRES have NGO status.			
Spain	Yes[68]	Yes	Yes	*No data*
	On average across regions, 13% of services were offered by PRES in 2009 (range from 2% to 25%).			
Sweden	No	Yes	Yes	Yes
	There are 320 PES and about 700 PRES.			
United Kingdom	No	Yes	Yes	Yes
	There is a high level of outsourced provision. About 60% of Pathways to Work schemes are provided by external contractors.			

There is no direct provision of employment services by national level ministries in any of the countries under study. However, in some of the more regionalised countries, especially in Italy and in Spain, there is some direct provision of services by regional level ministries.

All of the countries in the study had some form of in house provision of services. In many countries this takes the form of national level employment services agencies. These agencies supply services either on their own or in partnership with regional or local authorities. They may also work in collaboration with external providers be they profit making or not for profit organisations.

All countries in the study also had some level of outsourced employment services provision, either by the for-profit sector or the not-for-profit sector. However, there was considerable variation between the countries in this regard. In Denmark, a rare example of a country where the public and private sectors provide similar services, only 2 out of 91 employment services were in private hands. Moreover, it appears possible that the private sector suppliers will be phased out in the near future.

In contrast, there are some countries where private suppliers of employment services play a more prominent role than the public sector, at least in some aspects of employment services. For example, Finland outsources all training activities to a range of commercial and NGO providers. There is also a trend in some countries that large parts of the vocational rehabilitation sector (dealing with the (re-)integration of ill or injured workers) is supplied by NGOs. This is the case in Norway, Ireland and the Netherlands, for example.

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[68] In Spain there is some direct provision of services at regional level.

It should be noted that no country contacted out all of their employment services to external providers. Whatever the level of private sector provision, it only relates to some percentage (usually a small percentage) of employment services in that country. Though reliable figures are not available in most countries, even in countries where it might be expected that outsourcing is at a high level, such services appear to account for very little service provision, however, that is measured (see below for some examples).

There are also differences in the trends regarding public and private provision. Many countries in recent years have undergone a public sector reform programme which in many cases has meant that there has been an increase in the outsourcing of services. This has occurred both in the EU-15/EEA and the new EU Member States. The area of employment services is no exception to this trend and there is evidence from a number of countries to support this hypothesis. For example, among the EU-15, Belgium has seen an increase in the numbers of outsourced services both in Flanders and Wallonia in recent years while in Slovakia, 27% of currently unemployed people use outsourced employment services, a figure that has risen over the years.

3.5.   Relationship between public authorities and external service providers

This chapter is concerned with the relationships between public authorities and external service providers. In particular, it examines the issues concerning contracting and procurement. It further examines whether or not there is an entrustment of a mission of general interest to the external contractors.

The information collected in the study does not lend itself to an easy analysis of what are complex issues. As will be seen from the following discussion, public authorities may meet many of the criteria for entrusting mission of general interest, but they do not meet all of them.

> a. *Type of relationship between public authorities and external service providers (use of public procurement procedures, use of concessions, specific conditions or requirements such as authorisations, licensing, etc., own initiative service delivery with public authority recognition, etc.)*

Table 1.3.5 below provides an overview of the type of relationship between the public authorities and the external service providers[69]. Various aspects of this relationship are discussed in subsequent sections.

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[69] No information was available for Hungary.

Table 1.3.5   Type of relationship between public authorities and external service providers

Country	Selection procedures	Form of entrustment
Austria	Public Authorities outsource some counselling and support services. These may be obtained either via a competition or directly depending on the number and quality of candidates and the size of the tender. This is viewed as a 'subsidy' process rather than a procurement process under law. Private services are subject to a licensing procedure.	The tasks to be carried out are proposed by the tenderer, but they are assessed in terms of their concept, capacity, costs and quality management system There appears to be no formal act of entrustment, but tenderers are subject to meeting the terms of their contract.
Belgium	Public procurement procedures are used. Service providers must meet standards in order to bid.	Service contracts determine the tasks to be carried out. There is a degree of autonomy for the contractor to organise and specify the details of services. Contracts are set in terms of outcomes. The concepts of entrustment and concession do not exist in Belgian law.
Czech Republic	A licensing system exists whereby individuals and organisations with appropriate qualifications and experience may provide services. Since April 2011 Czech employment agencies can provide agency services only on a new statutory condition that they arrange insurance for their own bankruptcy.	These services are defined by the Ministry and are governed by contracts, the implementation of which is monitored by the Ministry. Monitoring appears to be rigorous, as private agencies have had their licenses revoked.
Denmark	Public procurement procedures are used.	The Public Authorities manage outsourced services via contracts with specific standards for services. No information is available on forms of entrustment.
Estonia	Public procurement procedures apply. There is also a training voucher scheme. There are no concessions, but licenses are needed by all providers.	The services that can be outsourced are defined by law, but there is no mission of general interest that is outsourced. Providers have little autonomy and must provide the services that are contracted.
Finland	All outsourced services are subject to public procurement procedures – there are no concessions, licensing arrangements, nor have suppliers initiated services.	The contracts that are drawn up specify the tasks to be undertaken. There appears to be no mission of general interest and contractors have little autonomy in supplying the service.

France	Public procurement procedures do not operate – relationships have built up over time. In effect some organisations have been granted concessions. No specific conditions appear to apply to service providers and in the case of people with disabilities, the AGEFIPH (Association pour la gestion du fonds pour l'insertion des personnes handicapées) organisation has autonomy in relation to service delivery.	The local networks that supply services have their activities defined in law and in contracts with Pôle Emploi, but they have limited autonomy also. Obligations are defined by contract.
Germany	Public procurement applies to all types of service supplier. There are some favoured suppliers at this time. Generally licenses are not needed but they apply to placement service providers and there are some basic qualifying conditions. Training providers need to be appropriately qualified. There is also a voucher system where job seekers can choose their service suppliers.	There is no reference to a mission of general interest for PRES. All tasks are managed and defined via contracts.
Greece	Public procurement procedures are used.	No general mission of interest applies. Trainees working conditions are specified and the relationship is managed by contract.
Ireland	A mixed system with an element of 'own initiative' services.	It is regulated through contracts which embody, but do not name, a mission of general interest. These are monitored by the State Training Agency. Local services may provide additional activities beyond the contracted ones.
Italy	Private providers are accredited and authorised by the public authorities. Authorisation takes place at national level and accreditation at regional level. National authorisation entitles organisations to implement employment services and sets the parameters for monitoring. Regional accreditation involves more detailed analysis of organisational characteristics of the agencies, the specific skills and professional experience of the operators and the modalities of service delivery.	The form of entrustment varies according to region, but is intended to involve a 'service pact' or contract which is monitored.

	Public procurement tenders take place when selecting private sector employment agencies.	
Latvia	All outsourced services are subject to public tender by agencies which are appropriately qualified. Concessions are not granted though this form of licensing is under discussion.	Contracts are awarded and are used as the basis for managing the relationship. Private services do not have autonomy in relation to the act of entrustment.
Netherlands	External services must be suitably qualified and their services are bought by Social Insurance and Municipalities.	It is managed through a standard contract. No autonomy is given to the contractor.
Norway	Rehabilitation companies must meet certain service standards in order to tender for contracts.	Suppliers have some autonomy in relation to creating a service offer. There is no general act of entrustment.
Poland	Public procurement procedures are used.	Services are specified in a contract with no general entrustment taking place.
Romania	There are accreditation procedures for external suppliers and public procurement procedures are used.	The services to be provided are defined by law as being the same as those provided by the PES – therefore there is an entrustment of a mission of a general interest. However, there is no autonomy for PRES in terms of the services they must deliver.
Slovenia	A concessionary system is used for employment services. Vocational education agencies can be considered as having a public service remit.	Contracts are the basis for entrustment with little autonomy being granted with contractual provisions stating the contractor's obligations towards the public authority.
Slovakia	Public procurement procedures operate. Licenses are necessary. The terms of the license specify the nature of the public obligations of the licensee.	The relationship is managed by contracts.
Spain	The conditions under which outsourcing is possible are defined by law – a license is necessary and public procurement procedures are followed. Formerly, providers must be non-profit organisations. However, employment agencies can be profit making (since April 2010) and they are now regulated.	No information available

Sweden	Public procurement procedures apply and are not limited to non-profit providers.	The tasks to be undertaken are defined by contract.
United Kingdom	Public procurement procedures between Department of Work and Pensions (DWP) and external contractors are the main relationship. Contractors must demonstrate their capacity to deliver services.	The services to be supplied are specified by the DWP. Suppliers have some autonomy in relation to how tasks are to be carried out.

Most of the countries in the study have used public procurement procedures to obtain the employment services they require from external providers. (It should be noted that no country procures a 'complete' set of employment services). These involve publishing a call for tender for which external providers submits proposals.

The external providers in some cases need to have a license to be eligible for receiving a contract. This is the case in six of the countries taking part in the study – Austria, the Czech Republic, Estonia, Slovakia, Spain and Germany, but only in relation to some types of service contract.

   b. *Definition of the tasks to be carried out by the service provider and entrustment of a specific mission of general interest*

In a large majority of countries for which information was available, the public authorities specified the tasks to be carried out by external providers. However, there is no sense that these public authorities are formally entrusting a mission of general public interest, at least within the terms of the definition used in this study. Public authorities do not appear to use the language of entrustment of missions of general interest in their relationships with external providers. However, they may often, *de facto*, entrust such to external providers, because of the nature of the contracts that they draw up with them. For example, it is quite clear that there is a mission of general interest involved, since the public authority is contracting external agencies to undertake work that would otherwise be undertaken by the public sector. However, it is not cleat the extent to which entrustment takes place, since there does not appear to be a 'spelling out of the mission of general interest'.

   c. *Forms this entrustment takes and the degree of autonomy that the act of entrustment leaves to the service provider in the identification of the specific tasks to be performed*

Most countries do not allow for initiative on the part of service suppliers when they submit proposals. Rather, they publish specifications for the task to be undertaken and it is expected that external providers meet these requirements. However, in some countries such as Belgium and the UK, the service supplier will have some autonomy with regard to the organisation of the task to be undertaken, but not with regard to their nature. There was also some evidence, for example from France, that suppliers of services with regard to the integration of people with disabilities may have more autonomy than 'mainstream' providers.

This lack of autonomy runs counter to the concept of an act of entrustment of a mission of general interest.

d.   Obligation of selected providers towards the public authority to perform the service

All countries define the task that the external contractor must undertake within the context of time and sometimes performance limited contracts. Failure to meet the requirements of the contracts may lead to sanctions – ultimately leading to the public authority cancelling the contract.

Requirements for fulfilling the contract may involve failure to meet qualification criteria such as the level of training of staff, or it may involve failure to meet performance criteria. In the Czech Republic for example, almost 8% of external employment agencies lost their license to operate in 2009 for reasons connected with the eligibility criteria.

On the other hand, Denmark provides an example of a country which has changed its strategy towards the entire area of external provision. As a result of an evaluation of the performance of external provision of employment services, it was found that private providers were no more and sometimes less efficient than public providers. As a result, the numbers of private providers has diminished significantly in Denmark.

e.   Limitation of the number of providers active in the sector concerned by law (under which circumstances and procedures)

There are no legal limitations on the numbers of private sector providers that may be involved in employment service provision in any of the countries examined.

3.6.   Financing sources for service provision

This chapter looks at the sources of financing for employment services in the study countries. In doing so, it seeks to identify the main sources and so far as is possible, the relative importance of these sources of funding. In addition, also of interest was the extent to which users fund the employment services that they use and any qualifying conditions, such as means testing, which are placed upon access to the service.

It did not prove possible to obtain information that would allow a definitive answer to these questions, particularly as they relate to intermediation services. However, an overview of the funding situation was possible and it presented in *Table 1.3.6* below. In part, the reason for this concerns the ways in which employment services are conceptualised in the different countries.

Table 1.3.6   Overview of the modalities of financing of service provision

Country	Sources of finance for services
Austria	Public funding from the Social Insurance system is the main source of funding, though there may be some ESF funding also. Participants cannot be charged either for Public or Private placement services. Public services essentially have no preconditions for service access, though private services may have some.

Belgium	Funding for intermediation services is funded regionally with benefits coming from national Government. Services are free of charge and there are no conditions regarding accessing the service.
Czech Republic	PES are paid for by Sate funding, which are free to the end users. PRES are paid for by the employer as well as the State. The end user may also pay for PRSE. There are no restrictions regarding the type of people who may use PES.
Denmark	Services are funded through municipal taxation. Users do not pay. There are no conditions regarding access to services.
Estonia	State budget and ESF. Employers may be charged by private sector providers. There are no conditions regarding access to services.
Finland	State budget, municipalities and the Social Insurance Institution. Clients do not pay, though employers may jointly pay for training. Registration with the services is the only access condition.
France	Funding is provided by a mix of State, Regional, Departmental and ESF sources. Different funding structures apply to different services.
Germany	Funding is provided by Ministry of Labour and Social Affairs. This funding comes from Social Insurance funds. Some income support is provided by municipalities. Users do not contribute financially. All unemployed people have access to services, but the nature of the service is determined by a profiling system.
Greece	ESF and state finances. Users do not contribute. Access conditions to PES appear to be the same as access to benefits.
Hungary	Services are financed mainly though the State budget, with a small amounts coming from local government and private providers.
Ireland	The state funds these services. There is no user charge.
Italy	There is a combination of central, regional and ESF funding in place. Users of the service do not pay and there are no conditions regarding accessing the services.
Latvia	The services are State funded and users do not pay for them. Users have a number of obligations placed on them when using the services but there are no access restrictions.
Netherlands	Public funding, no direct user charges. No restrictions on access.
Norway	Social Insurance. Users do not pay for the services.
Poland	Services are financed via the labour fund (Social Insurance). There are no charges for PES.
Romania	Services are funded mainly by the social insurance budget and from employers who may pay for training. There are no user charges and no means test is applied regarding access to the services.
Slovenia	Funding sources depend on the activity, but they include social insurance, the state budget and the ESF. Users do not pay and there is no means testing with regard to access to services.
Slovakia	Public funding, with no user charges to PES. PRES charge for their services.

Spain	Public finding from Central Government and the ESF. There are no user charges.
Sweden	Public funding through the Ministry of Employment. Service users do not contribute. Selection mechanisms relate to the type of programme involved (e.g. age related programmes).
United Kingdom	Department of Work and Pensions. There are no user charges. There are strong conditions on claimants to use the services.

It is clear that there are number of common sources of funding for employment services. All countries in the study fund the employments services through ministry budgets. These budgets are generally raised from social insurance funds, though in countries where this model of social protection is not in place, funding comes from general taxation.

ESF funding is also a significant part of the funding for employment services, particularly where training services are included. Though not all countries mention this as a source of funding, ESF finding plays a role within a broad definition of employment services in all of the participating countries with the exception of Norway.

None of countries surveyed had user charges for accessing the system, at least with regard to individuals accessing the PES. It was also clear that no country charged individual users for services that were paid for by the public sector (i.e. the external services that are of interest in the current context).

However, there were two circumstances where charges were made in some countries. The first concerns services to employers, for example where the PES acts as an employment agency for employers, as a supplier of vocational training or where they act under the instructions of an employer to find specific types of employee. Here, employers must pay.

The second circumstance occurs where an individual uses employment services that are fully in the private sector, i.e. ones where the State does not provide any funding. In this case, the individual pays for these services.

3.7. Cross-border provision of services

This chapter is concerned with the level of cross border provision of employment services. Very little information was available on this issue and in countries where cross-border services exist, they are not a significant feature of the sector.

Despite this lack of activity, some countries have legislated for the possibility that cross border services may come into being. For example, Poland and the Czech Republic have such regulations.

In other countries, there have been some agreements regarding cross border provision of services, but there has not been regulation or legislation covering these agreements. In Finland, there have been agreements concluded with the Russian Federation and the Baltic States regarding cross border services, while in Hungary, there have been agreements with Slovakia, Romania and Bulgaria with regard to employment services for regional ethnic groups.

There are also some examples of regional or cross border projects. For example, in Slovenia, there have been cross border with Hungary, Croatia, Italy and Austria, but there is no information available about whether these projects have been extended into permanent services.

Perhaps the most commonly mentioned cross border initiative concerns the EURES service, which is mentioned as a cross border initiative in many of the participating countries (it is to be assumed that it is available in all of the EU/EEA Member States). However, though this service has a cross-border dimension, it is not a cross border supplier of services, and therefore falls outside the remit of this study.

The information available to this research suggest that cross border provision of services is not a significant feature of employment services as yet. However, there are some examples from the UK which might provide a view of how such services could develop. Here there have been some examples of private sector suppliers being taken over by foreign companies, i.e. two different companies from the Netherlands and one from Australia have taken over major UK suppliers of services. This may be an example of a significant pathway to the development of cross border services in the future.

4. SOCIAL HOUSING[70]

4.1. Introduction

During the past decade, several important processes have influenced the European social housing sector: the two most influential ones are the reorganisation of the social housing sectors in numerous EU/EEA countries driven by fiscal constraints and changing public policy conditions, and the fundamental changes in the former socialist countries, where the processes of privatisation and decentralisation not only lead to a decrease in social housing provision but also to a decrease in rental housing.

Today the shares of rental accommodation across EU Member States range between (nearly) 0 % and more than 50%, the shares of social rental housing range between also (nearly) 0 and 35% - the higher shares are to be found in the EU-15-countries. In 2011 we also observe a large diversity of the social housing stock in terms of quality and affordability, and a variety of forms and contents of housing policies, social policies relating to housing affordability, similarly to the heterogeneity of the composition of included and excluded groups.

a) Social Housing in the framework of Housing Policies

Social housing policy, which is part of housing policies in general, comprises a range of instruments enabling intervention on the housing market. Housing policies in general cover different aspects, such as sufficient supply and quality of housing, availability of different tenures from which households can choose an appropriate form of accommodation, promotion of homeownership, rent/price control of housing and related markets, residents' mobility. To be more precise, social housing policy falls between general housing policies and welfare policies and is focused on the availability of affordable and decent housing from the perspective of the consumers or specific consumer groups. As far as affordability is concerned, different social housing policy options exist, the prevailing ones being the demand-side model of granting individual allowances (or "housing benefits") to individuals, and the supply-side model of direct provision of affordable housing which is promoted by housing policies. The latter option implies mechanisms of housing production and allocation that are not dictated by the market (see the "social business model" below). As this study deals with "service provision" rather than with the complete spectrum of different policy options, it focuses specifically on the provision of social housing. It should nevertheless be borne in mind that there are other instruments of social housing policy that are not covered in this study.

It should also be noted that there is not always a clear-cut division between general housing policies and social housing policies, as the provision of affordable housing is both quantitative (sufficient supply) and qualitative.

Attention should also be paid to the fact that it is not only through social housing policy/provision that the state intervenes in the housing market through public spending. In many countries there are financial incentives in the form of tax exemptions going to housing

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[70] The following 22 countries have been analysed as regards the regulatory framework for service provision and financing for social housing: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

developers or individual homeowners and owner-occupiers, as well as subsidised saving-schemes for private housing.

b) Historical aspects

If we look back at the past we see that the provision of social housing was not invented by the modern welfare state. During the 19th century, in a period of rapid urbanisation and serious housing shortages, some social housing was provided by private initiative, not on a large-scale, it is true, but the concepts and elements of these early solutions are still here today. Both affordability and decent quality housing were goals of cooperative housing, where a group of people would get together to reduce building costs by investing without going through a third party (investor/landlord). Similarly, companies invested in workers' housing, as part of more general philanthropic or paternalistic models or simply to house their workers. In this context, the provision of childcare, healthcare and education were often also included. Although the motives and institutional solutions were different, the various choices corresponded to specific business models within a capitalist society, based on non-profit or devoted to the "common good".

As a result of these initiatives, the governments at the turn of the 20th century had two major options when deciding on the framework of modern social housing policy. One was to encourage the existing private initiatives through legal and financial measures the other was for the state itself to be responsible for the provision of social housing. Today's social housing organisations as well as the regulatory frameworks applicable to social housing clearly date back to the turn of the 20th century in many countries.

c) The range of models of social housing provision today

Today we find a great variety of models of social housing provision in Europe, although it does not exist in some EU/EEA Member States or is only marginal (e.g. Greece, Portugal and most of the new Member States such as Estonia, Hungary).

Not all of the above-mentioned features of social housing can be identified in the social housing systems in EU/EEA Member States. The regulated "social business model" (which lays down regulations governing specific bodies and how they conduct their business, see below) is not present everywhere (we do not find it in Germany and Norway). The cooperative model can be found in many countries but in different forms; public intervention in the form of direct provision by public authorities and/or the promotion of private provision through different instruments vary considerably. The models can also be classified according to their different degree of targeting (i.e. the degree of concentration on lower income groups or other groups in urgent need of support), and whether or not they include homeownership as part of their policy. Some of the models might be regarded as being on the borderline between social housing and private housing, especially as regards promotion of homeownership.

The most common social housing models across Europe are as follows:

−   Provision of housing by public authorities: first it has to be noted that public provision is not necessarily regarded as social housing. In decentralised systems, where municipal housing is either not regulated by a national or regional law or where the law gives the municipalities much discretion, housing policy can be defined as the municipalities see fit; they may provide housing and have the right to decide which part of their stock is used for

social housing. In Hungary, for instance, a small part of the municipalities' housing stock is not used for social purposes. Consequently, municipal housing is not necessarily the same throughout the country. Moreover, housing by public authorities may differ according to how it is financed, even within the same country or region or municipality. It may be financed by its own funds or through a public funding scheme from a different public authority, which will then lay down certain obligations including that of rent setting. In the first case, the authority has more freedom to define its conditions (e.g. Austria).

− Allocation of non-public housing (e.g. owned and managed by private social housing providers, see point 4.4) by public authorities to households in need: even if this model is in addition to the others, it has to be regarded as a specific type of direct social housing provision (e.g. Austria, Denmark and Norway). This refers to the right that local authorities have in some cases to nominate households from their waiting lists for private providers' stock and or preemption rights.

− Provision of housing by approved or regulated housing providers: here the regulation implies business limitations (for instance, business activities must be limited to housing); it defines limits for revenues and profits; stipulates the appropriation of assets (prohibits transfer of assets); imposes requirements concerning rent setting, etc (non- or limited-profit housing as in Austria, Denmark, France, Netherlands and UK). As mentioned above, this model not only supports the supply of social housing, but it also stipulates a specific – social – business model.

− Public Funding Schemes: they are NOT regarded as a service. Their function is to grant financial compensation for financing of social housing by defined providers – not necessarily public or non-profit. In these cases it is the funding scheme that lays down the conditions of housing provision (e.g. Austria, Czech Republic, Germany, Finland, Italy, Poland, Spain and UK).

In many countries different models of provision coexist, such as provision by public authorities (county or city councils, municipalities) and provision by other entities (e.g. Austria, Finland and UK). The combination of public funding schemes and regulated providers is very common.

Since social housing includes the renting of property in old housing stock we also find a great variety of models for such housing, even when the model is no longer used for new housing stock. For instance, certain housing programmes or housing schemes which may have been implemented for a limited period of time (or even the lifetime of the building) and which determined the costs and possibly allocation rules will not apply to new housing construction.

In addition to the discretionary powers of municipalities referred to above, municipal companies also may provide social or other housing, even in the absence of national or regional legislation.

d) Changing housing policies and effects on households

It was not core subject of this study to deal with the consequences of changing housing policies in detail. Nevertheless it should be stated that there are ongoing debates in all EU/EEA countries on (social) housing policies and in particular on the consequences for users and households in need. Some core issues raised by these debates are presented at the end of these introducing remarks (see Box 1.10).

Box 1.10: Remarks on mechanisms in changing housing policies and effects on households

According to the most recent EU level data[71], the most at-risk-of poverty households are those living in dwellings with subsidised rents, which leads us to the conclusion that 'publicly subsidised housing' sectors accommodate mostly vulnerable households. Especially in the South Eastern and Central European countries, with constrained stock, it is essentially the private rental and also the low end of the ownership sector that houses the poorest.

The mechanisms behind an increased marginalisation of the households living in social housing is complex as well: the size of the social housing throughout the European area has been shrinking, with diverse speed-ups in selected countries, exposing the whole housing systems more and more to market mechanisms. Moreover, e.g. in the Nordic countries, but also in the Netherlands, the change of the governance of the social housing sector itself has increased the marketisation of the operation of housing associations (and coops). In effect, this has brought about changes to the states' roles as well.[72] The East European housing systems 'legacy' are – but a few exceptions – highly residualised social housing sectors and increased housing vulnerability for those who lived in dwellings which were subsequently de-nationalised or restituted[73] (i.e. privatised to the benefit of the former owners or their heirs). The increasing role of the market and the decreasing role of the states in direct housing provision have lead to an increase of importance of (labour) income in access to and sustaining of housing. Obviously, the 'role of the state has shifted from a concern with redistribution of resources to a focus on regulation and risk management.'[74] Besides decentralisation, the emerging enabling role of the state and a move to non-governmental institutional solutions (with a decrease of the social housing stock in general), there is decreasing political priority for social housing that manifests in deregulation. Also, there is a diminishing influence of the state on housing allocation, and the landlords' risk management attitude and institutional disinterest to lodge 'problematic' households can in some countries result in preventing the most vulnerable from the access to rental housing.

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[71] EUROSTAT (2010) *The Social Situation in the European Union 2009*, European Commission, DG Employment, Social Affairs and Equal Opportunities – Unit E.1 and Eurostat – Unit F.4, Manuscript completed in February 2010.

[72] Edgar, B., Doherty, J., and Meert, H. (2002) *Access to housing: homelessness and vulnerability in Europe*, The Policy Press.

[73] Hegedüs, J. (2010) *Towards a New Housing System in Transitional Countries: The Case of Hungary*, in: Arestis, P., Mooslechner, P and Wagner, K. (eds.) *Housing Market Challenges in Europe and the United States*, Palgrave Macmillan, pp. 178-202.

[74] Edgar, B., Doherty, J. and Meert, H. (2002) *Access to housing: homelessness and vulnerability in Europe*, The Policy Press, p. 51.

4.2.   The concept of social housing across Europe

Definition of services

Only in a few EU/EEA countries is there a definition of "social housing", and this term is not used everywhere. Instead we find the terms "Affordable Housing" (France), "Common Housing" (Denmark), "Housing Promotion" (Austria, Germany), "Limited-Profit Housing" (Austria), "Municipal/Public Housing" (many countries, e.g. Austria, Estonia, UK), "People's Housing" (Austria), "Protected Housing" (Spain). The term "social housing" is often used as a kind of shorthand for different concepts and/or elements of housing which are outside the market, involving some of the elements presented below.

At this point it is worth recalling the definition of social housing adopted for the purpose of this study, namely the provision of housing at below market price to a target group of disadvantaged people or socially less advantaged groups as well as to certain categories of key workers. Public authorities define the target group as well as the exact modalities of application of the system. Social housing providers can also provide other related services to the target group. The findings of this study challenge to some extent this common definition, showing that the diversity of concepts and approaches (see point c above) makes it very difficult to identify a common understanding of the concept of social housing across EU Member States. Nevertheless, one can identify some recurrent elements which we illustrate below.

As the regulatory framework is rather comprehensive and complex – different elements may even be regulated by different legal instruments – the underlying concepts of social housing have to be extracted from a comprehensive legal framework. In some European countries different types of social housing co-exist, such as "Council/Municipality Housing" and "Non-Profit" Housing in Austria, Finland and UK. In some countries like the Netherlands social housing relates to a specific type of provider/landlord, in others it does not. The following elements are common to the different social housing systems across Europe; not necessarily all of them are present at the same time:

- Affordability (below-market rent, income-related rent, cost rent);

- Non-market methods of allocation;

- Sufficient supply of decent housing;

- Non-profit base of housing provision (production/financing/renting);

- Specific target groups/Households in need.

In some interpretations "social housing" is identified with schemes of public financial assistance, whereas they are not a "service" as such but more an instrument to foster the existence of the service (the supply of affordable housing).

In the new EU Member States, the definition of social housing has undergone radical change. In the socialist housing system, state housing included several forms of tenure, not only state- or council-owned rental apartments, but also the cooperative sector and the owner-occupier sector, because price, allocation and size of the dwellings were decided by the housing authority (state/council level). After the transition the direct role of the state/municipalities was

limited to the state-owned stock, which was rapidly privatised. (See Box 1.11 below). There are very different approaches to the definition of social housing. In practice, municipally-owned housing serves as social housing because it has a reduced rent (typically 20-60% of the market rents) and the vacant/new units are allocated according to social criteria. However, because the ownership, management and allocation of state-owned stock were transferred to individual municipalities at the beginning of the 1990s, the sector has been much decentralised.

In most new EU Member States, social housing is typically defined in legislation covering different sectors (such as the laws on cooperatives, local government, etc.) and in the detailed regulation of subsidies as a criterion of eligibility for central government grants. One exception is Latvia, which defines as social housing only those rental apartments which were allocated to vulnerable groups (only 1% of the social housing stock), while the municipal rental units are defined as "private rental". In fact, social housing in the new EU Member States is rental housing managed by municipalities. In Poland and Slovenia, in addition to municipal housing, non-profit organisations may play a role as well.

There are, however, two important examples where an explicit definition of social housing can be found in the legislation: the Czech Republic and Poland. These countries provide a broad "definition" of social housing in relation to the entitlement for a preferential VAT rate, which is applied in new construction and repair and maintenance work. In the Czech Republic this concerns housing of $120m^2$ for apartments and $350m^2$ for family houses, in Poland housing of $150m^2$ for apartments and $300m^2$ for family houses. In the former, the rules will be amended at the beginning of 2012.

Box 1.11: Housing privatisation and restitution in new EU Member States between 1990 and 2006

Most of the countries in transition sold 75-95% of their stock of public housing to "sitting tenants", that is, tenants who actually had a rental contract with the social landlord at the time of the sale offer (see *Table 1.4.1*), usually at give-away terms—that is, these tenants typically paid less than 15% of the market price. Various financial schemes were employed, including vouchers (e.g. Czech Republic, Latvia), compensation shares (Hungary), special loans, advance payment schemes, etc. In some countries privatisation was done under national laws, which introduced the right to buy (e.g. Hungary, Lithuania, Slovenia), but in other countries local governments (the new social landlords) had the right to decide (e.g. Czech Republic).

Privatisation was undertaken even in the absence of a clear (and efficient) legal framework for the operation of multi-unit buildings. Most countries, at least in the beginning, maintained the traditional structures: the state owned the structural elements of the building, state maintenance companies had a monopoly, and there was price control for housing-related services. This led to rapid deterioration of the buildings, and fragmented, unprofessional maintenance companies.

Table 1.4.1   Housing privatisation in the new EU Member States

privatised since 1990	public rental as % of all dwellings		Estimated % of
	1990	Around 2006	
Bulgaria	7	3	55%

Czech Republic	39	10	74%
Estonia	61	4	93%
Hungary	23	3	87%
Latvia	59	11	78%
Lithuania	61	2	96%
Poland	32	12	62%
Romania	33	2	93%
Slovakia	28	4	86%
Slovenia	31	3	90%

Source: Based on UN-ECE 2002, Housing Statistics for Europe, 2006

Around 2006 there were still some countries with a relatively large public rental sector in comparison to other new EU Member States: Czech Republic (10%), Latvia (11%) and Poland (12%). These countries will probably continue to privatise and it is less likely that they will be able to convert their post-socialist rental sectors into unitary public rental sectors, because they are under both political and financial pressure to privatise. Households expecting rent increases would like to buy their homes, and local governments are under fiscal pressure and would like to sell. The privatisation process has been slowed by several factors, including households' lack of resources, a lack of financial incentives for local governments and households, and certain procedural rules (land registration, the requirement that at least 75% of tenants intend to buy, etc.).

Cooperative housing in Eastern Europe represents, in principle, a tenure form between public rental and owner occupation. In fact, however, there were only minor differences between living in a cooperative and a state rental unit, as the construction, allocation, and financing were managed by the organisations under direct state control. Cooperatives had an important role in Czechoslovakia (where they made up 17% of the housing stock), Poland (24%) and the Soviet Union (4%) before 1990. In a legal sense there were several types of cooperatives, including tenants' cooperatives, owners' cooperatives and building cooperatives. Building cooperatives in Bulgaria or in Hungary were not a separate tenure, because the cooperatives existed only during the construction period, and ceased to exist after the building authorities granted the right to use the building. In most of the countries the cooperative sector has disappeared or been transformed into owner cooperatives, which are basically a form of owner occupation. Today there is no reason to classify them as a form of social housing, although there have, from time to time, been attempts to re-introduce new cooperatives in transition countries.

Restitution (when former owners of property reclaim assets that were expropriated from them or which their families had been forced to sell) played an important role only in the Czech Republic (about 7% of dwellings were restored to their former owners), but it was possible in most of the countries (except Hungary). Restitution did not create a substantial sub-market, but it had a huge influence on the operation of the sector, because it led to uncertainty about property rights and caused social tensions due to the unclear position of the sitting tenants.

Scope of services

Housing provision comprises the developing, letting, selling and operating/managing of (social) housing, including repair, maintenance and renewal. Unlike other sectors analysed in this study, the service can be divided into different economic activities.[75] The fact that housing provision can be broken down into different activities is of relevance, amongst others, for the question of outsourcing of services. Given that, in the economic sense, these activities can be performed by different bodies, outsourcing does not necessarily mean that everything is outsourced and, indeed, the most usual case is outsourcing the operation/management of rental housing while the renting activity (landlord function) remains with the "original" provider (see also chapter on modes of service provision below).

There is also a new trend with the provision of additional services to residents that are not related to housing directly, such as repairs and removals (see chapter concerning additional services in Section 2).

The operation and management of social housing is not only a commercial activity but includes "social care activities" as well, which are performed in relation to the specific social problems of the tenants living there. However, compared to other social services analysed in this study, the continuous care/advice/empowerment services offered do not constitute a core aspect of social housing provision.

When it comes to provision of accommodation to target groups that require additional social care, there are different models in use. Social housing providers may cooperate with NGOs or other social care institutions at private and public level, as for example in Hungary where, in addition to the other services, a specialised social service exists for households in arrears with their rent, through the family care centres. Special social housing services (shelters for the homeless, temporary emergency homes), are provided typically by separate institutions (sometimes non-profit organisation) and typically do not belong to social housing services. The institutional separation between these services (social housing and housing for special vulnerable groups) is because different policy areas and different ministries are responsible for these tasks, and the legal and financial regulations are distinct.

4.3. Legal and institutional frameworks for service provision

The legal and institutional framework is shaped by (1) the regulatory framework, (2) the role of public authorities in social housing programmes in the given country and (3) by the degree of responsibility and autonomy of providers.

   a. *Responsibility for developing legislation/regulations related to service provision and financing*

Given the different concepts and national legal systems, different legal responsibilities can be identified:

In the old EU/EEA Member States national regulation prevails (see *Table 1.4.2*). But due to a process of decentralisation in some EU/EEA Member States in the last few years (e.g. Austria,

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[75] Compare for instance Nace Rev. 2, Eurostat, Methodologies and Working Papers, 2008, where classifications and definitions for different economic activities are provided.

Germany and Italy) the provinces have become more important. Furthermore, although municipalities have limited legislative powers under most constitutions, they often have a constitutional autonomy that enables them to develop their own housing policy (e.g. Austria and most of the new EU Member States). For another group of countries, the role of the municipalities is laid down in national or regional legislation (e.g. Denmark, UK). However, even decentralisation does not mean that the state has no role or responsibility in matters of housing; general regulations and monitoring tasks are still decided and carried out at national level, and national housing plans or schemes may co-exist alongside regional schemes (e.g. Italy).

In the new EU Member States, central government (and parliament) are responsible for preparing the overall regulations related to the sector (laws on privatisation, rent regulation, legal structure of the municipal rental sector, etc.). However, in these countries the public housing sector is very decentralised, as the framework laws give municipalities a lot of autonomy to manage their housing stock (including rent setting but within defined limits if there is central rent control), adopt allocation rules, and even decide on privatisation.

b. Responsibility for organising service provision

The responsibility for organising provision lies with the providers themselves – irrespective of their nature. In political terms it is the public authorities that are responsible and their role is also determined by the extent to which they are involved in financing social housing. They are also responsible for planning, though final responsibility remains with the service providers.

c. Responsibility for financing service provision

There are two levels of financing as far as housing provision is concerned: first, investment costs (financing the development/construction of new housing) and second, running costs (operation, maintenance and renewal).

Concerning investments costs, independent service providers (public and private) act at their own risk and the responsibility of the public authorities is limited in that they are not obliged to provide any financial assistance or guarantee. Nevertheless in many countries such financial assistance does exist in the form of public funds extending loans or grants, and public guarantees, at both national and regional level. Furthermore, municipalities may also provide additional funding and the (regulation of or direct) allocation of land for the construction of affordable housing. These schemes may be open for independent providers as well as local authorities.

As regards running costs, there is a basic difference between provision by local authorities and independent providers: of course, in all cases tenants pay rent, which goes towards the costs, and local authorities may also contribute from their budgets. Housing allowance schemes provide additional support for low-income households.

In the new EU Member States, running costs in the public rental sector (after privatisation) are financed from rent revenues and municipal budget revenues; the capital cost of the municipal rental development is typically co-financed by the state budget or by soft-loans. The state budgets finance the income benefit programmes that help eligible tenants to pay their rent. In Poland the social housing societies (TBS) have to finance their operational cost exclusively from rent revenues.

   d. Responsibility for providing the services

The situation is similar concerning the responsibility to provide services – practical responsibility lies with the providers, political responsibility with the public authorities.

   e. Responsibility for evaluating/monitoring the performance of service

Evaluation and monitoring the service is more decentralised, with an increasing involvement of local bodies that are designated by law to carry out the monitoring. In Denmark, for example, there is national legislation but evaluating and monitoring are done at local level; in Austria there is national legislation regulating the non-profit bodies but their supervision is delegated to the federal provinces. Taking into account the numerous other bodies engaged in monitoring and supervision as well as customers' participation there is a dense evaluation network (see Section 3 of this study on quality tools and frameworks). In countries with public finance schemes defining service provision, it is the local authority responsible for the scheme that is also involved in monitoring the service (e.g. Germany, Italy).

Table 1.4.2.   Responsibilities for legislation and regulation, financing and delivery of services

| Country | Responsibilities for | | |
	developing legislation/regulation	financing service provision	providing the service
Austria	On Promotion Schemes: Federal Provinces; On Limited-Profit Housing: Federal State.	The housing providers themselves + they can apply for financial assistance from housing promotion schemes of the Federal Provinces.	Providers entitled by the Promotion Schemes of the Federal Provinces (municipalities, limited-profit housing providers, for-profit providers for owner-occupied housing in all provinces and for rental housing in some of the provinces)
Belgium: Brussels Region	Regional Government of the Brussels-Capital Region	The regional government is responsible for financing+public funding is managed and allocated by the regional housing company SLRB (Société du logement de la Région de Bruxelles-Capitale)	The SLRB and 33 approved social housing providers (SISP)
Belgium: Flanders	Regional Government of the Flemish Region	The regional government is responsible for financing + public funding is managed and allocated by the regional housing company VMSW (Vlaamse Maatschappij voor Sociaal Wonen).	102 approved social housing providers (SHM) supported by the VMSW

Belgium: Wallonia	Regional Government of the Walloon Region	The regional government is responsible for financing + public funding is managed and allocated by the regional housing company SWL (Societé wallone du logement).	The SWL and 68 approved social housing providers (SLSP)
Czech Republic	National Government and Parliament, but implementation is regulated by the municipalities	Operating costs are covered by the rents and municipal budget revenues. Capital cost is co-financed by the state budget. Social service related short-term housing provision is financed from the central budget (by the respective line ministry).	Municipalities (running, developing and refurbishing) Since 2009, for-profit and non-profit private investors are also eligible to develop new long-term social housing with the use of state subsidies. Temporary (crisis) social housing is provided by non-profit NGOs.
Denmark	The State	Social housing associations are responsible for financing + the municipality offers guarantees for part of the loan.	Social housing associations
Estonia	National Government and Parliament, but implementation is regulated by the municipalities	Municipal housing is financed from rents and the from municipal budget revenues. The Estonian Credit and Export Guarantee Fund (KredEx), a public limited company, may contribute to development of municipal housing (energy saving) investment, up to 50% of a project cost.	Service providers are municipalities though there is a legal option to include other organisations.
Finland	Government and Parliament. The Ministry of the Environment has a controlling and monitoring role.	Financing is obtained through loans from various banks and special financing institutions+ loans are managed by ARA (Housing Finance and Development Centre of Finland).	Housing companies

France	National legislation, local regulation on urban planning, loans authorisations+ national regulations according to the specific status and legal form of the social housing provider: public law or private law entity	National legislation regulates access to public loans + local authorities provide guarantees and loans + public authorities are responsible for authorising the sale of land.	HLM (habitation à loyer modéré) operators and semi-public enterprises
Germany	The Länder	The Länder are responsible for annual promotion programmes + until 2013 the Länder will receive central government compensation.	Companies and cooperatives receiving subsidies for the promotion of social housing
Hungary	National Government and Parliament, but implementation is regulated by the municipalities	Public rental sector is financed by municipalities. The central government may contribute through different programmes to both the capital cost (municipal rental construction grant, interest rate subsidies, etc.) and the rental payment (housing allowances).	Municipalities via their departments or their established property management institutions/organisations
Ireland	The national government Department of the Environment, Heritage & Local Government+ Housing Minister	The housing providers (local authorities and approved housing bodies)	The housing providers (local authorities and approved housing bodies)
Italy	The Regions and the municipalities	The Regions finance regional housing plans + municipalities (together with the Regions) co-finance personal aid for the rental sector + The central government is responsible for macro-programming.	Municipalities, local public providers acting at the provincial level, and housing cooperatives and private providers

Latvia	National Government and Parliament, but implementation is regulated by the municipalities	Municipalities are responsible for financing service provision. Investment into new social housing, however, is co-financed by the central government via special funds.	Municipalities
Netherlands	Government and Parliament	Social housing organisations are not financed by public funds but finance themselves + tenants may be entitled to government subsidies.	Social housing organisations
Norway	Parliament	The municipalities are responsible for financing housing provision, through the State Housing Bank or other public banks.	Municipalities are mainly responsible for providing the service.
Poland	National Government and Parliament, but implementation is regulated by the municipalities	Municipalities finance enlarging of the municipal housing stock from their own budgets. The central level is responsible for state-wide housing financial instruments (credits for non-for-profits providers, loan subsidies for individuals, grants for thermo-modernisation investments, support for municipalities creating municipal social rental housing).	Municipalities privates and non-profit providers including TBS, housing cooperatives (type of tenement), NGOs, institutions which need staff accommodation
Portugal	Central State	The Central State is responsible for financing the direct provision of social housing and territorial projects and also grants tax incentives to cooperatives.	Municipalities and Social Security is also responsible for a residual number of social dwellings.

Romania	National Government and Parliament, but implementation is regulated by the municipalities	Public housing is financed from rents and local budgets. The National Housing Agency, a government institution, finances and builds rental housing for young people in cooperation with the municipalities.	Municipalities (via their departments or managed by municipal companies)
Slovakia	National Government (Ministry of Construction and Regional Development) and Parliament, but implementation is regulated by the municipalities	State Housing Development Fund covers new development via soft loans and grants, but the financial responsibility of running the social housing stock rests with the municipalities.	Municipalities and their management companies
Slovenia	National Government and Parliament, but implementation is regulated by the municipalities	The operational cost is covered by non-profit rents, and a variety of benefits at national and local level. New construction is co-financed by the Housing Fund of the Republic of Slovenia as defined in the Housing Law.	The non-profit rental stock is managed by the Municipal Housing Fund (non-profit housing company of the municipality).
Spain	The central state is responsible for the coordination of general economic planning + the *Comunidades Autónomas* (regional governments) are responsible for territorial, urban and housing planning.	Protected housing is mainly financed through funding from the National Housing Plan + the state stipulates agreements with credit institutions.	Local authorities + public and private promoters.
Sweden	National legislation concerns the local authorities' responsibility with regards to ensuring access to housing and regulates the rental housing sector. Other	The Municipal Housing Companies provide services for their tenants. Each property owner / developer / investor is responsible for financing his / her own new projects. There is no	The local Municipal Housing Company

	than that, the content of the services provided is not formally stated.	public support or subsidies for housing.	
UK: England	National legislation (Housing and Regeneration Act 2008)	The Homes and Communities Agency is responsible for channelling public funding for new social housing developments.	Social landlords themselves + the Tenant Services Authority
UK: Scotland	Scottish Parliament	The Scottish Government's Housing and Regeneration Directorate is responsible for financing the social housing sector.	Social landlords themselves + the Scottish Housing Regulator

4.4. Modalities of service provision

This section deals with the way in which the service is provided. This may include three types of modalities, namely: a) Direct provision by a public authority (i.e. where the service is provided by the public authority itself, using its internal resources); b) 'In house' provision (where a public authority provides a service itself, albeit acting through a legally independent entity); or c) Outsourced or externalised service provision (where the service is not provided by a public authority but by external providers).

Table 1.4.3 provides an overview of each of the three modalities in each country. A first remark is that in most European countries two or more of these modalities coexist. It is worth noting that the classification adopted for the purpose of this study has drawn primarily on the information provided by national country experts of the study. In many cases, figures are only estimations and no official statistical data is available. Therefore, the accuracy of the relative importance of each modality should be taken with caution.

Table 1.4.3   Modalities of social housing provision

Countries	Direct provision by public body	In house provision	Outsourced service provision
Austria	YES 40% of the total social rented stock owned by municipalities (2001)	YES Limited-profit companies owned by municipalities and/or provinces (25 in 2001 owned 20% of total social rental stock)	YES For and not-for-profit private providers owned 40% of the total social rental stock in 2001
Belgium	NA	NA	YES All social housing in Belgium (entrusted agreed social housing

			providers, mix of public and private ownership)
Czech Republic	YES Municipalities provide long-term rental housing (ca. 16% of the total housing stock)	YES Only for temporal crisis rental housing by organisations owned by the municipalities (ca.2% of the total housing stock)	Marginal Very small number of non-profit organisations (charities) providing temporal crisis rental housing.
Denmark	YES Municipal housing stock 2%	NO	YES 98% owned by not-for-profit housing associations
Estonia	YES Ca. 4% of the total housing stock is in public ownership, and only 1% of the total housing stock is "social housing" (ca. 25% of the public housing stock)	NO	Marginal By law external service providers may be selected via public procurement procedures open to anybody but in practice this is only marginal (only in maintenance and construction)
Finland	Almost none (precise data not available)	YES 60% managed by municipally-owned companies or foundations	YES 31% by limited-profit housing organisations
France	NO	NA	YES 100% of social housing provided by HLM (contracting authorities)
Germany	NA	YES Municipal housing companies (729 municipal and other publicly owned housing companies provided 2.3 million rental dwellings, of which 30% subsidised: GdW[76], 2008)	YES Private companies and co-operatives (Co-operatives and private companies provide ca. 750,000 subsidised dwellings: GdW, 2008)

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[76] Data provided by GdW (Bundesverband deutscher Wohnungs- und Immobilienunternehmen), the umbrella body for public, co-operative, church and private housing companies in Germany. GdW represent 30% of the total number of German rental housing providers. Its members manage over 6 million rental dwellings (ca. 15% of Germany's total housing stock). Out of this stock, 1.2 million units are social rental dwellings.

Hungary	YES In small municipalities	YES In larger municipalities, ca. 3.7% of the total housing stock is social housing. Managed by companies owned by local governments.	OPTION NOT IN USE
Ireland	YES Main modality. Local government housing authorities (e.g. county, city, borough and town councils) provide ca. 84% of the social rental stock.	NO	YES Approved housing bodies (voluntary housing associations and co-operative housing societies) provide together ca. 16% of the social rental stock.
Italy	YES Municipalities own and manage 100,000 dwellings.	YES Municipalities entrust management to public companies operating in their province. 113 public agencies own and manage 760,000 units. Provincial public housing companies managed 60,000 municipally owned dwellings.	YES -Some municipalities (Rome, Naples, Venice) entrust management to private providers chosen by public tender. - Private operators (cooperatives, private developers, bank foundations) acting on their own initiative can apply for public funding.
Latvia	OPTION NOT IN USE	YES Only in the city of Riga (publicly owned real estate management company) 1,648 dwellings.	YES Only one case (city of Riga has subcontracted NGO to run 6 of its 14 social houses).
The Netherlands	NA	NA	YES Registered institutions (housing associations and foundations)
Norway	YES 4% municipalities	YES Some municipal housing companies e.g. Oslo's MHC manages 10.200 dwellings.	YES - Municipalities have right to –pre-emption of up to 10% of the homes in housing cooperatives. - Some housing with care provided by

			voluntary, non-profit organisations by instruction of the municipality.
Poland	YES	YES Most widespread modality of social housing provision. Out of 191 social housing associations with majority public capital, 90% are fully publicly owned.	YES Variety of not-for- profit providers (including private TBS investments)
Portugal	YES In 2008: - Between 115,000 – 125,000 municipal social rental dwellings (2% of total housing stock)[77] - IHRU owns and manages 12,027 dwellings - Social Security provides 1,400 units	YES Municipal housing companies established in 14 out of 192 municipalities answering OHRU survey (2008)	YES NGOs eligible for specific public funding programmes (e.g. re-housing and rehabilitation)
Romania	YES In small municipalities	YES In larger municipalities, altogether 2.3% of the stock is social housing, and 77% of it is in Bucharest and other big cities	OPTION NOT IN USE
Slovakia	YES In practice, all social housing directly provided by municipalities (ca. 2.6% of the total housing stock).	OPTION NOT IN USE	OPTION NOT IN USE Only few dwellings provided by NGO for Roma people
Slovenia	YES	YES Most common modality. "Municipal housing funds" manage ca. 6% of the total housing stock.	YES Little information about NGO's operating due to changing regulations.

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[77] Figures estimated by OHRU study *Housing and Urban Rehabilitation Observatory*.

Spain	Almost none	YES Public housing companies created by L.A.s build and manage social housing	YES Any providers may apply for funds via public procurement, on which they are subject to regulations for 'protected housing'
Sweden	Almost none	YES Municipal housing companies provide rental housing on a non-profit basis but there is no mandatory law or any obligation to perform the service. 310 MHCs owning 890,000 units. 7890	NA
United Kingdom	YES England: 45% of social housing stock in England provided by L.A.s., of which 53% managed directly. Scotland: L.A.s manage 329,524 units (55% of social housing stock)	YES England: ALMOs manage 47% of all local authority stock. Scotland: NA	YES England: 55% of the social housing stock own and managed by independent non profit organisations (H.A.s) Scotland: H.A.s manage 269,398 dwellings (45% of the social housing stock)

Acronyms:
ALMO: Arms Length Management Organisation
MHC: Municipal housing company
HA: Housing association
LA: Local authority

a. Direct provision by a public authority

As can be seen in *Table 1.4.3* direct provision of social housing services can be found in seven out of twelve old EU member states (plus Norway) and in almost all new member states. In all cases it corresponds to local authorities (i.e. municipalities, city or county councils) owning and sometimes managing social rental stock to be allocated to groups in need[78]. However, as we will see in the next points, in some cases certain services, notably housing management and new construction, are totally or partially performed by other public or private bodies on a contractual basis (i.e. through in house and/or outsourced provision).

While direct public provision of social housing reached a peak in the post-war period in Europe, over the past few decades it has declined significantly as part of a general trend of State withdrawal from direct service provision. On the one hand, in many EU-15 countries this happened in the form of stock privatisation or transfer of management and sometimes

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[78] For a more detailed analysis of the conditions of access, see point c in this section.

ownership and new construction of social housing from public authorities to either their own companies (in house provision) or to external providers. Nevertheless, countries where direct public provision is still relatively significant are Austria (40% of the total rented stock is owned and managed by municipalities) and the United Kingdom. In the later, England's local authorities provide 45% of the total social housing stock in the country. However, it is worth noting that out of this percentage, 47% is provided in house (see next point).

On the other hand, however, direct provision by municipalities is widespread in new EU Member States, where it can be found in seven out of eight countries surveyed for this study. Interestingly, the only country where direct provision does not exist is Poland, where despite it being legally possible, this option is not in use. Countries surveyed in this group where direct provision is more prominent are Czech Republic (municipalities provide 16% of the total housing stock), and in Estonia and Slovakia, two countries where municipalities are the main social housing provider.

Differences are largely explained by the diverse historical backgrounds of public or municipal social rental housing stock in old and new EU Member States. In the former the stock was built as part of municipal responsibility for infrastructure, housing and social services. In new EU Member States the stock was transferred from the State to the municipalities after the socialist system was abolished, and was not necessarily designated as "social housing". However, the large-scale privatisation of formerly public stock gave rise of a process of 'residualisation' (i.e. by the mid-nineties the best quality stock had been privatised), which resulted in an over-representation of low and low-middle income households in the municipal social housing sector.

b. In house provision

As *Table 1.4.3* shows, in house provision can be found in most EU Member States, namely in nine out of thirteen old EU Member States (plus Norway) and in six out of eight new EU Member States. In terms of the share of social housing stock managed, this modality is particularly significant in Finland, Spain and Sweden (ranging from 60% to almost 100% of the total social housing stock in the country, respectively) and in Hungary, Poland and Slovenia.

In most cases, in house providers are companies owned by local authorities, whose legal form is either private (e.g. limited liability companies, joint stock companies) or public.

Other examples where in house companies provide a significant share of social housing are Austrian limited-profit companies (which own 20% of the total social rental stock in the country) and the English ALMOS (Arms-length-management organisations, managing 47% of all local authority stock). Established in England in 2000, this modality transferred management and investment responsibilities from local authorities to third parties while preserving long-term council ownership. Local authorities continue to own the asset, but with an institutionalized separation of operations from strategy and governance vested in autonomous boards with minority local authority membership[79].

In the case of Finland, Portugal and the UK, housing operation and management have been transferred to municipally owned companies on a contractual basis. In Finland the owner of

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[79] Pawson, H., Mullins, D. (2010) *After Council Housing. Britain's new social landlords*, Palgrave Macmillan.

municipal apartment buildings is in most cases a joint stock company, whereas the shareholder is the municipality. Nevertheless the relation between these companies and the operating companies is an in house relation.

In Central and Eastern Europe, it is worth noting that this option seems to be favoured in larger municipalities (e.g. in Hungary, Romania and the city of Riga in Latvia), whereas in smaller municipalities direct provision by the latter is the rule, as explained in the previous point.

In Hungary, the typical solution is social housing stock managed by companies (joint stock or limited liability companies) that are owned by local governments. These companies may have other responsibilities in addition to housing management, such as managing non-residential units, etc. The property right decisions (rent setting, allocation of tenancy rights, rehabilitation and renewal) are in the hands of the social or housing committee of the municipalities but the companies carry out the technical tasks.

c. Outsourced or externalised service provision

Outsourced provision of social housing services in the countries covered by this study is widespread, although it takes very different shapes in each case. Overall, this modality can be found in thirteen out of fourteen surveyed EU 15 countries (including Norway), while in new EU Member States it exists in only three out of eight. Nevertheless, it is worth noting that while this option is possible in further four new member states, it is currently either not in use (Hungary, Romania and Slovakia) or is used only marginally (Estonia).

Amongst external providers, we can broadly distinguish two situations, namely whether the provider is "approved" by a public authority or not. We refer to each of these situations in more detail in the following paragraphs.

- *External providers who are 'approved' by a public authority*

These providers are officially recognized or 'approved' by a public authority as a provider of social housing services. By virtue of this status, these organisations are eligible to apply for public funds for the provision of social housing and are, in return, bound to a number of regulations (more details on point 4.5). While 'approved' providers are mostly non-profit organisations, on a few cases they are for profit entities[80], although all have to follow specific regulations linked to the entrustment of a specific mission and the use of public funds.

It is worth noting that, with few exceptions, approved providers usually have as their main purpose or 'raison d'être' the provision of social housing, which is linked in most cases to a long-term (social) business model[81]. Therefore, it can be said that their social housing activities have a more permanent character than 'generic' providers (see next point) who apply for public funding for social housing provision on the basis of specific funding schemes.

Furthermore, while funding sources for social housing provision by approved providers include public funds, the former often also include other funding streams, such as revenues from non-

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[80] For example, in England the possibility for commercial housing companies to apply for 'registered provider' status has just been opened.

[81] For more information on social business / social enterprise models in the social housing sector, see: Czischke et al (2012); Mullins et al (2000, 2010); Gruis (2008); Heino et al (2007).

social housing activities (e.g. commercial real estate), the capital markets (e.g. through the issuing of bonds), bank loans (although indirectly benefiting from public guarantees), sales of stock, etc.

Countries where approved providers can be found are: Austria, Belgium, Denmark, Finland, France, Ireland, Poland, the Netherlands and the United Kingdom.

- *Any housing provider who applies to specific public funding schemes for the provision of social housing.*

'Generic' housing providers are any housing company (for or not-for profit) who answers a public call for tender or submits a funding proposal out of their own initiative to obtain public funding for the provision of social housing. Unlike 'approved' providers, in these cases it is the specific funding scheme that determines the conditions and obligations that the provider needs to comply with. Furthermore, given the limited duration of such schemes, the 'social' character of the activity is also time-limited, which differs from the more permanent/continuous character of the mission and activities of approved providers.

Countries where this modality can be found are: Germany, Italy, Portugal, Slovenia and Spain.

In addition, it should be noted that there is a third group of external providers of social housing, namely those who perform this activity out of their own initiative and drawing on their own (private) funds (e.g. Italian cooperatives).

Last but not least, it is worth noting that concessions are practically non-existent in social housing provision.

4.5. Relationship between public authorities and external service providers

a. *Type of relationship between public authorities and external service providers (use of public procurement procedures, use of concessions, specific conditions or requirements such as authorisations, licensing, etc., own initiative service delivery with public authority recognition, etc.)*

Following our analysis of types of external providers of social housing services presented in the previous section, the relationship between public authorities and external social housing service providers is strongly determined by whether the provider is 'approved' (i.e. registered or officially recognized as such by the public authority) or 'generic' (i.e. any housing providers applying for public funding schemes).

In the case of 'approved' providers, these are subject to specific regulations linked to their official recognition as social housing provider on the part of a public authority, which also lays down the following: conditions for the way providers conduct their business (in most cases some kind of non-profit or limited-profit system plus some kind of asset appropriation and the obligation to reinvest income in housing activities); limitations to their business activities (e.g. restrictions concerning the provision of commercial real estate); and rules governing rent setting. Some of the regulations also cover the modes of financing (e.g. France). The regulatory frameworks also lay down specific audit and supervision procedures. As pointed out in the previous point, this system of "approved providers" may also be interpreted as a "social business model" where the rationale of business entities is need-oriented rather than purely

profit-oriented. It can be found in Austria, Belgium, Denmark, Finland, France, Ireland, Netherlands, Poland, and the United Kingdom.

In the case of 'generic' housing providers applying for public funding schemes for the provision of social housing services, financial compensation is granted for service delivery to defined bodies. The relation between the public authority and the provider is set up through a funding arrangement, where the providers apply to the public authority for public assistance and, if successful, receive an act of entrustment together with the funding. In most cases this act of entrustment is related to a specific housing project which has to be developed and rented out/sold by the applicant under specified conditions such as cost-rent based for a limited period, or allocation to specified target groups. Such funding schemes have a less "permanent" character than the social business model, as these schemes require public funds which are not available on a permanent basis as they are relatively more dependent on financial constraints or political decisions. Another difference with approved providers is the fact that the social character (non-market rents, non-market allocation) of "funded only" housing lasts only for a limited period of time.

In many countries the mode of service delivery by approved bodies and the system of public funding schemes co-exist. This does not necessarily mean that funding is restricted to regulated or public providers, and the schemes may be open to other types of providers (non-regulated cooperatives and for-profit bodies, e.g. Italy, Spain, some provinces of Austria and since 2010 in the UK. In some countries, only the funding scheme is present (e.g. Germany and Norway).

The last case is that of Belgium (all regions), where umbrella organisations of social housing providers play an outstanding role. Not only do they represent the interests of their members, as in most other countries, but they are also responsible for executing regional housing policies and are entitled by law to control, coordinate and structure their members' activities, which also includes financing (see *Table 1.4.4* below). However, in legal terms this is not a specific mode of service delivery.

Table 1.4.4   *Type of relationship between public authorities and external service providers*

Countries	Type of relationship between public authorities and external service providers
Austria	• Approval of providers by the Federal Provinces on the basis of the Limited-Profit Housing Act (regulating the mission of general interest, limited profits, re-investment of profits in housing, restricted business area, limited rents).
	• The initiative for housing projects is taken by housing providers, who apply to the federal provinces for financial assistance for a specific project. Housing promotion schemes (Legal Acts) define the framework for financial assistance, type of housing and providers, rent limits and income limits for tenants and owner-occupiers. The individual "promotion covenant" specifies the obligations for the housing project in question.

Belgium (all 3 regions)	• Social housing companies are approved, on the basis of the regional Housing Code, by SWL (the regional body governing the local providers in Wallonia), by SLRB (regional body) in the Brussels Capital Region), and by the Ministry of Energy, Housing, Cities and Social Economy (Flanders). Approved social housing providers are entrusted with the service provision on the basis of the respective regional Housing Codes, which define the public service mission of providers and lay down specific conditions and requirements. • Management agreements between regional government and regional housing bodies (SWL in Wallonia; SLRB in the Brussels Capital Region; VMSW in Flanders). • Contracts between regional housing bodies (see above) and single (local) providers (defining precise objectives for construction; rules for rent setting; rules on the relations with tenants; financial obligations; sanctions in the case of breach of contract).
Czech Republic	• Day-to-day social housing provision is not outsourced/externalised. Temporary or crisis social housing management is the task of NGOs under strict contractual relations with the Ministry of Social Affairs.
Denmark	• Social housing associations must be approved by the municipalities and must operate within the framework of the Social Housing Act (defining mission, beneficiaries, rents, non-profit status, etc.). • Initiatives to start new developments come from social housing associations, which have to apply to the municipality for permission to build and for financial guarantees and loans. The municipality exercises control over social housing associations through accepting or rejecting new projects, and specific conditions for the type of dwelling.
Estonia	• Although legally possible, externalisation of social housing service delivery is not the typical solution in Estonia.
Finland	• Limited-profit status is granted to housing companies by ARA (Housing Finance and Development Centre of Finland) on the basis of the State-Subsidised Housing Loans Act and the Interest Subsidies for Rental Housing Loans and Right-of-Occupancy Housing Loans Act (which lay down specific conditions related to the limited-profit status). • Obligations also derive from the agreements signed with ARA.
France	• Authorisation granted to social housing providers (HLM) on the basis of the Construction and Housing Code. This includes the designation of the provider; its mission; the beneficiaries; rules for access to funding; the relation between the tenants and the social housing providers; no time limit of obligations; level of rent, or the price of the dwellings for sale; monitoring compliance with the mission and the use of funding; territorial competence of providers).
Germany	• Private builders and all types of housing entities can apply to the authorisation department of the promotional scheme for funding. The public-law part of the subsidy agreement defines obligations for the beneficiary which are applied only as long as s/he receives the subsidy.

	• The provinces (Länder) provide promotion (funding) schemes for new construction and renovation. All type of developers and persons are entitled to apply for financial assistance for specified housing projects. If the application is accepted, a "benefit consent" is extended by the public authority; this public act defines obligations for the beneficiary as long as financial assistance is granted to the housing project.
Hungary	• There is no concrete example where a municipality outsources/externalises the delivery of social housing services to a private management company, although it is legally possible. Special social housing services (hostels, young people's homes, homes for the elderly, etc.) may be contracted out.
Ireland	• Approval of providers as 'Approved Housing Bodies' under section 6 of the Housing (Miscellaneous Provisions) Act 1992. A Memorandum issued by the Department of the Environment, Heritage & Local Government defines the mission, prohibits the distribution of profits to members/owners, and lays down restrictions to the scope of activity with a focus on housing services. • An approved housing body can apply for funding. The terms of the Capital Funding Schemes define the type of housing; providers who may use the Scheme; the purpose for which the subsidised capital funding may be used; housing management and maintenance conditions, including requirements in relation to means-tested rents; obligation to house people who have been approved by the local authority as eligible for receiving a social dwelling.
Italy	• Rome, Naples, and Venice: the management of social housing owned by the municipality is fully outsourced to private providers chosen by public tender. • General: private providers acting on their own initiative apply to receive public funding. Each Regional Housing Plan has a different approach, but in general there are regional calls for projects. The financing agreement which takes the form of a contract between the provider and the region defines contractual obligations on both sides.
Latvia	• Social housing is managed by municipalities, but there is an example of external service provision of social housing in Latvia. In this case, the city of Riga contracted an NGO to run some of its houses as social housing, the details of which are included in an individual contract.
Netherlands	• Dutch social housing organisations operate as "Registered Institutions". This means that they are subject to the rules defined in the Rules Governing the Social Rented Sector (BBSH). Their activities are monitored and supervised by the Ministry for Housing, Neighbourhoods and Integration. Social housing organisations are obliged to operate exclusively in the interest of social housing but have some discretionary powers as to how they provide the services.

Norway	• The funding agreement comes with specific obligations, in particular the municipalities' right to select those who may rent or buy the homes, based on clear criteria.
	• Some housing with care is provided by voluntary, non-profit organisations. If such housing projects are requested by the municipalities, they may be financed partly by public grants.
Poland	• There are several different cases:
	• The cases of private TBS (Towarzystw Budownictwa Spolecznego = Low Cost Housing Societies) investments with specific regulations relating to the funding arrangements.
	• The management of municipal rental stock may be outsourced to commercial companies selected through public procurement procedures if a local authority wishes to do so.
	• Providers cooperate with local authorities on the basis of agreements, which lay down the precise obligations of the parties.
Portugal	• Delivery of social housing by external providers is limited by regulations and criteria applied by the different public funding programmes. The application is always presented through the municipal housing services who confirm the legal and technical compliance with the Programme's requirements, before sending it to the IHRU (Institute for Housing and Urban Rehabilitation) where final approval and financing is or is not granted.
Romania	• Despite the legal option to outsource service provision via public procurement procedures, there is no known case in Romania where external providers serve the sector.
Slovakia	• There are no external social housing service providers in Slovakia.
Slovenia	• The non-profit housing organisations are typically entities created by municipalities. In the case of external providers, the form of the entrustment is an individual contract which defines the exact degree of autonomy of the service provider in the identification of the specific tasks to be performed.
Spain	• Where a public authority decides on its own initiative that the construction of protected housing is necessary (for example in certain areas to foster urban renewal), it launches calls for tenders for the design of a project (architecture), and for the implementation of the project (construction). Project developers are public housing providers.
	• Where a private developer or a private individual decides on its own initiative to build or renovate one or more dwellings, it can apply for public aid, which is granted on the basis of conditions regarding the dwelling and the use that will be made of it (top income of future occupant, price/rent, etc.).
Sweden	• A recent reform in Sweden introduced new regulations for municipal housing companies which are governed by national legislation (see Box 1.12 end of this Section).

UK: England	• Registration with the Tenant Services Authority, as acceptance as a social housing provider is conditional on a number of legislative and regulatory requirements (finances, constitution and management arrangements), governed by the Housing and Regeneration Act 2008. Housing associations are independent bodies expected (and in some circumstances required) to support the local authority in meeting housing needs. • Where public funding is provided through public funding schemes, it is subject to legally enforceable conditions about performance of a specific service (typically, the development of a defined amount of social housing).
UK: Scotland	• Similar to England: Housing associations register with the Scottish Housing Regulator and then, under their own initiative, apply for project funding from publicly funded schemes which determine the specific obligations in terms of delivery.

b. Definition of the tasks to be carried out by the service provider and entrustment of a specific mission of general interest

The tasks carried out by service providers are defined by the public authorities according to the different models mentioned above:

- Approved providers: the tasks and missions of general interest include the delivery of "affordable" housing (either via cost-rents or income-related rents); provision of housing for specific target groups; and specific rules which constitute the non-profit status, such as limitation of income, obligation to reinvest in housing, appropriation of assets, regular delivery of housing. Specific audit regulations and public supervision are often included, too. The general mission is a consequence of market failures in the housing market: slow response to demand, insufficient quality of housing, high prices. However, not all tasks/missions are to be found in all of the models of regulated providers, since the framework regulation for providers differs between countries. This model is present in Austria, Belgium, Denmark, Finland, France, Ireland, Netherlands, Poland, and in the United Kingdom.

- Regulation through promotion/funding schemes: Schemes in the form of a regulatory/legislative framework lay down various conditions for service delivery providers, including the type of provider (for-profit, non-profit), quality of the service, the type and level of the compensation payment, regulations for rent setting (for a limited period of time), the type of housing (according to tenure), the beneficiaries of the housing. All these tasks exist to compensate for market failures in the housing market.

c. Forms this entrustment takes and the degree of autonomy that the act of entrustment leaves to the service provider in the identification of the specific tasks to be performed

- Approved providers: The general rules are set out in the legal framework, and often include public supervision and sanction mechanisms. Once the public authority has given its official approval, the providers must comply with these rules. At the same time, providers

are autonomous and can act in line with their own purposes and take risks when making investment decisions.

- Regulation via promotion/funding schemes: Two aspects of entrustment exist side by side: the legal framework, which defines general regulation and conditions, since the financial compensation is only granted after application for a specific project; and an individual act whereby the applicant is entrusted with the provision of the project according to specified conditions. Autonomy for the provider ends after his decision to apply for public funding, where the housing project underlies the ruling of the scheme. After the end of this period, non-regulated providers are free to dispose of their properties, while regulated providers are still bound by the limitations under the regulatory framework.

   d. Obligation of selected providers towards the public authority to perform the service

In the rare cases (some Italian cities, see *Table 1.4.3* above) where a selection process by a contracting public authority has taken place, the obligations are stated in the contract. No general rules are applicable.

   e. Limitation of the number of providers active in the sector concerned by law (under which circumstances and procedures)

Across European countries, there are no limitations to the number of providers, but other limitations do exist, such as type of entity, financial viability and business/management performance, conditions concerning access to funding schemes (type of provider, i.e. for-profit, non-profit). Most of the approval/funding schemes require providers to be domestic (based in the country).

4.6. Financing sources for service provision

As pointed out in Section 1, housing provision is financed at two different levels: investment (financing of development/new construction of housing) and running costs (costs of operation, maintenance and renewal).

Financing initial investment is one of the crucial questions in (social) housing, as the cost of land and construction is high. Since housing providers can only finance so much out of own funds, they need to borrow through loans and mortgages. These costs (interest, repayment of the capital) are reflected in the rent. To reduce such costs, different public aid schemes have been introduced in EU/EEA countries:

- Public funding schemes which extend grants and loans at favourable conditions (low interest rates, long maturities) to cover costs of construction, or grant interest/annuity subsidies (regular payments) to lower costs[82]. As can be seen in the *Table 1.4.5* below, such schemes exist in most EU/EEA countries but there are no public funding schemes in Hungary, Netherlands, Norway or Sweden.

- Public guarantee schemes, as in Belgium, Denmark, Finland, Netherlands.

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[82] These annuity/interest grants might be regarded as assistance for running costs; nevertheless they are an instrument to support an investment.

- Public assisted saving/bond schemes which promote the extension of bank loans at favourable conditions, as in Austria or France.

- Loan schemes from special public credit institutions, as in Germany, Norway and, Poland.

Not all the above-mentioned instruments can be considered as "financing", strictly speaking, but they have an effect on the costs of financing. It has to be noted that there are additional instruments to offset the costs of service delivery, including tax exemptions) like in France, and the allocation of land/land leases at favourable conditions, as in Italy and the Netherlands.

a. Modalities of financing service provision

As outlined above, there are many modes of financing social housing across Europe. Public schemes exist at all levels: central state, provinces and municipalities, with provincial schemes in a small majority. In some countries different funding streams from different administrations (state, regions, municipalities) are available at the same time and can be combined (e.g. Denmark, France). Given the differences between the different countries it is impossible to give a meaningful average, and the share of public loans, where they exist, to cover cost of construction, ranges between 7% and 100%. The examples of Italy and Poland (see *Table 1.4.5*) show that there exist different schemes for different types of housing. But even these figures are not a true reflection of differences in subsidies, as there are also extra or additional mortgage interest subsidies to lower the cost of repayment of bank loans, but not the cost of the investment itself.

In nearly all countries, financing housing projects means combining different sources: standard bank loans (mortgages), public grants/loans, own funds and sometimes also tenants' contributions.

Table 1.4.5   *Modalities of financing*

Countries	Modes of financing
Austria	• Housing promotion schemes of the Federal Provinces: soft loans and non-repayable grants (on average about 50% of cost of construction); • Combination of housing provider's own funds, bank loans and sometime financial contributions by future tenants, which are treated similarly to loans (= other 50% of construction cost).
Belgium: Brussels	• SWL gets financing from banks, using a guarantee from the Region, and then makes loans to providers.
Belgium: Flanders	• The Flemish Region provides subsidies and public loans guarantees. VMSW distributes publicly subsidised loans to the providers.
Belgium: Wallonia	• The Walloon Region gives subsidies and loans to social housing providers. SWL gets financing from banks, using guarantees from the Region, and then makes loans to providers.
Czech Republic	• Financing changes depending on the programme. State grants cover only (part of) capital/investment costs of permanent, newly-constructed, supported and social housing. All operating costs have to be covered by rent revenues at local level.

	• The development of temporary social housing arrangements is covered by the central budget in the framework of social provision. Most of the operating costs, however, are also covered by rent revenues.
Denmark	• For new constructions: 91% is financed by a mortgage (currently a 30-year variable-rate loan). The municipality pays 7% of the cost up front in the form of an interest-free loan for base capital. The remaining 2% is covered by tenants' deposits. • The municipality guarantees that part of the mortgage which is above 65% of the initial building costs. Rents are not reduced when mortgage loans are redeemed and the proceeds go into the National Building Fund. The fund pays for maintenance work and since 2006 it also partly finances new social housing.
Estonia	• Development: (1) the state budget, (2) the Government of the Republic Extra Budgetary Ownership Reform Reserve Fund, (3) EU Structural Funds and (4) KredEx (Credit and Export Guarantee Fund) own funds, representing up to 50% of the project costs. • 81% of the funding for housing services come from local government budgets, 18% from own financing by the recipients (through rents) and 1 per cent from the state budget.
Finland	• ARA provides interest subsidies and guarantees on loans on the financial market.
France	• For new constructions: 76.5% come from loans from the *Livret A* (a household saving scheme); 3% come from state subsidies; 2.5% come from grants or discounted loans (from employers' contributions, called *1% Logement*); 8% come from local authority subsidies; 10% come from equity capital.
Germany	• Loans are subsidised by both the Federal State and the Länder (level of subsidy depends on the size of the accommodation, the location and the income of the tenant household).
Hungary	• Management of social housing stock is financed from the local budget, (app. 40%), as rents are kept rather low and only cover at most app. 60% of the cost. • Up to 2004, about 70% of the cost of social housing construction projects was financed from national budget. Although preferential loan schemes exist, local government has not used this option.
Ireland	• Approved housing bodies may apply to the local authorities for capital funding loans up to 100% of the approved cost, under the terms and conditions of the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme.

Italy	• 'Subsidised housing' (public sector only): financed by grants from the Regions, between 60% and 100% of the cost.
	• 'Assisted housing': reduced rate loans and capital account contributions (partial subsidies), cover 20-60% in the case of housing for rent, and 10-30% in the case of housing for sale.
	• 'Agreed housing': the provider receives a rebate on the local tax for building permission, and a lease on the land for 99 years.
Latvia	• Multiple sources of finance: local government budgets; state budget; social housing tenants' rents; other.
	• Earmarked subsidies can be granted to local governments from the state budget:
	for the construction of social residential houses, 30% of the construction costs;
	for the construction of local government tenement houses, 30% of the construction costs;
	for the construction of tenement houses done jointly by local government and a commercial company, 2% of the construction costs;
	for the conversion (reconstruction) into residential houses of buildings owned by a local government or the completion of newly erected apartment houses (the construction work of which has been suspended), or for the renovation of non-rented residential houses, 30% of the reconstruction (renovation) costs;
	for the conversion (reconstruction) of buildings into residential houses done jointly by local government and a commercial company or the completion of newly erected apartment houses (the construction work of which has been suspended), or for the renovation of non-rented residential houses, 20% of the reconstruction (renovation) costs;
	for the acquisition of separate apartment properties, 30% of the acquisition value, but not more than five thousand LVL (about €7,500).
	• In 2007 local government requested altogether 8 million Euros from the state budget to support all housing-related activities mentioned above.
Netherlands	• Financed autonomously by social housing organisations (since 1993)
Norway	• Loans at favourable conditions from the state Housing Bank to provide housing for specific groups.
Poland	• Due to the huge variety of what is classified as social housing in Poland, there are different modes of financing:
	• Social construction/housing for social purposes: indirect financing through reduced VAT;
	• Housing cooperatives/cooperative tenement housing: up to 70% of construction costs are financed by the preferential mortgage granted by Bank Gospodarstwa Krajowego (BGK) which is owned by the state, 30% are paid by the members of the cooperative, where the cost of land to be co-financed by the loan is strictly limited (in terms of % of total costs);
	• Local authority/municipal rental housing: own funds, i.e. municipal budget or financial market;

- Local authority social rental housing: municipalities can apply for governmental subsidy[83] from the Subsidy Fund held in the BGK and financed through the central budget annual subsidy, up to:

  30% of costs, for the construction of new units or purchase of dwellings for use as municipal social rental units, protected dwellings or municipal rental[84];

  40% of costs, for the repair and modernisation or adaptation for housing purposes of existing non-residential buildings designated as municipal rental, municipal social rental or protected dwellings, or for building night shelters or homes for the homeless;

  50% of costs, for the repair or adaptation of dwellings for night shelters or homes for the homeless.

- Companies and State Treasury housing: own funds;

- Social rental housing provided by Social Housing Associations (TBS): up to 70% of construction costs are financed by the preferential mortgage granted by BGK, 30% by TBS own funds or financial contributions of future tenants (or a mixture of both; the average contribution of tenants amounts to 16,7%[85]). Cost of land to be financed by the BGK loan is strictly limited (in terms of % of total costs).

- Owner-occupied housing constructed/purchased with state aid as part of the "home for every family" programme: the subsidy represents an equivalent of 50% of the amount of interest calculated on the basis of a reference rate (determined as the average of three-month WIBOR rate (Warsaw Interbank Offered Rate) plus 2.0% per annum) within the interest payment period of 8 years at the longest. Access to the scheme is limited by the size of dwellings and family status of the beneficiary (married couples and single parents). In 2009 every 5th mortgage granted by commercial banks came under this programme and in the previous 3 years, roughly 10% came within the scheme.

- Protected dwellings and shelter for the homeless[86]; Municipalities, unions of municipalities, municipalities at county level and NGOs with the status of public interest organisations can apply for governmental subsidies (from the Subsidy Fund held in BGK) up to:

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[83] The share of the governmental subsidy in financing all municipal social rental housing can only be estimated, because Polish national statistics do not divide municipal stock into these two groups: municipal rental and municipal social rental. Municipalities often just designate a certain dwelling to be municipal social rental and such an operation costs them nothing. Judging from the data on projects rejected by the Subsidy Fund due to insufficient governmental contributions, roughly 20% of newly organised municipal social rental housing is subsidised by the state.

[84] In this subsidy programme a municipality can only obtain a subsidy for an amount corresponding to a particular activity (building, purchasing, repairing or modernising, adapting municipal rental dwellings) if the municipality designates an equivalent amount of other municipal rental accommodation (in terms of m^2) as municipal social rental.

[85] Average share of participation fee calculated by BGK on a sample of credit applications provided in 2005, and concerning participation fees declared by natural persons and legal persons.

[86] There is no available information on the scale of such ventures, which are rather rare and statistically insignificant. In the applications accepted by the Subsidy Fund in 2009, there was only one application from the NGO for the project on protected dwellings.

	40% of costs, for the building of night shelters or homes for homeless; 50 % of costs, for repairs or adaptation of dwellings for night shelters or homes for the homeless. • As a result of the 2009 public finance reforms, the National Housing Fund, which operated at Bank Gospodarstwa Krajowego (BGK), went into liquidation. The programme changed, but applications put forward before the end of September 2009 were accepted. The government is working on the reform of the social rental housing programme, including its financing. • Note that if the "narrow" notion of social housing (i.e. rentals for socially worse-off groups) is used, some of the above schemes do not apply.
Portugal	• Non-repayable financing or loans (conditions vary according to the different programmes) provided mainly by the central state although with increasing co-financing on the part of the local authorities. IHRU (Institute for Housing and Urban Rehabilitation) and credit institutions legally authorised for this specific purpose may also finance the provision of housing at controlled costs.
Romania	• The State supports social housing and special accommodation (elderly homes, etc.), housing for households living in restituted homes through transfers from the state budget and local council funds. • The National Housing Agency finances the construction of new rental housing units for young people up to 35 years (Law no. 152/1998), and the pilot programme to build social housing for Roma communities.
Slovakia	• State budget resources are a combination of a subsidy (20-30%) and a soft loan from the State Housing Development Fund. The loan is provided for 30 years at 1% interest. There are two further resources: long-term low interest loans for municipal rental housing construction from the State Housing Development Fund, and the subsidy programme for the technical infrastructure necessary for housing construction.
Slovenia	• The two basic sources of financing are the National Housing Fund and the municipal budget with a variety of benefits defined in the Housing Law.
Spain	• Credit to finance the project is obtained from banks that have signed an agreement with the Ministry of Housing. Public financial support is available through different modes: loans at favourable conditions, subsidising the loans, a fixed contribution from the Housing Ministry for the repayment of the loan, grants, etc.
Sweden	• Municipal Housing Companies borrow all the capital they need on the capital market.
United Kingdom	• housing association reserves; • government grants[87]; • private finance (bank loans or funding raised on the capital markets).

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[87] Prior to late 2007 the cost of providing social rented homes was mainly cross-subsidised through income from the provision of low cost home ownership, and the proportion of developments funded by grants from Government was around 35-45%. The remainder of the cost of provision is financed by housing associations themselves, predominately through receiving private borrowing facilities. Following the global financial crisis, opportunities to cross-subsidise new development from low-cost home ownership properties have diminished and consequently grant rates have risen to 45-60%, again depending on location.

b. Involvement of service users in the financing of the service

Service users, i.e. tenants or owner-occupiers, pay rent or the price of a dwelling. The prevailing model for rent is a cost-based rent, but there are also income-related rents (e.g. Belgium and Italy) and statutory rent limits. In most EU/EEA countries individual allowances are available for low-income households.

c. Conditions of access to service (means testing or other selection mechanisms to access a service)

Conditions of access to service are regulated in different ways, often through a combination of different regulations and mechanisms. *Table 1.4.6* shows a more detailed overview in the countries under study. The information is presented according to three key aspects in relation to access to the service, namely: *eligibility* (i.e. who is entitled to receive social housing in the country); *priority criteria* (where this is applicable) and *pre-emption rights* (i.e. whether there is a right to pre-emption by local authorities or another body).

Table 1.4.6   *Conditions of access to social housing services: key elements*

Country	Eligibility	Priority	Right of pre-emption by public authorities
Austria	All providers are obliged to apply **income limits** defined by Promotion Schemes for tenants (means-testing).	Limited-Profit Providers are also obliged to apply **additional social criteria** determining priority in the allocation of dwellings.	Some of the **Federal Provinces as well as municipalities** can claim a certain number of dwellings to allocate them themselves.
Belgium	Access criteria for social housing are based mainly on **income ceilings,** (combined with the household size, and under the condition that the applicant does not own a property).	A set of **other priority criteria** (determining the urgency of the application) also influence the order in which dwellings are allocated.	NA
Czech Republic	Specific allocation criteria are applied **according to substock**, e.g. financed from various schemes, but basically **low income** people are preferred (based on **means testing**), no central regulation is applied.	No central regulation, it is **low-income people** who are prioritized.	Only public authorities allocate housing (crisis housing is to a large extent run by NGOs with own allocation rules).

Denmark	Social Housing is for people, who are registered on a **waiting list**, and who have a need for this kind of housing. There are no restrictions on who may join a waiting list, but there are limits for costs of construction and size of the dwellings, so that dwellings are de facto targeted to low-income groups.	The housing organisation decides together with the municipality which groups have a **priority** in getting access to social housing. This is **based on local conditions**. Priority is normally given to applicants who are: Families with children; Disabled people; Refugees; Elderly; Students; Divorced people; People who need to move closer to their work; etc.	**Municipalities** have a legal right to assign tenants who are homeless or have other needs to **at least 25%** of vacant housing association units. In agreement with the housing association, they can choose **up to 100%** of the tenants. Tenants, who are assigned by the municipality, don't have to be registered on a waiting list.
Estonia	People with **low income** and no means to solve their housing needs (there are waiting lists).	Households most in need, such as **elderly people or tenants of "restituted" homes, disabled persons.**	Only public authorities allocate housing.
Finland	Tenants are selected on the basis of **income ceilings**.	On the basis of **social needs and urgency.**	NA
France	**Income criteria** are defined by specific national regulation.	Priority criteria further specified at the local level. Recently, **DALO** established priority access for: Homeless; People at risk of eviction; People in temporary accommodation; Persons in unhealthy or unfit accommodation; Households with children in overcrowded dwellings; Disabled.	Part of the stock is allocated directly to vulnerable people by the representative of the state at local level, the **Préfet.**
Germany	**Income ceilings** decided by each Lander.	In particular low-income households as well as families and other households with children, single parents, pregnant women, elderly, homeless and other needy persons.	NA

Hungary	No central regulation, but **income limits and no own housing property** are mostly applied criteria, but detailed conditions are defined at local level with huge variations within the country.	No central regulations, but normally priority is given **to families with children.**	Only public authorities allocate housing.
Ireland	Criteria include: **income** circumstances as well as **other social criteria**: existing housing affordability difficulties; existing unfit or overcrowded housing conditions; medical or disability circumstances; homelessness (e.g., dependant on night shelter or hostel accommodation); young persons leaving institutional care; the needs of the elderly and persons or families living a nomadic way of life.	NA	NA
Italy	Criteria for registration on waiting lists in all Regions of Italy include: **income** of the applicants; **address** (whether there is an occupational or residential link with the municipality), and **nationality**.	The applicant's position on the waiting list is determined by the amount of points granted on the basis of **priority criteria** such as living conditions, number of dependent children, and enforced cohabitation.	In addition to waiting lists, there is also a quota system, implying that the reserving authority can allocate homes directly from its own quota according to their own priority criteria. Reserving authorities are **local authorities, the regions and the central government.**

Latvia	Ca. 0.1% of the stock is social (altogether 3700 homes), comprising those families who have not privatized their dwellings (or were not restituted), according to the law, **vulnerable households** are eligible.	**The elderly**.	Only public authorities allocate housing
The Netherlands	Access to the service is **not absolutely restricted**[88]. However, following a recent ruling by the EC allocation of social housing in the Netherlands is undergoing changes. Currently **income ceilings apply**.	For the vast majority of dwellings, social housing organisations give **priority to households on relatively lower incomes**. Upon allocation they verify the household income. Apart from income criteria some dwellings may be designated for other special attention groups. Mechanisms for allocation and criteria vary according to the local/regional situation.	Yes, quota available **vary from one municipality to another**
Norway	Access to a municipal flat is based on **social criteria and means testing** of the applicant. Vulnerable groups of persons and families who are not able to buy their own home or to pay the rent for a flat in the private rental market. Rental housing for key workers (such as doctors, nurses, teachers etc.).	NA	**Municipalities** provide a low number of rental housing to persons in need, either through publicly owned dwellings or acquired by the municipalities through the right of pre-emption: **up to 10 %** of the homes in housing cooperatives, and the same applies to flats in condominiums.

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[88] NB: the table reflects the situation in April 2010. As of May 2011 conditions for access to social housing in the Netherlands have changed after a legal adaption of the system in 2010, following a decision of the European Commission.

Poland	There is no single rule, but most municipalities apply **income brackets** as eligibility criteria, low to middle income households would fit in one of the sub-groups of social housing (central rules apply to a part of the sub-stock, to others it is only local regulations), in others more low-income people.	**Homeless, low-income** families and families who were evicted.	Varies according to substock.
Portugal	Conditions to access social housing **vary according to the different programmes:** *PER Rehousing Programme:* the selection mechanism in place was "living in shanty towns in the major metropolitan urban areas". *PFOHABITA*: Income ceilings, not owning a dwelling, not already recipient of other forms of housing support; *Porta 65 Jovem*: Young people with income not higher than 4 times the maximum rent admitted in the area.	NA	NA
Romania	**Low-income families**, but allocation criteria are set locally within the frames of the housing law.	**Disadvantaged people**, young people leaving social care establishments (after 18 years of age), disabled persons, young married couples up to 35 years old, people with average income, evicted tenants from restituted housing, persons from houses affected by natural disasters.	Only public authorities allocate housing.

Slovenia	Slovenian citizens having certain **income levels** (low income but still able to afford rents) and **poor housing conditions.**	**Families** with more children, families with fewer employed members, to youth and young families, to handicapped persons and their families, to citizens with longer periods of being employed and without proper housing or in sub-tenancy, and to claimants whose profession or activity is considered as important for specific local community.	Only public authorities allocate housing.
Slovakia	The actual selection of tenants and concrete procedure of selection is **upon discretion of the municipalities**, and they may apply a diversity of ways to allocate new rental dwellings i.e. waiting lists, lottery, etc.	Individuals who are not able to ensure housing with their own effort under market conditions.	Only public authorities allocate housing.
Spain	Those with no permanent right to another 'protected dwelling'; no permanent right to another with a value over 40% of the maximum total price of the protected dwelling; **income ceilings**; Must not have obtained financing from the Housing Plan over the previous 10 years. In addition, disabled people and dependent persons.	**Other priority criteria** are established by the Comunidades autonomas and the municipalities of Ceuta and Melilla (for instance in the Comunidad Valenciana: people over 65 on low income)	NA

Sweden[89]	Access to housing, private as well as municipal housing, is in principle **open for all** inhabitants. In some cases the landlords set up minimum income requirements. If there is a lack of available dwellings (as it is the case in largest cities), the Municipal Housing Company may organize a waiting list, sometimes covering dwellings provided by both private and public landlords.	NA	NA
England	Persons/Households in need.	**Vulnerable groups. Certain classes of people are determined to have reasonable preference**: people who are homeless; people occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions; people who need to move on medical or welfare grounds; people who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or to others).	NA
Scotland	Persons/Households in need.	Currently the system works on the basis of **priority needs** categories of homeless people	NA

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[89] NB: public housing in Sweden should be considered as neither social housing nor SSGI, after new legislation on municipal housing companies clarified this issue in June 2010.

A cross-country analysis shows the following main features:

− Eligibility is widely determined on the basis of income. In most cases there are income ceilings and the allocation process involves means testing. Only in Denmark and Sweden there are no income limits to access social housing and public housing[90], respectively. Furthermore, in some cases minimum income criteria apply (Sweden, Slovenia). In addition to income, broader 'social' criteria are mentioned in most countries and the notion of 'need' is mentioned in the UK, which is unpacked in the definition of 'priority needs' (detailed on the second column on *Table 1.4.6*). Interestingly, nationality features as an eligibility criteria in Italy and Slovenia.

− Income ceilings are defined either in "housing laws" or promotion/subsidy schemes (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Spain). These income ceilings may vary between regions (Austria, Germany), across municipalities (Hungary) and between funding schemes (Austria, Italy, Spain).

− **Waiting lists** exist partially in combination with a system of prioritisation according to need. Waiting lists are kept by providers and/or other bodies such as municipalities, and exist in practically all countries.

− **Prioritisation systems** define access criteria, including income, homelessness, risk of eviction, housing conditions (unhealthy and unfit accommodation, overcrowding), mental/physical handicap, age, which are implemented at different levels: public authorities, commissions, housing providers. In England and France, for example, national legislation obliges local authorities/regions to develop such systems, while in Austria it is the providers that have to develop them.

− There are **pre-emption rights for municipalities** (or other bodies) for a certain share of dwellings (Austria, Denmark, France, Italy, Netherlands, Norway).

The above trends indicate the way in which social housing is allocated, the criteria and main target groups. However, it is worth noting that a quantitative analysis of the proportion of the population covered by social housing in each country is not feasible due to the unavailability of aggregated data at country level (i.e. data is collected at local level given the local nature of housing need and allocation).

4.7. Cross-border provision of services

a. Importance of cross-border provision of services from service providers established in other countries

There is generally little information available concerning cross-border provision of social housing. The main reason behind that is that cross-border provision is either non-existent or very limited.

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[90] It should be noted that public housing in Sweden is neither social housing nor SSGI, as per new legislation adopted in June 2010.

b. Regulations (national, regional/local) on cross-border provisions

As indicated above (chapter 4.5.e), in some countries limitations exist concerning approval schemes for providers as well as access to funding schemes. These schemes are restricted to domestic activities and in many, but not all countries/provinces (one of the exceptions is Germany), also restricted to domestic providers, i.e. providers established in the country where the regulation applies.

Consequently, provision of "social housing" is only possible when funding schemes are open to foreign providers, i.e. providers not established in the country providing the scheme.

c. Country/ies of origin of cross-border service providers

Given the lack of statistical data, there is little information concerning countries of origin.

Box 1.12: Major reforms of social housing provision introduced in the last decades in EU-15 Member States

- Withdrawal of municipalities/councils from new constructions: In those countries where local authorities had been active in the construction of new social housing in previous decades (Austria, Finland, UK), local authorities have gradually withdrawn from new constructions (see Section 2, *Table 2.4.1*) Furthermore, in the UK public stock is being transferred to regulated providers, while municipalities in other countries continue to keep the existing housing stock at their disposal.

- Abolition of Non-Profit Legislation in Germany (1990): In 1990, non-profit legislation was abolished. Since then the activities of the providers (municipal and private companies, cooperatives numbering about 2,000 in 1990) have been carried out following normal business regulations and in compliance with their shareholders' or members' tasks. The housing stock continued to have social housing status until the funding scheme provisions regarding rent ceilings and allocation rules came to an end.

During the years following the abolition of non-profit legislation, a large number of dwellings as well as of enterprises in the publicly owned municipal sector were sold out. To date this has affected around 1.3 million rental housing units, which is approximately 40% of the previous stock.

- Stock transfer in the UK: Since the 1980s the public stock has been sold to tenants and transferred to regulated housing providers.

- Confinements/abolition of public assistance for housing provision (funding schemes, preferential tax treatment) in various countries, most pronounced in the Netherlands and Sweden in the 1990s. The former schemes have been abolished. In most other EU-15 Member States public funding has been reduced over the last four decades.

- New regulation for municipal companies in Sweden from 2011: After a long debate new legislation has been put in place: According to the new Public Municipal Housing Companies Act, "Companies should run their operation on businesslike principles, which represents a deviation from the principles embodied in the Local Government Act requiring operations to be run on a cost price basis and prohibiting undertakings being run for-profit. At the same time,

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the Act clarifies that a businesslike perspective is compatible with active social responsibility"[91].

- **Inclusion of for-profit providers in public funding schemes/provision of social housing**: During the last 20 years many countries started to include for-profit providers for the provision of publicly assisted rental housing: In Germany and Norway there are no non-profit providers; in the majority of Austrian provinces for-profit providers became eligible for public assistance for rental housing in the early 1990s, before they had been only eligible for assisted housing for sale. In the UK for-profit providers became eligible for provision of social housing, effective from 2010.

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[91] Download SABO-Website 2010-11-12, http://www.sabo.se/om_sabo/english/Sidor/Publichousing.aspx

5. CROSS-SECTOR ANALYSIS

This chapter identifies convergence and divergence between the four types of social services as regards the regulatory frameworks applicable to them. In particular, it will look at five aspects: the legal and institutional framework applicable to the four services, the modalities of service provision, the relationship between public authorities and external service providers, the financing sources and the importance of cross-border service provision.

As underlined within each of the sector-specific chapters, the four social services are defined, regulated, organised and provided in very different ways across the EU/EEA countries analysed in this study. Within a given social service sector, differences across countries can sometimes be considerable (and even within a single country), due to the fact that services are operated in specific national and regional socio-economic and legal contexts. Even between countries within the same sector a comparison is not always entirely possible or meaningful – across sectors a comparison can sometimes prove to be even more complex. Despite the huge inter-sectorial differences, the following pages try to highlight some general common features and trends between the four sectors in the EU/EEA countries covered.

5.1. Legal and institutional framework for service provision

In the majority of the counties covered by this study the regulatory and institutional frameworks for the four social services are complex. Social service policy and provision is increasingly becoming a shared responsibility between national governments, regional governments, local authorities, and providers. Service provision is devolved (geographically and institutionally) in most countries, though the process and timing has taken place at different times over the past thirty years. Across the four sectors, the following main trends can be observed as regards the applicable legal and institutional framework:

- *Responsibility for developing legislation/regulations related to service provision and financing*

In spite of passing on responsibilities for service provision across all sectors to the regional and local level, the national/federal government often retains an important role, in particular that of developing legislation and regulation on service provision and the framework for financing these services (with some exceptions, e.g. for certain employment services employers have to pay). This may well be split between several competent ministries and agencies.

However, across the four sectors, there appears to be a trend towards a greater decentralisation of responsibility for services. The regions have often developed separate legislation for service provision and financing, especially in the fields of ECEC services, LTC and social housing (e.g. Austria, Belgium, Germany, Italy, Spain and UK). In the field of employment services this has happened so far rather sporadically, however in countries where there is strong tradition of social dialogue, management and labour can be involved in the definition of regulations on service provision and financing.

- *Responsibility for organising service provision*

In most countries, responsibility for the organisation of ECEC and LTC service provision is often highly decentralised and rests not only with regional governments, but often with local authorities, such as county councils and local municipalities.

In the field of LTC in countries where responsibility for health and social care services rests with different public authorities, the responsibility for organising services is often split between health-care related and social care related services. The same goes for ECEC services in countries that separately organise child care services through social welfare departments and early childhood education services through education departments. The same goes for ECEC services in countries that organise care services and early childhood education services separately. In countries where the market influences the development of ECEC services (Ireland, Netherlands, UK), the government has a control over the providers, but only by making sure through inspections that they comply with specific criteria.

In the field of employment services, in many countries the responsibility for service organisation is devolved to State Agencies for employment, which develop the structure for delivering employment services. However it is rare for such agencies to develop these services without central government involvement.

In the field of social housing, although public authorities may provide incentives and financial assistance, decisions of investments are taken by service providers. In the new EU Member States, it is the municipalities that directly provide the service, thus, despite the legal options to involve various stakeholders in service provision, in reality, their role is nearly exclusive in service provision.

- *Responsibility for financing service provision*

In most countries, responsibility for financing services across the four sectors lies with the State at national level. However there are numerous exceptions: in the case of ECEC services and social housing, responsibility for funding service provision is at regional level in several countries (Belgium, Germany, Spain, Austria, Italy) or even at the local level, like in most of the new EU Member States where there is a lack of central government level funding for social housing. In the case of LTC, in some countries (e.g. Greece), long-term social and non-medical residential care services are very limited, with a *de facto* expectation that families will be the mainstay of informal care. In the case of employment services the State is generally responsible for financing, but some services are charged for.

- *Responsibility for providing the services*

A quite heterogeneous picture emerges across the four sectors as regards the responsibility to provide services.

In the field of social housing, the responsibility to provide services lies with the providers, whereas political responsibility lies with the public authorities, which may provide incentives and financial assistance.

For ECEC and LTC services, responsibility for providing the services is split between the public and private sectors to varying degrees in the different countries. In the majority of

countries legislation allows municipalities either to provide ECEC services directly or to contract private (for-profit and non-profit) providers in order to comply with their duty to ensure access to ECEC services. In respect of health related LTC services, the responsibility for providing services usually rests with national and/or regional health care services or with sickness funds. They may provide services directly through their own facilities or may contract with external care providers. In contrast for social-care related LTC services, ensuring their provision is predominantly a function of local government.

In the field of employment services, many of the countries have set up State Employment Agencies for the purpose of providing employment services. In larger countries, it is more common to find that services are supplied by a combination of a State Agency and either regional or local authorities. Exceptions are the UK and the Netherlands with a significant role for external providers.

- *Responsibility for evaluating/monitoring the performance of service*

Evaluating and monitoring services is dealt with in different ways across the four sectors. The following common features have been identified:

In the field of ECEC services and LTC, municipalities in many countries have responsibility for monitoring social care-orientated LTC services. For ECEC services and LTC, different arrangements are often in place for the health and social care aspects of LTC services and for care and education services for children. Most monitoring and evaluation appears to focus on inspecting the quality of services and ensuring they comply with any minimum standards. Only a small number of countries explicitly mentioned monitoring of financial performance (e.g. the UK for LTC).

In social housing there are bodies on all regional levels designated by law to carry out the monitoring with an increasing involvement of regional and local bodies. In some countries (Spain, Portugal, France) there are also special commissions/bodies at national level. This, however, completely missing in the new EU Member States where there is a complete lack of monitoring.

For social housing, LTC and ECEC services in countries with public finance schemes defining service provision, it is the local authority responsible for the scheme which is also involved in monitoring the service. The same is true for services where providers need a licence to operate: the agency issuing the licence usually has the responsibility for inspection as well, which in many countries, especially for LTC and ECEC services, is the municipality.

The structure of employment services in a country influences the number and type of agencies involved in performance monitoring. Where the structure is relatively simple, e.g. where there is a single state agency supplying these services, the responsibility for monitoring and evaluation generally lies with the ministry that is responsible for the agency. Countries such as the Czech Republic, Hungary and Slovakia are examples of this type of oversight.

In some countries, evaluations and monitoring across the four sectors also rely on service providers, and sometimes also on service users, although this is not done systematically and not across all countries and services, and not equally on all aspects of service provision.

5.2. Modalities of service provision

As regards the issue of the modalities of providing social services the picture is again quite heterogeneous across the four sectors. In addition, in some countries several modalities of service provision for the same sector exist side by side. It has to be underlined that the EU/EEA countries analysed do not regularly collect data about the different modalities of service provision. In the rare cases where data is available, official statistics do not necessarily distinguish between different modalities as identified for the purpose of this study.

Direct provision of ECEC services and LTC services at a national level is relatively rare, and there is no direct provision of employment services by national level Ministries. However, in most countries the majority of ECEC and long-term services are provided directly by the public authorities at local level. In many countries LTC services are linked to the provision of community care-based support (including support for informal carers) rather than the provision of residential care services. Direct provision in social housing can be found in seven out of twelve old EU Member States and in almost all new EU Member States. In all cases it corresponds to local authorities owning and managing social renting stock to be allocated to groups in need. However, in some countries certain services (notably housing management and new construction) are totally or partially performed by other public or private bodies on a contractual basis.

In house provision exists for LTC and ECEC services in a number of countries. In the field of employment services all of the countries in the study had some form of in house provision in the form of national level employment services agencies, some of which may also work in collaboration with external providers. In the field of social housing*, in house provision* can be found in most EU Member States. In most cases, *in house provision* is in the hands of companies owned by local authorities, whose legal form is either private or public.

The concept of *external service provision* is complex across the four sectors, as it can refer to a broad range of different contracting and funding arrangements according to the service area and the country. It is clear that the use of external service providers in the field of LTC is increasingly important (particularly for residential care). In the field of ECEC services, in several countries services are provided through external providers, although these are often heavily subsidised; only a limited number of countries offer the majority of their ECEC services through external providers. For employment services no country contracted out all of its employment services to external providers, although all countries have some level of outsourced employment services provision, either by the for-profit sector or the non-profit sector. There are some countries where private suppliers of employment services play a more prominent role than the public sector, at least in some aspects of employment services (e.g. the UK), but the picture is very different from one country to another, and whatever the level of private sector provision, it only relates to some percentage (usually a small percentage) of employment services in that country. Outsourced provision of social housing services in Europe is widespread, especially in the old 15 EU Member States, although it takes different shapes in each case. Providers are either 'approved' by a public authority or are 'generic' housing providers, which answer to a public call for tender or submit funding proposals out of their own initiative to obtain public funding for the provision of social housing.

5.3. Relationship between public authorities and external service providers

- *Type of relationship between public authorities and external service providers*

Across the four sectors and the countries analysed, different types of relationship between public authorities and external service providers can be found, but some common approaches emerge.

In some countries and for some types of services, public authorities have to officially accredit service delivery by specific bodies. In the field of social housing, for example, 'approved' providers are subject to specific regulations linked to their official recognition as social housing providers on the part of a public authority, which lays down the conditions for the way providers conduct their business and rules governing rent setting.

Where external service providers are used, in many countries public procurement processes with competitive tenders have been put in place. This is the case for several countries for LTC, employment services, ECEC services, and social housing services; in some countries and for some services, external providers need to have a licence to be eligible for a contract.

In certain countries and for certain service providers who wish to access public funding, the relationship between the public authority and service providers is constituted via a funding arrangement, where the providers apply for public assistance and receive (where successful) an act of entrustment together with the funding agreement. This is for instance the case for 'generic' social housing providers, where providers apply to the public authority for public assistance and, if successful, receive an act of entrustment together with the funding. In some countries funding is given regardless of whether service providers have for-profit or non-profit status. However, this is not always the case. For example for ECEC services, in several countries (Ireland, Netherlands, UK) external providers are not eligible for public funding.

Where direct cash payments are made to individuals to purchase LTC, ECEC services or social housing, there are usually requirements for services to be registered with national authorities to maintain specific quality standards (e.g. Denmark, Finland, Sweden and the UK in the field of LTC).

- *Definition by the public authority as regards the tasks to be carried out by the service provider and entrustment of specific missions of general interest*

In a large majority of countries, the public authorities specify the tasks to be carried out by external providers, either in the applicable regulations, or in public procurement procedures (and the subsequent contracts they conclude with the chosen service providers) or in the funding schemes.

Not all tasks/missions are to be found in the framework regulations applicable to service provision and, within a given sector, they differ hugely between countries. In many countries applicable funding schemes in the form of a regulatory/legislative framework lay down various conditions for service delivery providers, including the type of provider (for-profit, non-profit), the quality of the service, etc. In some countries public procurement rules define tasks in the tender documentation and subsequent contract. These task(s) are often consistent with statutory requirements of good quality and safety.

Across the four sectors public authorities usually do not formally entrust service providers with "a mission of general public interest", and the public authorities do not appear to use the language of "entrustment of missions of general interest" in their relationships with external providers either. However, they may often, *de facto*, entrust such mission to external providers, because of the nature of the contracts that they draw up with them. Exceptions however exist, as for instance in the field of LTC in Austria, Slovakia and France, with more explicit entrustments. For social housing, for 'approved' providers in several countries (Austria, Belgium, Denmark, Finland, France, Netherlands, Poland, United Kingdom) the mission of general interest includes the delivery of "affordable" housing and provision of housing for specific target groups and other tasks. However, not all tasks/missions are to be found in all models of regulated providers, since the framework regulations differs between countries.

- *Forms this entrustment takes and the degree of autonomy that the act of entrustment leaves to the service provider in the identification of the specific tasks to be performed*

Across the four sectors there are huge variations across countries as regards the form that the entrustment takes and the degree of autonomy enjoyed by the service provider in the identification of the specific tasks to be performed. As mentioned above, public authorities usually do not appear to use the language of "entrustment of missions of general interest" in their relationships with external providers.

Generally speaking, in all cases where a contract is drawn up between external service providers and public authorities, the tasks and missions to be carried out by service providers are defined in the contract (next to the applicable regulation). The autonomy of the service provider is limited by existing regulation related to service provision and most countries do not allow for initiative on the part of service suppliers when they submit proposals within public tender procedures. Public authorities publish specifications for the task to be undertaken and it is expected that external providers meet these requirements. However, in some countries and for some types of services (e.g. Belgium and the UK for employment services or France for LTC services), the service supplier will have some autonomy with regard to the organisation of the task to be undertaken, but not with regard to their nature. In the field of social housing the entrustment of 'approved' providers is to be identified in the regulatory framework for specific providers together with an act of "acknowledgement" and/or the funding scheme and the funding consent for a specific project.

In those countries where individuals may use cash benefits or vouchers from the government to purchase those LTC and ECEC services that they deem most appropriate, then service providers only have to comply with broad service standards and frameworks.

- *Obligation of selected providers towards the public authority to perform the service*

Across the four sectors, selected service providers do have an obligation towards the public authority to carry out services for which they have been selected and contracted. Failure to meet the requirements of the contracts may lead to sanctions including the cancelling of the contract. The exact obligations are included in the contract and can, in addition to the obligation to run the service, include specific tasks and specific qualification criteria (such as the level of training of staff in the field of employment services) that service providers need to prove as well as quality evaluation criteria and obligations, and obligations to provide data.

- *Legal limitation of the number of providers active in the sector concerned (under what circumstances and procedures)*

Across the fours sectors, no legal limitations were reported as regards the number of providers active in the sector. In some countries and for some services (e.g. ECEC services in Germany and Greece) the government policy is to stimulate non-public agencies to provide services. Nevertheless there may be non-binding guidelines in place in some countries, as for example for LTC as regards the number of providers that can be publicly funded. The introduction/extension of the use of cash benefits in some countries for certain types of services, such as LTC or ECEC services, as part of 'free choice' potentially creates incentives for new providers to enter markets. In the field of social housing, across European countries, there are no limitations to the number of providers, but other limitations exist, such as conditions concerning access to funding schemes - most funding schemes require providers to be domestic.

5.4. Financing sources of service provision

- *Modalities of financing*

Across the four sectors public financing of social services remains one of the main funding sources, although for some services (especially social housing) the share of public funding can be smaller, or even the only funding source for employment mediation services in many countries. In all sectors and countries there is great diversity in how services are financed:

For LTC, funding differs depending on whether an aspect of LTC is seen to be medical in nature or social. In many countries funding is done through money collected from taxes collected at local level. The Netherlands and Germany are unusual in having mandatory LTC insurance.

ECEC services are financed from state/regional and local government budgets. Two main models for financing ECEC services across Europe have been detected: supply-side funding, where the money goes to the service providers, and demand-side funding, which applies in fewer countries (Ireland, Netherlands and UK) and is where the money goes to parents to cover some or all of the costs of ECEC services.

In the framework of social housing, financing concerns two aspects: investment (financing of development/new constructions), and covering the running costs of social housing (costs of operation, maintenance and renovation). Public schemes are located on all levels of public authorities: central state, provinces and municipalities, and the share of public loans covering the cost of construction across Europe ranges between 7% and 100%. In nearly all countries, financing housing projects means combining different sources: bank loans (mortgages), public grants/loans, own funds and sometimes also tenants' contributions.

Employments services are funded through Ministry budgets, either from social insurance funds or from general taxation. ESF funding is also a significant part of the funding for employment services, particularly where training services are included. Employers may also contribute directly for some services.

- *Service users' contributions*

A mixed picture arises when it comes to the contribution of users in financing service provision.

In the field of LTC, in most countries user charges apply for social care services, including the cost of residential care. Means-testing may be used to determine whether service users need to make a contribution towards the costs of LTC services received.

For ECEC services provided as public services, only a small contribution is required of the parents to cover the cost of meals and attendance is free in most services for children over three. In many countries parental fees are capped or set as a fixed fee and in most countries fees are reduced and/or waived for low-income families. In countries where public provision is low (Ireland, UK) parents are charged the full costs of care by private providers, but there are different forms of government schemes and types of support that have been put in place that can help parents with some of these costs.

In the field of social housing, service users (tenants or owner-occupiers) pay rent or the price of a dwelling. The prevailing model for rent is a cost-based rent, but there are also income-related rents (e.g. Italy and Belgium) and statutory rent limits. In most EU/EEA countries individual allowances are available for low-income households. In many of the new EU Member States rents are disconnected from either the cost/market based rent and the income level of the tenants, and are kept very low.

In the field of employment services none of countries surveyed had user charges for accessing the system, at least with regard to individuals accessing public employment services. However, there are exceptions and employers have to pay for services where the public employment service acts as an employment agency for employers, as a supplier of vocational training or where they act under the instructions of an employer to find specific types of employee.

- *Conditions to access services*

A very diverse picture across sectors also arises when it comes to the conditions to access services.

In LTC some countries undertake clinical and functional needs assessments to determine eligibility for services, but the shape of these assessments varies considerably across countries. In general the importance of needs assessments has grown and the conditions for the funding of care-related elements of LTC have become increasingly severe. Entitlements can even vary within countries, depending on specific local and regional procedures.

Universal access to ECEC services exists in the Nordic countries and in most countries children over three have the right to ECEC services. In practice, however, due to shortage of ECEC services this right is not guaranteed. In most countries, municipalities, which are responsible for service provision, decide on enrolment criteria, including for services from private providers with whom they have a contractual arrangement.

For social housing, conditions of access to service are regulated in different ways across and within countries (depending on the level of decentralisation), including waiting lists, prioritisation systems defining access criteria such as income, homelessness, danger of

eviction, housing conditions, mental/physical handicap, etc. There are also reservation rights for municipalities (or other bodies) for a certain share of dwellings, which are usually allocated locally to those who are considered as the most urgent cases; income ceilings are defined either in housing laws or promotion/subsidy schemes. Eligibility is widely determined on the basis of income. In most cases there are income ceilings and the allocation process involves means testing. In addition to income, broader 'social' criteria are mentioned in most countries.

In the case of employment services the usual qualification criterion is that the individual is unemployed (or in many cases, they may wish to change jobs).In some countries (e.g. the Netherlands, the UK) there may be sanctions for failing to use the employment service.

5.5. Cross-border provision of services

Across all four services there appears to be very little cross-border provision. In general, no official data and statistics are available that measure the importance and the characteristics of cross-border service provision in the four sectors.

In the field of LTC, cross-border provision from other countries exists in some Nordic countries (Swedish service providers operating in Finland and Denmark), in Belgium (French operators providing services in Wallonia) and the UK. In Germany many families seek to employ care service providers or household workers directly, primarily from Eastern European countries. For ECEC services only three countries (Ireland, Germany, UK) report cross-border service provision. In the field of social housing cross-border provision exists only to a very low degree, mainly in the form of acquisition of rental housing stocks by foreign investors, like for instance in Germany. There is some cross-border provision of employment services through the EURES system. Beyond this, there is no widespread cross-border provision. Exceptions to this relate to some bilateral agreements between countries and to the situation where foreign companies may take over private service suppliers, such as happened in the UK.

Across the four sectors no specific regulations for cross-border service provision exist and in general it appears that there is reliance on general EU internal market legislation. In the field of social housing, regulations for approval schemes and access for funding in some countries are limited to service providers established in the country. Restrictions for foreign service providers may also include regulations limiting the acquisition of land. In the field of employment services some countries have specific regulations on cross-border service provision (e.g. Czech Republic, Poland) or specific regional agreements with regard to employment services (agreements between Finland and the Russian Federation, Finland and the Baltic States, and agreements between Hungary and several of its neighbouring countries as regards Hungarian-speaking minorities).

SECTION II - TYPES OF SOCIAL SERVICE PROVIDERS

1. LONG –TERM CARE[92]

1.1. Introduction

This chapter presents an overview of data collected in relation to the issue of the relative importance of private and public sector providers of long-term care (LTC) services. Specifically, it looks at the relative number of private and public sector providers, and, within the private sector, the relative importance of for-profit and non-profit providers. Finally, it looks at the issue of other activities that might be provided by LTC service providers, especially in relation to private sector providers.

In many of our countries answering these questions has been challenging. There are a number of reasons for this. One is that there is a mixed economy in both the funding and provision of LTC in many countries. The provision of services can also be highly fragmented, we have seen in Section 1 that many services are organised at a municipal level; this means that in many cases there can be a huge number of service providers in operation within any one country. Few countries appear to keep extensive statistics at a national level of non-public sector service providers.

Another challenge which has been highlighted throughout Section 1 is the split of responsibility between health and non-health care budget holders. There can be health care services managed by long-term residential care services, as well as residential care services managed by social care service providers. In terms of reporting services that are available, individuals within the same facility may be funded by the state or by private means, or a combination of the two; this can also make it difficult to distinguish between private sector service providers that are funded in part by public funds and those other private sector providers that are funded purely privately.

Another challenge is the increased reliance in a number of countries on cash allowances, which are then used by individuals to purchase services that best meet their needs. Not only might this include formal registered services, but such payments can in some countries be used to pay family members and others to help provide care. It is almost impossible to monitor how such cash allowances are used to obtain services. This issue is going to become even more important as the use of cash allowances further increases.

There are also some definitional challenges with regards to the use of the concepts of private and non-profit provision. As reported in *Table 2.1.1*, often, the services provided by the non-profit sector are assumed to be part of the privately provided services and reported alongside the private sector provision. In England, for instance, reform of the public sector in general meant that many services have been transferred to the private sector through the establishment

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[92] The following 22 countries have been analysed as regards the types of service providers for long-term care services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

of not-for-profit organisations, while in Estonia a private company where the state is the sole shareholder operates 80% of all residential care homes in the country. Given that the private for-profit and private non-profit sectors are very different in many respects, clearly there is a need for developing standardised definitions of the private and non-profit sectors that would be particularly useful for the comparative purposes of the LTC systems across Europe.

1.2. Relative importance of private and public service provision

Our analysis of data collected in the 22 countries in this study on the relative importance of the private and public sector provision shows a very mixed picture (see *Table 2.1.1*). The picture is complex. There are a few countries that rely almost entirely on the private provision of services and a few more that rely heavily on the public sector. The majority of countries have a substantive mix of public and private sector providers.

As we indicate below the pattern can also be very different by type of LTC service. Typically the private sector is most likely to be involved in the provision of residential care services, but may have a more limited role in the provision of domiciliary and community care services. Nonetheless in many countries a shift towards a greater reliance on private sector provision of services could be observed.

Countries that rely almost entirely on private sector provision for all LTC services include Germany and the Netherlands where legislation and regulation have ensured that almost all services are provided by the private sector. These two countries have well established LTC insurance that is used to fund most LTC services. The situation in the UK is more complex; 94% and 86% of residential care provision in England and Scotland respectively are provided by the private sector. In England 86% of domiciliary care is also provided privately in contrast to Scotland where 51% of all home care is still provided by the public sector. This in part reflects the impact of devolution and differences in LTC legislation and regulation within the UK. Other countries where at least 65% of all residential care places are provided by the private sector include Estonia, Belgium (Wallonia), Ireland and Italy.

Countries where the private sector provides less than 20% of residential care places include the Czech Republic (16%); Finland (12%); Greece (1%); Norway (10%); Romania (17%); Slovenia (14%); and Sweden (17%). This group covers most of the Nordic countries, where public sector provision of services has been strong; some new Member States, where private provision of services is a relatively recent phenomena and Greece, where not many formal LTC services of any type are available.

Less information is available on the provision of domiciliary and community based LTC services. Three countries report having less than 20% of domiciliary care provision in the private sector: Norway, Sweden and Slovenia. In the case of Denmark there was considerable variability across municipalities, with some having only 17% of services provided by the private sector compared with others where more than 45% was provided by the private sector.

Little information is available from country reports or documentary analysis on trends over time in the balance between the provision of LTC services by public or private sector providers. Published trend data tend to focus on changes in the sources of financing for LTC services rather than on the legal status of the service providers, as for instance can be seen in

the recent major OECD report on LTC[93]. As we indicate in this chapter, obtaining cross-sectional data on the balance between public and private sector provision of services is challenging enough.

Despite this lack of comprehensive long term trend data, country reports suggest that where any shift can be observed in the balance between public and private sector provision in different countries, either for residential and domiciliary care services, this is usually towards greater use of the private sector. The increased use of cash benefit and voucher systems whereby service users can choose to purchase services that best meet their needs rather than having to make use of a set of prescribed public sector funded services, also increases the likelihood that more privately provided services will be used. For instance, one specific non-mandatory voucher scheme introduced in 2004 in Finland only can be used to purchase services from private providers. In Lombardia, in Italy, public provision of residential care only accounted for 11.5% of service provision in 2010 compared with 59.2% in 2001. Examples of a shift towards greater use of private sector providers can also be seen. In England the 1990 Community Care Act declared that local authorities should be the brokers and care managers of social care, but not necessarily the direct providers. As Box 2.1 shows this led to a huge growth in the independent sector, by 2004 it provided the majority of state-funded residential care and 69% of adult domiciliary care contact hours, compared with just 2% cent in 1992[94]. By 2009 86% of domiciliary care in England was provided by the private sector.

Box 2.1: Trends in the provision of home care by public and independent (private) sectors in England 1993 – 2004

11 DETAILS OF HOME CARE PROVIDED TO HOUSEHOLDS BY COUNCILS WITH SOCIAL CARE RESPONSIBILITIES (CSSRS) AND BY INDEPENDENT SECTOR PROVIDERS, 1993 TO 2004

KEY
- Households receiving care from CSSRs
- Households receiving care from independent-sector providers
- Total hours of care provided
- Total number of households receiving care

Source: Based on Personal Social Services data from the Department of Health (2005h)

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[93] Columbo, F., Llena-Nozal, A., Mercier, J. and Tjadens, F. (2011). *Help wanted? Providing and paying for long-term care*, Paris, OECD.

[94] Wanless, D., Forder, J., Fernandez, J.-L., Poole, T., Beesley, L., Henwood, M. and Moscone, F. (2006) *Securing Good Care for Older People: taking a long-term view*, King's Fund, London.

Table 2.1.1   The extent of public and private sector provision of LTC services

Country	Extent of private and public sector provision
Austria	Residential care: In 2008, 48% of care homes in the public sector; 52% in the private sector. 35,289 or 49% of all LTC beds in public sector in 2008. For domiciliary care and other LTC services, no reliable data are available.
Belgium	In Wallonia the balance between public and private sector provision of services has remained relatively stable over the last decade. The private sector has a significant role to play. In 2008 it provided 74% of all social care institution beds and 62% of residential nursing home beds in 2007. It also provided around 50% of places in day care facilities. 26% of domiciliary care was provided by the public sector in 2008. In Flanders 39% of residential care beds are provided by the public sector.
Czech Republic	With regards to residential care capacity (number of places), 84% of services are provided by the public sector. Data on the provision of other specific LTC services are not available.
Denmark	The public sector is the major provider of services but there is an increasing level of private sector involvement. This varies across municipalities, ranging from 17.5% to 47.5% of services. Twenty municipalities have outsourced food services; 4 municipalities care centres; and 9 municipalities have outsourced home help to private sector. Where individuals exercise personal choice of service, 22% of food services, 6% of personal care services and 17% of practical help services are provided by the private sector.
Estonia	The private sector plays an important role. The distinction between the public and private sector is not easy. One company operating under private law that provides 80% of all residential social care home services in Estonia is in fact 100% owned by the state. About half of all not-for-profit LTC organisations have been created by municipalities.
Finland	In 2008, the private sector accounted for 25% of domiciliary care services, while 88% of all residential care places were provided by the public sector. 55% of sheltered housing is provided by the private sector.
France	Overall in 2008, public institutions represented about 52% of all LTC institutions. In terms of the residential care sector, the public sector accounts for 55% of all institutions. 30% of home nursing services are provided by the public sector. 75% of domiciliary and community services are provided by the public sector.
Germany	Very minor role for public sector. This applies to domiciliary, community and residential care services. Only 2% of home care providers are from public sector (ranging from 0% in Bavaria to 8% in Hesse). In 2007 only 7% of residential care homes were public institutions (some regional variation).
Greece	Data is limited. Formal LTC services of any type are very limited; most care is provided directly by families. In 2002 estimated that 1% of the available LTC residential care services provided by private sector.

Hungary	For residential care in 2006, 63% of the beds were in the public sector and 37% in the private sector. For short-term respite care in 2006, 67% of the beds in short-term institutional care homes were in the public sector, 33% were in the private sector.
Ireland	In 2008 the public Health Service Executive (HSE) (public sector) provided 77% of home help services, with 23% provided by private sector. For home care packages (HSE funded), 63% were provided by the public sector and 37% by the private sector. Noted that private sector for home care has grown rapidly. For residential care indicated that public sector provision accounted for 26% of beds with the private sector accounting for 74% of beds.
Italy	Data on the balance between public and private sector provision of services at a national level is difficult to obtain and regions differ considerably. In respect of residential care in respect of the 265,000 places available, 35% were in the public sector and 65% in the private sector[95]. There are significant regional variations: in Lombardia, which has one of the most developed LTC systems in Italy, there has been a shift away from the public provision of residential care – accounting for only 11.5% of service provision in 2010 compared with 59.2% in 2001. No data on community and domiciliary services at national level are available.
Latvia	Precise information was not provided, but in respect of residential care the private sector appears to have a very limited role. Of 114 institutions, 9 were contracted out to either the private sector or municipalities. In respect of home care, in 2006 34% was outsourced.
Netherlands	100% of most services are provided by the private sector. However information and advice services may be provided by the public sector.
Norway	Some municipalities (mostly in the larger cities) purchase institutional care and home care from private providers. However, private provision of the LTC for older people is relatively small. In 2009, 10% of nursing home beds were run by private providers (non-profit and for-profit). Similarly, the amount of publicly funded private providers within home care is very limited. There is a growing market for for-profit home care services outside the public system, but statistics are not available.
Poland	In respect of health care orientated services no data are available showing the balance between public and private sector provision of services, although the private sector does play a significant role. In respect of social care residential care homes almost 75% were publicly owned in 2008.
Romania	27% of all social care services, which will include LTC services, are provided by the private sector. In respect of residential care in 2008 no specific information is available on provision of services, although it can be noted that there were 1,437 residential care places funded by non-governmental organisations (as opposed to being funded by government). This covered 17% of all residential care places in the country, but it is not however clear whether these are also NGO provided facilities, nor whether they receive public funds.

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[95] Tediosi, F., Gabriee, S. (2009) *Overview of Long-Term Care Systems: Italy*, Report for ANCIEN project, Rome, Instituto di Studi e Analisi Economica.

Slovakia	More than two thirds of all 38,000 residential care beds are in the public sector. Private sector providers are most likely to provide social care orientated residential care. There is a high reliance on informal care in the provision of home care services.
Slovenia	There have been moves towards greater provision of services in the private sector since the 1990s. In 2007, of the 14,292 residential care beds in the country, 12,318 (86%) were provided in the public sector. 12% of organisations who provide home care services are private sector providers in 2008.
Spain	Home help is largely provided by the public sector. 53% of publicly funded nursing homes are provided in the private sector, with 47% provided in the public sector. The private sector is increasingly contracted to provide these services. 35% of publicly funded day care centres are provided in the private sector.
Sweden	Trend of increased private provision of care but still dominated by public sector. 17% of home care hours provided by private sector in 2009. 17% of individuals living in all types of residential and sheltered housing were in private sector facilities.
United Kingdom	Following reforms in the early 1990s most publicly funded care in England is provided by the private sector. In 2009 only 6% of residential care homes are provided in the public sector while only 14% of domiciliary care was provided by public sector providers. Scotland retains a higher provision of services by public sector providers. In 2007 74% of all day care centre places were in the public sector; while in 2009 51% of all home care services hours were provided by the public sector, with another 11.1% provided by a combination of public and private sector provision. 14% of residential care home places are provided within public sector organisations.

1.3. Typology of private service providers

We also analysed the balance between for-profit and not-for-profit provision of private sector services (see *Table 2.1.2*). Overall the use of the not-for-profit sector dominates that of the for-profit sector. The share of total service provision by the for-profit and not-for-profit sectors is provided in *Table 2.1.2*. One caveat to note here is that in many countries cash allowances may be used to pay family members to provide services; this information is largely not included in the tables.

Turning first to those countries which relied almost entirely on the private sector to provide LTC services, distinctive differences emerge. In the Netherlands all residential care must be provided by not-for-profit providers, while in Germany 34% of all places are provided by the for-profit sector. In some German regions, such as Schleswig-Holstein 63% of all residential care places are provided by the for-profit sector. Looking at domiciliary care services in the Netherlands for-profit service providers can operate, but home nursing care is usually still delivered by private non-profit organisations. Again in Germany on average 45% of domiciliary care services are provided by the private sector, although there is considerable

regional variation (see *Box 2.2*). In England the role of the not-for-profit sector appears to be lower than that in Germany. Three quarters of residential and domiciliary care is provided by the for-profit sector.

Box 2.2: Variation in the use of not-for-profit and for-profit providers in Germany

Domiciliary care services

Between 1999 and 2007, the for-profit share of all domiciliary care services in Germany increased from 49% to 60%. 53% of all domiciliary care recipients were cared for by non-profit providers in 2007, with 45% by for-profit providers, with 2% by public sector. Not for-profit services have a particularly high share of service provision in Baden-Württemberg (70%), Bavaria and Rheinland-Pfalz (in both states about 66%). In the so called "city sates" of Hamburg and Berlin, the share of for-profit provider was about twice as high at 67% and 63% respectively.

Residential care

Between 1999 and 2007, the for-profit share of all residential care services increased from 35% to 39%. 55% of services in 2007 were provided by not-for-profit providers. In 2007, of the 799,000 residential care places available 59% provided by non-profit institutions, with 34% from for-profit providers and 7% from the public sector. There are regional variations: for-profit institutions accounted for 63% and 52% of places in Schleswig-Holstein and Lower Saxony respectively. This can be contrasted with Saarland (73%) and Bremen und Nordrhein-Westfalen where 73% and 72% of all their respective services were provided by the not-for-profit sector.

In other countries with a high reliance on the private sector to provide residential care places the situation is also diverse. In Estonia most domiciliary and residential care services appear to be provided by the not-for-profit sector. A state owned company provides 80% of residential care services. Similarly in Belgium, all domiciliary care services are provided by the not-for-profit sector. In Wallonia 52% of all private sector residential care beds are provided by for-profit providers, but in Flanders this figure was much lower at just 20% of all private sector beds. 87% of all private sector residential care beds in Ireland are in the private sector, compared with just a third of private sector beds in Italy.

Of the remaining countries, those where less than 10% of private sector residential care services are provided by the for-profit sector include Finland. In Hungary and Romania all publicly funded private sector provision appears to be provided in the not-for-profit sector. A trend towards an increased role for for-profit providers can be seen however in some settings. In Austria, the percentage of for-profit organisations as a share of all residential care homes rose from 36% in 1995 to 43% by 2008. Moves towards increasing user choice of service may act as a catalyst for the development of services, as appears to be the case in Denmark where practically all of the new free-choice LTC service providers operate on a for-profit basis.

Table 2.1.1   *The relative importance of for-profit and not-for-profit organisations in long-term care service provision*

Country	Information on for-profit and not-for-profit service provision as a proportion of total service provision
Austria	The percentage of for-profit organisations as a share of external residential care homes bed provision rose from 36% in 1995 to 43% in 2008. The for profit sector accounts for 22% of all residential care beds; the not-for profit sector accounts for 29% of all residential care beds. There are no accurate figures for community care and domiciliary care available for Austria, although expected that share for-profit providers of these latter services increasing.
Belgium	In Belgium no domiciliary care services are provided by for-profit organisations. In Wallonia in 2008 51% of all social care institution beds were provided by for-profit organisations and a further 22% run by not-for-profit organisations. In respect of all residential nursing home beds in 2007, 32% were provided in for-profit organisations and 29% by not-for-profit organisations. In 2008 33% of all day centre places and 17% of all specialist medical day care centre places were provided by for-profit organisations. The figures for not-for-profit organisations were 33% and 31% respectively. In Flanders: 49% of all residential care beds are provided by the not-for-profit sector and 12% by the for-profit sector.
Czech Republic	In respect of all residential care service places, 8% are provided by not-for-profit church related organisations, with a further 8% provided by other not-for-profit and for-profit providers (no split is provided). No detailed information is available on other LTC services, but in 2008 38% of all social services were provided by not-for-profit organisations and 3% by the for-profit private sector.
Denmark	There is a variation in the use of private sector provision across municipalities from 16% to 43% of all services. No specific data on the balance between for-profit and not-for-profit organisations is available, although current trends indicate more for-profit suppliers are entering market. This includes the free choice services. Although no official information on 'free choice' services for older people available, assumed that almost 100% are for-profit. In respect of care centres for older people four municipalities have outsourced care centres. Services are provided by two for-profit companies that operate in a number of Nordic countries and one not-for-profit foundation. Sixteen other service providers entered bids; most were for-profit providers.
Estonia	Most domiciliary LTC services are provided on a not-for-profit basis. They account for 80% of all support for people living in the community. In respect of all residential care places, 80% is provided by one for-profit company (AS Hoolekandeteenused); however this is 100% owned by the Ministry of Social Affairs.
Finland	No information available on the split between for-profit and not-for-profit domiciliary care services. 10% of all residential care homes are provided by the not-for-profit sector and 1.7% by the private sector in 2008. 36.1% of all sheltered housing services are provided by not-for-profit organisations and 19.5% by for-profit organisations.

France	Overall in 2008 private not-for-profit organisations accounted for around 27% of all LTC service providers, with a further 21% coming from the for-profit sector. In respect of residential care 28% of all beds are in not-for-profit organisations, with 17% in for-profit organisations. Almost two thirds of all home nursing care services are provided by not-for-profit organisations; the for-profit sector accounts for less than 5% of all home nursing services. 20% of all other domiciliary care services are provided by not-for-profit organisations, with 5% in for-profit organisations. There is a small upward trend in the use of for-profit services.
Germany	In terms of the number of care recipients 53% of all home care recipients were cared for by non-profit providers in 2007, with a further 45% by for-profit providers, with 2% by public sector. 59% of all residential care home places are provided by non-profit institutions, with 34% from for-profit providers.
Greece	Non medical LTC largely provided by families. No precise information available on balance, but overall private sector probably provides 1% of LTC.
Hungary	Almost 100% of all private sector service provision is by not-for-profit organisations. The 1993 Social Act allowed not-for-profit organisations to provide services. In 2006, approximately 37% of all residential beds in the private sector and approximately 33% of all short term respite care beds were in the private sector.
Ireland	For domiciliary care, 23% of ALL home help services are provided by not-for-profit providers. There is no for-profit provision of these services. 26% of all home care packages are from not-for-profit providers and a further 12% from for-profit providers. In contrast to domiciliary care, 65% of all residential care places are provided within the for-profit private sector, with just 9% of provision from not-for-profit private sector providers.
Italy	In 2005 43% of all residential care beds were provided by not-for-profit providers, with a further 22% provided by for-profit providers. There are substantive regional variations: in Lombardia 72.2% of all places were provided by the not-for-profit sector in 2010, compared with 16.3% provided by the for-profit sector. No data are available on domiciliary and community care services, but it is believed that most contracted out services are provided by the not-for-profit sector.
Latvia	No precise information provided. In Latvia, most private sector providers involved in social care are non-profit, e.g. Latvian Samaritan organisation, the Knights of Malta, etc. Over the last 2-3 years there have been examples of some hotels expressing interest and taking part in the tendering process and provision of residential care services.
Netherlands	Detailed statistical information on the balance between for-profit and not-for-profit providers is not available. However all residential care services are provided by not-for-profit providers. In respect of domiciliary and home care services for-profit service providers can operate, but home nursing care is usually still delivered by private non-profit organisations. The cash allowance system means that individuals can pay a neighbour or family member to privately provide services, as well as purchase services from a formal service provider.

Norway	In 2008 4% of all LTC institutions were run by private for-profit organisations and 6% by non-profit organisations. There is a growing market for for-profit home care services outside the public system, but statistics are not available.
Poland	Official statistics do not differentiate between different types of non-public provider. It is not possible to provide any estimate in terms of the current situation or to provide information on trends.
Romania	No precise information is available but it appears that all publicly funded private sector services are from not-for-profit providers, this would equate to 17% of all residential care places.
Slovakia	No information is provided on the balance between not-for-profit and for-profit service providers. Noted that some municipalities have established their own not-for-profit organisations.
Slovenia	No detailed information provided, although appears to be an emphasis on non-governmental organisations, which may receive a subsidy from government.
Spain	No data available but estimates that 50% of all external services are provided by the not-for-profit sector would suggest that around 26.5% of all residential care services are from not-for-profit providers and a further 26.5% from for-profit providers.
Sweden	Limited information is available on the balance between for-profit and not-for-profit service providers as service provision is organised at municipality level, but the majority of private sector activity appears to be in for-profit companies. In 2005, there were 369 private sector providers of special housing for older people, of which 290 (78%) were operated by limited companies, with 48 (13%) operated by not-for-profit organisations. However the overall balance between public and private sector provision for residential care services is not available. While no overall data on the balance between public and private sector provision of structured activities are available, in respect of 299 organisations providing social activities for older people, 158 (53%) were run by limited companies, with a further 83 (28%) operating by different individuals, and 22 (7%) by partnerships. Only 18 (6%) were operated by not-for-profit organisations.
United Kingdom	In 2009 in England 76% of all residential care homes are provided by the for-profit sector and 16% provided by private not-for-profit organisations. In respect of domiciliary care provision, 75% of all domiciliary care agencies were private-for-profit and 11% not-for-profit organisations in 2009. In 2007 in Scotland, 21% of all day care service places were provided by not-for-profit organisations and 5% by for-profit organisations. In terms of the home care services, 38% of all hours of care were provided by either the for-profit or not-for-profit sectors (no split is available). 11% of all residential care home places are provided by not-for-profit organisations and 75% by for-profit organisations.

We also requested data on the role of volunteers in the provision of services in the not-for-profit sector. Relatively little information was obtained, but figures from Austria indicated that in the social and health sector there were close to 228,000 volunteers providing 565,000 hours per week. These figures are influenced by large welfare organisations, especially in Austria Caritas, the Red Cross, the Österreichische Hilfswerk, and the Volkshilfe Österreich that are involved in providing services. Precise numbers on those working on LTC were not however available.

In Germany, there are some areas in social care where voluntary workers are supporting the work of professional carers, e.g. by visiting and spending time with people who are in need of care. However, voluntary work is not yet playing a big role in the professional care provision schemes in Germany. According to a survey on voluntary work in Germany conducted in 2004, the share of voluntary work in the social area (e.g. support groups for older people, operation of information offices for older people, visiting people who are in need of care) lies at around 5.5% [96]. In addition, unpaid informal family carers continue to play an important role in the provision of LTC in most countries.

1.4. Additional activities carried out by service providers

This chapter addresses the extent to which LTC service providers are involved in the provision of other services of general economic interest. In theory, these services may be supplied on a commercial or non-economic basis. The information provided in *Table 2.1.3* needs to be treated with caution. Information proved difficult to obtain on this issue in many countries; the reason most cited for this was that the sheer number of actors involved in providing LTC services made it difficult to provide a comprehensive picture of additional activities provided. For instance, Scotland has a mixed economy of social care, drawing on a diverse range of service providers from the public, private (for-profit) and third (not-for-profit, including voluntary) sectors to provide the different elements of LTC services. Given this diversity there is no general picture regarding what other tasks (if any) LTC service providers perform[97].

Data were not available from six countries (Denmark, Greece, Poland, Slovakia, Slovenia and Spain). In the remaining 16 countries it would appear that LTC providers were usually not involved in carrying out any additional activities other then provision of services of non-economic general interest, most often the provision of different social welfare services, and other population groups with some overlapping needs, such as younger people with disabilities. For instance, LTC service providers in Germany may be engaged in providing services to children and working age adults with disabilities.

Very few countries explicitly provided examples of LTC organisations delivering services of commercial interest. It was noted in Sweden, for instance, that companies that were shareholders in LTC establishments do engage in other activities of a purely commercial interest. It was also noted in some reports that LTC service providers can separately provide some additional LTC services on a purely commercial basis in their own countries.

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[96] Bundesministerium für Familie, Senioren, Frauen und Jugend (2005) *Freiwilligensurvey 2004 Ehrenamt, Freiwilligenarbeit*, Burgerschaftliches Engagement.

[97] Dawson, A. (2010) *Long-Term Care Country Report*, Scotland.

Table 2.1.3   ***The provision of other services of economic interest by long-term care services providers***

Country	Additional activities carried out by providers
Austria	No detailed information available, although some service providers engaged in commercial activities. Noted that some not-for-profit LTC service providers, including Caritas are also involved in provision of employment and social welfare services.
Belgium	The range and number of Belgian LTC providers is very large. Whereas it is likely that some of them will engage in the provision of services of general economic interest and of 'pure' commercial activities, it is not possible to provide a generalised picture in this regard. Public providers of services are more likely to be providing services of general non-economic interest such as additional social welfare services.
Czech Republic	Appears very limited. Some provision of other non-economic services of general interest noted, such as help and support for families.
Denmark	No information provided
Estonia	No additional activities undertaken by service providers.
Finland	Social and health care service providers in Finland do not carry out additional economic activities.
France	LTC units are part of hospital activities which come under social services of general economic interest, but no detailed information is available. The definition of other non economic services of general interest is not applicable for LTC provision. Some LTC service providers are engaged in pure commercial activities, but no data are available.
Germany	Major social welfare organisations, e.g. Caritas (Roman-catholic), Diakonie (Protestant) and Zentralwohlfahrtsstelle der Juden in Deutschland (Jewish), the Arbeiterwohlfahrt, the German Red Cross and the member organisations of the Paritätische Wohlfahrtsverband are involved in the provision of a range of social welfare services, including health care, help with debt, support for migrant groups.
Greece	No information provided
Hungary	No additional activities undertaken by service providers.
Ireland	Service providers generally specialise in provision of the relevant LTC services and do not provide other services of general economic interest. Non-profit providers may engage in other activities that could be considered to be non-economic services of general interest. Private providers may carry out 'pure' commercial activities.
Italy	LTC service providers do not carry out activities other than the provision of the service of general interest.
Latvia	LTC providers are not involved in commercial activities; some may be involved in other social welfare related non-economic activities. There are plans for the involvement of organisations that also engage in purely commercial activities but to date they have not entered the market.

Netherlands	Noted that some service providers may engage in other services of general economic and non-economic interest, as well as commercial activities, but service provision too fragmented to obtain detail on this.
Norway	Although there might be some instances where providers are engaged in additional activities, this is not very common in Norway as most of the services are carried out by the municipalities and to a limited extent by private organisations. Pure commercial activities are not performed by service providers.
Poland	No information available to indicate whether service providers engage in other activities.
Romania	Public sector organisations may offer other social services which are of non-economic interest. There do not appear to be any purely commercial activities undertaken by service providers funded by the public sector.
Slovakia	No information provided
Slovenia	No information provided
Spain	No information provided
Sweden	Municipalities carry out several other services of general interest, both economic and non-economic. With regards to private providers, some of the co-owners of e.g. the cross-border providers (for instance EQT and KKR) certainly own other enterprises carrying out pure commercial activities. As for the actual providers in these cases (Carema Care, Attendo Care, Aleris, Förenade Care and Norlandia care), it is difficult to establish whether they are involved in pure economical activities, since their area of service provision is services of general interest (i.e. care). However, this does not provide a full coverage of private providers, which would be almost impossible to obtain as there is no centrally collected data with this information. Most likely the majority of service providers do not carry out any pure commercial activities.
United Kingdom	The range and number of LTC providers in England is very large indeed. Whereas it is likely that some of them will engage in the provision of services of general economic interest, of other non economic services of general interest, and of 'pure' commercial activities, it is not possible to provide a generalised picture in this regard. Scotland has a mixed economy of social care, drawing on a diverse range of service providers from the public, private (for-profit) and third (not-for-profit, including voluntary) sectors to provide the different elements of LTC services. Given this diversity there is no general picture regarding what other tasks (if any) LTC service providers perform.

2. EARLY CHILDHOOD EDUCATION AND CARE[98]

2.1. Introduction

This chapter examines the relative importance of public childcare services versus private services in each member state considered for this study. It also looks at the different categories of private providers of childcare services and their relative importance.

Despite a clear working definition of private providers for the purpose of this study, the main categories of private service provision (for-profit and non-profit) are defined in diverse ways across Europe. These definitional differences made it very difficult to find accurate data for this chapter and, in particular, data about private provision is likely to be less accurate and more dated than data about public provision.

2.2. Relative importance of private and public service provision

In most EU countries, there are more public childcare services than private ones. Percentages vary however for children under three and over three.

Table 2.2.1 of this chapter reveals that the provision of public services for children *over three* tends to be very high, whether the system is split, unitary or part-unitary[99]. Education for children between 3 and 6 comes mainly under the ministries of education and is compulsory in all member states. Hence these services are publicly funded to a large extent and mostly free (i.e. at no cost for the children or their parents). Examples of split systems with high rates of public kindergartens are: Czech Republic (90%), France (100%), Greece (98%), Hungary (94%) and the Netherlands (98%). Unitary systems as in Denmark and Finland have more than 95% public kindergartens. Norway, however, even though it also has a unitary system, only has 46% of public services. In some countries with a part-unitary system the total percentage of childcare services (0-6 year-olds) seems to be lower. In Germany, for instance, only 34% of services are publicly funded.

In sum, it can be stated that over 65% of children over three in the EU enjoy publicly funded provision, mostly in schools or as freestanding kindergartens within the education system. This provision may be defined as education, but may also include care, in the sense of offering longer hours for working parents. Countries may offer after-school provision, either integrally with extended education hours, or as a private extra on school premises, for which a small charge may be levied.

For children *under three* the picture is different. As shown in *Table 2.2.1*, in at least 7 countries – Greece (no data), Ireland (98%), the Netherlands (95%), Norway (54%), Portugal (no data), Spain (no data) and the UK (97%) – private provision predominates. Some of these countries have adopted an explicitly pro-market approach: In Ireland, the Netherlands and the UK, for instance, the policy is to view childcare as a competitive business led by entrepreneurs and to

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[98] The following 22 countries have been analysed as regards the types of service providers for ECEC services: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

[99] For the difference between split, unitary, and part-unitary see Chapter 2 of Section I of this study.

assume that supply of and demand for childcare can best be delivered independently of any state intervention. As mentioned further in this chapter, this private provision includes for-profit as well as non-profit providers. The figure for for-profit providers is highest in Ireland and the UK, where the for-profit sector accounts for over 85% of provision.

Some countries have seen a considerable increase in private childcare provision for under three-year-olds. This is for instance the case in Germany where between 1998 and 2008 the percentage of centre-based settings provided by the so-called "free providers", including private providers, increased from 58.3% to 65.5%. In Norway, too, the trend over the last ten years has been a decrease in the number of public kindergartens (0-6 year-olds) and an increase in the number of private services. Today the number of private kindergartens in Norway is higher than the number of public ones. Nevertheless, the public kindergartens still cater for more children than the private ones, because they are larger. Poland also expects that the role of the private sector will increase.

Notwithstanding these trends, in most EU countries public provision of childcare services for under three-year-olds remains predominant. Especially in those countries that spend a higher percentage of GDP on early education and childcare services, the public sector is a major provider for children under three, e.g. Denmark (>95%), Finland (>90%) and Sweden (82%).

Most post-socialist countries have very low levels of private provision. In Hungary for instance about 94% of the nurseries and kindergartens are public, maintained by the municipalities directly. In Slovenia, too, over 95% of the childcare services for under three year-olds are public. Romania seems to have no private provision at all.

As will become clear in Section 3 of this study, the relationship between private and public childcare in a country affects the quality of its childcare services.

In the last ten years, childcare in most of the study countries remained mainly public. In some countries, like Norway and Finland, the private provision increased slightly over the past ten years, without however exceeding the public provision. In Norway for instance the amount of public kindergartens (for 0 to 6 year olds) decreased over the past ten years whilst the amount of private ones increased. But although the total number of private kindergartens is today higher than the public ones, still most children attend public kindergartens, which are larger. The UK is the most remarkable example of a huge increase of private ECEC services: a 70% increase in private (for-profit) childcare provision has happened since 2002.

Table 2.2.1   Percentage of ECEC services provision by the public sector

Country	System of early education and care*	% provision by public sector for 0-3 year olds	% provision by public sector for 3-5 year olds
Austria	Part-unitary, social welfare	• 61.4% public • 38.6% private	
Belgium	Split: • Welfare (0-2½) • Education (2½-6)	• About 50-65% public • 35-50% private, part subsidised through supply-side funding	• 40% public, free • 60% private, free (subsidized)

Czech Republic	Split: • Health 0-3 • Education 3-6	Preference for extended maternity leave over services.	• 90% public, free • 10% private
Denmark	Unitary, welfare-led	Over 95% public and free or parental fees capped and places heavily subsidised	
Finland	Unitary, welfare-led	Over 90% public and free or parental fees capped and places heavily subsidised	
France	Split: • Welfare (0-2½) • Education (2½-6)	Over 90% public	100% public free
Germany	Part-unitary, welfare-led	• 34% public • 66% in publicly subsidised private provision	
Greece	Split: • Welfare (0-3) • Education (0-6)	• Approx 8.5% public • no data on private	• 2% private • 98% public
Hungary	Split • Welfare (0-3) • Education (3-6)	Preference for extended maternity leave over services. Provision mainly public (approx. 94%) or heavily subsidised.	• 94% public • 6% private
Ireland	Split • Welfare (0-3) • Education (3-6)	98% private	No data available
Italy	Split • Welfare (0-3) • Education (3-6)	No figures given, but a majority of the provision appears to be public.	• 74% public, free • 26% private
Latvia	Unitary, education-led	No data available on private sector	
Netherlands	Split: • Welfare (0-3) • Education (3-6)	Over 95% private	98% public, free
Norway	Unitary, education-led	• Over 54% private publicly subsidised provision • 46% public	
Poland		Mostly public	Mostly public (90%)
Portugal	Split • Welfare (0-3) • Education (3-6)	Most provision private but no data	Most provision public, free but no data
Romania	Split • Welfare (0-3) • Education (3-6)	No private provision	No private provision
Slovakia	Split • Welfare (0-3) • Education (3-6)	Preference for extended maternity leave over services. Provision mainly public	Over 95% public
Slovenia		Large majority is public (over 95%)	No data available
Spain	Part-unitary, education-led	Large majority is public	More than half of the provision is private

Sweden	Unitary, education-led	• 82% public • 18% private publicly subsidised provision	
United Kingdom	Part-unitary, education-led	97% private	40% private

* See definition of ECEC, in ECEC chapter in Section 1

2.3. Typology of private service providers

Categorisation and definitions of "private" vary considerably across countries, and in most countries these categories are not clearly defined. "Private providers", in the sense of the current study, mean all providers that are not public (cf. definition in the introduction above), including both "for-profit" and "non-profit" providers.

As will become clear below, definitions of "for-profit" and "non-profit" providers also differ considerably across countries and the distinction between these two categories is therefore not always clear-cut.

Partly because of these definitional problems, data about private provision is likely to be less accurate and more dated than data about public provision. Further, the burden of reporting and monitoring is considerable because childcare tends in many countries to be provided by small-scale institutions and a volatile market of entrepreneurs. Many figures for the private sector, where they are available at all, are approximations.

Furthermore, given these difficulties of categorisation, defining and reporting, figures given for the private sector may vary between different reports. For instance *Working for Inclusion; an overview of European Union early years services and their workforce* commissioned under the DG5 EC Employment and Social Solidarity programme and using mainly EU-SILC data[100] does not tally with the returns given by respondents in this survey. Where there is a discrepancy, the figures and data given here refer to those provided by the questionnaire respondents. In order to obtain reliable and direct information about the private sector (as opposed to indirect evidence from EU-SILC data), data collection systems would need to be systematised across Europe.

Where there is a sizeable for-profit childcare sector, then – at a price – market research agencies may provide childcare industry analysis. For example, most of the information about the for-profit private sector in the UK does not come from government sources, where the only distinction in the official statistics is between "domestic" and "non-domestic" settings but from a market research firm that specializes in providing data about the private sector[101].

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[100] Children in Scotland (2010) *Working for Inclusion: an overview of European Union early years services and their workforce*, Edinburgh Children in Scotland/Brussels European Community Programme for Employment and Social Solidarity.

[101] Laing and Buisson (2010 and 2009) *Children's Nurseries: UK Market Report 2010*, Ninth and Eights Editions, London, Laing and Buisson.

a. Importance and types of non-profit providers

For the purposes of this study, "non-profit providers" means "institutions or organisations created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gains for the units that establish, control or finance them".

In most countries, there is more non-profit than for-profit provision, although percentages vary for children under three and over three.

In Germany, for instance, the non-profit sector has traditionally dominated and has even increased quite considerably in recent years. Over the last seven years, for instance, non-profit centre-based services for children increased by almost 42%. The decrease in the number of public, municipality-run centres is particularly marked in the eastern part of Germany, and in the western Länder the absolute number of church-run centres has decreased. However, the proportion of non-church affiliated providers has increased significantly in both parts of Germany.

One of the reasons for the predominance of non-profit providers may be the fact that, whereas in some countries, such as Denmark and Norway, any private provider is allowed to offer childcare, the regulatory framework and the mode of funding limits the profitability of the private sector to such an extent that, in practice, most provision ends up being of a non-profit nature. In Norway, for instance, there are regulations concerning maximum parental fees which make it difficult to run institutions for profit, even if some are able to. Parental fees are now capped at no more than 20% of costs (which, in 2010, came down to 2.330 NOK per child per month in a full day place), and must be even lower for families with low incomes and families with more than one child attending kindergarten.

Certain modes of funding and certain types of regulatory framework might discourage non-profit providers. For example, non-profit community nurseries were a common form of provision in the UK, and supported by the previous Conservative Government. The nurseries received direct grant aid from local authorities. Once the funding mode changed and money was given directly to parents in the form of tax credits to buy childcare and a market model of provision was adopted under the Labour Government, the number of community nurseries fell sharply and for-profit nurseries became the norm. A similar process is now happening in the Netherlands[102]. This changeover from self-help community based non-profit provision to for-profit provision has also been happening outside of Europe, for instance in Australia and Canada, as the mode of funding has changed[103].

It should be noted that the distinction between for-profit and non-profit institutions is not always clear-cut. There is considerable ambiguity about what constitutes "for-profit" provision, since although technically a service may be defined as "for-profit", regulatory controls and modes of funding curtail profitability severely.

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[102] Lloyd, E., Penn, H. (2010) *'Why Do Childcare Markets Fail'*, Public Policy Research V.17(1), pp 42-48.

[103] Brennan, D. (2010) *The lessons of ABC in Australia*, Paper given at a seminar on Childcare Markets, Annual Social Policy Conference, SPA, Lincoln.

In Norway, for example, a majority (54%) of providers are private but there are over 46 categories of "private". Since all providers, of whatever type, must operate under strict regulatory and contractual rules, including fee-capping (meaning that the public authorities impose a cap on the fees private providers may ask from the parents) and staff employment conditions, this limits not only their profitability but also differences between them, and childcare centres tend to be rather similar whatever their type.

Another example is Finland, where the private providers of childcare services (which represent only around 10%) officially fall into the "for-profit" category, but seldom make profit due to the strict regulations applying also to private services (e.g. concerning adult-to-child ratios and other quality factors).

In addition, in countries where the market model of childcare is the norm, there may not be much difference between for-profit and non-profit care. In the Netherlands and the UK, for example, the two countries where there are explicit pro-market policies, there is sometimes little distinction to be made between for-profit and non-profit organisations. The actual behaviour of profit-seeking and non-profit organisations in these countries may be similar. Many "non-profit" organisations operate as if they were for-profit, seeking new markets and trying to operate in a cost-effective way. A non-profit educational organisation often charges fees and may make a profit, but may (be required to) distribute or disguise those profits in the form of higher salaries or by reinvesting them in the organisation[104]. In London, for example, the London Early Years Foundation runs a chain of 19 nurseries, and describes itself as a "social enterprise" organisation, but its nurseries are very similar to those in the private sector in terms of access, pricing and staffing structures.

The typologies used to describe non-profit providers vary considerably between countries. In addition, it should be noted that these typologies do not appear to be consistently used within countries, and different organisations within countries use different categories, for example in England where "private" and "for-profit" are not used as categories by the regulatory body (Ofsted – Office for Standards in Education) but are used as categories by market research organisations which provide information about the private sector.

Nevertheless, very broadly, the following types of non-profit providers can be found across Europe. As set out above, non-profit providers may be *social entrepreneurs*, operating within a market environment, but defining themselves as "non-profit". They may be *religious organisations* such as the Catholic Church, which is a substantial provider of childcare in Italy, for instance, and, as shown in *Table 2.2.2*, in many other EU countries as well. They may be *charities* concerned about the welfare of children, as in Germany. Depending on the religious organisation or charity, access may be restricted to those families requiring welfare assistance or deemed to be in need, or it may be open to all families.

Another form of non-profit provision is *parent cooperatives*, as in France, or *playgroups* set up by local self-help groups (or parents) as in the UK and the Netherlands.

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[104] Myers, R. (2000) *Thoughts on the Role of the "Private Sector" in Early Childhood Development,* Washington DC, World Bank. Paper given at 2000 Conference on Early Child Development "Investing in Our Children's Future- from Science to Public Policy.

Much childcare for children under three is provided by *grandparents*. In the Netherlands, grandparents used to be recognised as non-profit providers, and were entitled to receive tax credits, although this policy was curtailed as costs rapidly became astronomical[105].

b. Importance of for-profit service providers

Some countries, most notably the Netherlands and the UK, have adopted a specifically pro-market approach. In the Netherlands, the 2004 Childcare Act shifted the largest part of the childcare system for under 3-year-olds from a welfare system into a "market" commodity, run by private providers. Parents became the clients who buy in childcare services, pay for these services themselves and get afterwards (partly) compensated for the costs through tax contributions. In the UK, the 1998 Childcare Tax Credit led to the rapid growth of the for-profit childcare sector, and the emergence of corporate for-profit childcare businesses. In Ireland, too, the for-profit providers make up an important part of childcare providers. The Irish Office of the Minister for Children and Youth Affairs has indicated that 75% of services are commercial and most of the others are non-profit.

This market model regards childcare as an industry, like any other. The market model is based on the idea of consumer choice, and parents buying childcare to suit their needs, as they would any other commodity. But there is some evidence to suggest that the childcare market model does not work[106] and that parents do not buy childcare like any other commodity. There is a complicated process of choice, based on incomplete or distorted knowledge of the childcare services available. Parents do not necessarily know what goes on in a childcare institution and do not have the criteria by which to judge it[107]. Conversely, childcare providers compete for customers, and place considerable emphasis on marketing their product – a childcare place – in order to attract customers. They may market their products aggressively and try to find attractive selling points, rather than give a straightforward picture of daily routines[108]. Once the childcare is chosen, parents are very reluctant to move their children, and do not switch products as they might in a conventional marketplace[109]. For-profit providers are also cautious about disclosing information which may affect their trading status, and are less willing to cooperate with other providers or to network on a local basis. The recent report commissioned under the EC Employment and Social Solidarity programme, cited above, uses EU SILT data to show that where for-profit care exists, there is less take-up by low income and vulnerable families[110].

There appear to be two several factors which influence the growth of for-profit institutionally based childcare where the country has an open policy of encouraging private providers. The

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[105] Lloyd, E., Penn, H. (2010) *'Why Do Childcare Markets Fail',* Public Policy Research V.17(1), pp 42-48.

[106] London Development Agency (2011) *Childcare Markets in London: A Review by Roger Tym Associate,* London, London Development Agency, (forthcoming).

[107] Cryer, D., Tietze, W., and Wessels, H. (2002) *'Parents Perceptions of their Children's Childcare: a cross-national comparison*, Early Childhood Research Quarterly V.17 (2), pp. 259-277.

[108] Penn, H. (2011) *Quality in Early years Education and Care: An International Perspective*, Maidenhead, McGraw-Hill/Open University Press, see Chapter 5: Childcare Markets.

[109] Plantegna, J. (2010) *Parental Choice and Brand Loyalty*, Paper given at a seminar on Childcare Markets, Annual Social Policy Conference, SPA, Lincoln.

[110] Children in Scotland (2010) *Working for Inclusion: an overview of European Union early years services and their workforce*, Edinburgh, Children in Scotland/Brussels European Community Programme for Employment and Social Solidarity.

first is the nature of regulatory controls, in particular fee-capping, child-staff ratios and levels of training and employment conditions for staff. The fee-capping limits income and the other regulatory controls require higher levels of expenditure. The more stringent these controls, the less opportunity entrepreneurs will have to make a profit.

A second key factor which influences the growth in for-profit childcare is the mode of funding. Briefly there is a distinction between supply-side funding (giving money directly to a provider to run the service in the form of a grant or a per capita allowance) and demand-led funding (giving money or tax breaks directly to parents to enable them to buy the childcare of their choice). Successful childcare businesses which can attract customers at profitable prices consolidate and expand, whilst unsuccessful businesses close or get taken over by more successful ones. This process of commercial consolidation is most marked in English-speaking countries (Australia, Canada, USA and UK) where between 10% and 30% of childcare is delivered by international corporations. A series of childcare industry reports in the UK (and in the USA) illustrate market volatility and high turnover on the one hand, and corporate consolidation and expansion on the other[111]. A number of EU countries currently use supply-side funding for childcare for *under threes* – Belgium, France, the Netherlands, Romania, Spain and the UK, although it is widespread only in the Netherlands and the UK[112]. Only the UK has adopted supply-side funding for children over the age of three. However, it is the combination of lax regulatory controls and supply-side funding that has led to significant growth in for-profit childcare.

The impact of supply-side funding on the growth of for-profit childcare may be illustrated by the UK. Since it was introduced in 1997, there has been a 70% growth in the for-profit private sector[113]. The 2006 English Childcare Act further specified that local authorities may only provide childcare as a last resort, in the unlikely event that no private providers are available. All childcare provision is expected to be "sustainable", that is to recover its costs through fees to parents. There is no fee-capping. Figures vary according to location in the UK, but currently about 85% of all childcare provision is private for-profit provision. Most company providers operate in wealthier areas, where profits are more secure. Around 10% of all childcare provision in the UK is now provided by corporate stock market listed providers, most of which are headquartered outside of the UK.

Another factor that can discourage for-profit care is the policy in some countries to provide extended maternity leave rather than encourage the use of childcare Since childcare for children under three is more costly because of the physical and emotional labour required, and the high adult-child ratios required, some countries have indeed chosen extended maternity leave over encouraging the provision of childcare. The Czech Republic and Finland provide extended maternity leave and as a result relatively few women with children under three are in the labour force; consequently there is much less demand for childcare of any kind. In such situations for-profit providers have little scope to start up.

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[111] Laing and Buisson (2010) *Global Industry Analysis,* Child Daycare Services, Ibis World Industry Market Research Report.

[112] Bennett, J (2010) *Early Childhood Care and Education Regional Report: Europe and North America*, UNESCO.

[113] Laing and Buisson (2010) *Children's Nurseries: UK Market Report 2010*, Ninth Edition, London, Laing and Buisson.

Table 2.2.3   ***The relative importance of for-profit and not-for-profit organisations in ECEC services***

Country	Information on for-profit and not-for-profit ECEC service provision
Austria	Private providers in Austria are mainly non-profit, in the form of associations (60.7%) and churches (28.4%). For-profit providers are either Companies (2, 7%) or private persons (8.2%).
Belgium	As regards childcare (0-3 year olds), 90% of the available services in the Flemish Community are privately run, of which the large majority is non-profit. In the French Community, about 75% of the available services are private, of which the large majority is non-profit. As regards kindergartens (3-6 year olds), in both the Flemish and the French Community, about 60% are privately-run, mainly by the church, and for almost 100% not-for-profit.
Czech Republic	Most services available for children under three are private, for-profit. Non-profit childcare providers focus mainly on children from socio-economically/culturally disadvantaged, mainly Roma families. There are no percentages available of non-profit providers.
Denmark	Only about 3% of the children in childcare services are in private centres, which are for the largest part non-profit institutions.
Finland	Private service-providers in Finland mainly fall into the category of for-profit. There are some services provided by non-profit providers, such as the church, the third sector and associations, but these follow the same rules in their funding policies as the for-profit providers.
France	The majority of services for under 3-year olds are private, non-profit. Only about 20% of children attend private *écoles maternelles*, (+ 3-year olds) and the vast majority of these are run by non-profit religious institutions which receive public subsidies via a contract with the Ministry of Education.
Germany	In Germany, all private providers of ECEC services are non-profit. There types of providers are: the Catholic church (19,1%), the Protestant church (16. 5%), the Paritätischer Welfare Organisation (8.6%), the Workers' Welfare Association (Arbeiterwohlfahrt) (4.3%), the German Red Cross (2.5%), "other religious communities" (0.5%), youth organisations (0.1%), and "other legal entities and organisations", such as parents' initiatives (12.3%).
Greece	Private ECEC providers in Greece usually non-profit. They take the form of associations or organisation that are mostly created by Kindergarten teachers who are not employed in the public school system. Foundations are another type of private law entities that may offer social services, but need to have the initial fund (usually a trust) in order to be created. Traditionally, the Church through its non-profit associations and on a local basis also offers child care services, based on volunteer work and charity principles.
Hungary	In Hungary, only about 6% of places in ECEC services are offered by private providers. In the case of nurseries (0-3 year olds), out of the 566 centers only 1 is maintained for profit, and 35 by non-profits, and the rest by municipalities, according to 2007 statistics. In the case of kindergartens (over 3-year olds), out of the 2,750 centers, 125 are maintained by the Church, and 210 by "others", the rest by municipalities, according to the 2007/2008 school year statistics.

Ireland	About 85% of the private services are for-profit, the remainder is organised by non-profit organisations.
Italy	Among private providers of crèches and other services for children under 3 years, an important role is played by social cooperatives. Social cooperatives aim at giving answer to a general interest as well as at conciliating work opportunities for their associates with provision of social or sanitary services. Although they are business companies, they are non-profit companies and look for achieving solidarity goals.
	Among private providers of kindergartens, an important role is played by F.I.S.M. (Federation of Italian Maternal Schools), a non-profit association that aggregates around 8,000 catholic schools. These schools are non-profit and provided by religious associations, parishes and parents' associations.
Latvia	For-profit private service providers in Latvia are sole traders and limited liability companies. Non-profit service providers in Latvia are (1) associations (NGOs) and (2) religious organizations. There is no data available on relative importance of non-profit service providers.
Netherlands	All crèches (0 to 4-year olds) are provided by for-profit service providers only.
	The private primary education (over the age of 4) is always non-profit.
Norway	54 per cent of all kindergartens (0 to 6-year olds) are privately owned. There are several categories of private providers. Most of these are non-profit entities.
Poland	Private providers of ECEC services are non-governmental organizations and private firms. No further date/percentages available.
Portugal	Private service providers are mainly non-profit (72%) as only non-profit providers can receive public funding. The main private ECEC services providers in Portugal are: (1) IPSS's (Private Institutions of Social Solidarity) - they are private non-profit institutions of social solidarity who promote solidarity and justice in society; (2) NGOs that are mainly involved in the development of programmes in support of equal rights for women; (3) Cooperatives and Foundations - non-profit organizations who develop activities within the educational field; and (4) other institutions, such as Instituto de Apoio à Criança - Child Support Institute, the SOS Child Programme, etc.
Romania	The majority of the private service providers (only 5% of all services, and only for over 3-year olds) in Romania are for-profit with the exception of a rather small number of NGOs that provide services for children from poor families (daycare centres, kindergartens) or children with special needs (recovery centres). The number of children benefiting from these services does not exceed 1% of the total number of children.
Slovakia	Private providers comprise private entities and the church. In 2009 these were attended by only 1.6% (church) and 1.9% (private) of all children attending kindergartens. The highest importance of the private facilities can be found in the capital city region where still only 4.2% within children attending kindergartens were attending private facilities.

Slovenia	All private initiatives in Slovenia are non-profit, taken by the Catholic Church, social entrepreneurs, and private persons. There are no for profit/corporate ECEC services in Slovenia.
Spain	No information available.
Sweden	Private ECEC services are provided by parental and personnel co-operatives, churches, corporations and other providers, which are publicly funded. Such services exist for 18% of children.
United Kingdom	85% of childcare (0-3 year olds) in the UK is provided by the private for-profit market (private companies). The remaining 15% is provided by non-profit providers, mainly large voluntary organizations. Just over half of nursery education (over 3-year olds) is provided by mainly (40%) for-profit or non-profit private providers.

   c. Importance of voluntary workers within non-profit private service providers

Those countries with a playgroup movement – Ireland, the Netherlands the UK – based their services on voluntary workers, usually parents themselves. Playgroups are attended part time by young children (mostly between 2 and 4) some hours a week, in the presence of their parents or carers. The focus is on education and social contact of the children with their peers. These services are mainly used by parents who do not work or grandparents who take care of their grandchild.

However, the playgroup movement has changed considerably over the last few years, and there are now relatively few volunteers. Many of the community nurseries or parent cooperatives relied on parents contributing their labour in order to meet staffing ratios, or in order to run the nursery. However, because of fears of child abuse, in a number of countries stringent controls have been introduced for those who work with young children, including police checks. In the UK, for example, anyone working with or alongside young children must undergo police checks and obtain references. This has served to limit the numbers of volunteers. But most importantly, across Europe, looking after young children is increasingly regarded as a professional and skilled job, and not one which can be undertaken by volunteers[114]. Therefore, some countries explicitly discourage voluntary work. The Danish ECEC system for instance is based on the principle that there should be enough employed staff to run the service and that the system should not depend on voluntary work.

On the other hand, vocational training systems which are widespread in childcare, and which train people on the job, may use trainees in an unpaid or minimally paid capacity to provide childcare. Such schemes have been reported in Belgium and Romania for example.

Also, in some countries the importance of voluntary work has been growing in recent years. In the Czech Republic, for instance, voluntary workers are involved in helping children from socio-economically/culturally disadvantaged families. They are mainly students (studying Social Work, Social Pedagogy, Specialised Pedagogy, etc.) and deputize as assistants to take

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[114] Urban, M. (2010) *Rethinking Professionalism in Early Childhood: untested feasibilities and critical ecologies*, Contemporary Issues in Early Childhood V.11(1).

children to the kindergarten in the morning or work in non-profit organisations for preschool children. Their role in childcare services remains marginal, however.

2.4. Additional activities carried out by service providers

a. Provision of other services of general interest

In some EU/EEA countries, providers of childcare services also provide other services of general interest.

In Germany for instance, the large private non-profit provider organisations, such as the church organisations, are also responsible for other non-economic services of general interest, such as health care, social care, elderly care, professional training for early childhood educators, rehabilitation measures, support services for the (im)migrant population and so on.

In the UK, a number of companies supply services in several areas, for example for the elderly as well as for childcare.

In Hungary, too, many nurseries offer home childcare services where families can request a care worker to go to the child's home for a period of time when the parents need help in looking after the child.

In the Netherlands, some service providers have started to develop other services for parents, such as day- and night-care for children of parents who work in shifts. They also provide parental training courses or cooperate with other service providers to support parents in their busy task of combining childcare and work.

b. Provision of 'pure' commercial activities

In most EU countries considered here, the service providers do not carry out other activities that are purely commercial and the issue of additional purely commercial activities is mainly relevant for corporate providers. In the UK for instance, many corporate providers run additional activities concerned with servicing nurseries; private training schemes, personnel schemes, computerised record-keeping services, equipment manufacturing, voucher and tax credit administration and so on.

In Hungary, many nurseries offer services which are available for all parents living in the area, such as takeaway meals (usually the kitchen of the nursery cooks pre-ordered meals for takeaway by parents living in the neighbourhood), or organised events for parents (parenting support, usually tied to mother-toddler group meetings, where experts are invited to talk about topics the parents are interested in or ask for).

In the Netherlands where, like in the UK, childcare for under three year-olds is organised in a business-like way, no such additional services are carried out by the private service providers. It is however expected that they will do so in the near future.

3. EMPLOYMENT SERVICES[115]

3.1. Introduction

This Chapter presents an overview of the data collected in relation to the issue of the relative importance of private and public sector providers of employment services. Specifically, it the relative numbers of private and public sector providers and within the private sector, the relative importance of for-profit and non-profit (NGO) providers. Finally, this Chapter addresses the issue of other activities that might be provided by employment service providers, especially in relation to private sector providers.

It generally proved difficult to obtain definitive (or sometimes any) information in relation to these issues. In part, this was due to the relative scarcity of private sector providers in some countries, but it was mainly due to the fact that few countries kept extensive statistics on non-public sector providers of services. The description which follows is therefore no more than suggestive in relation to the issues at hand.

There are a number of issues concerning the quality of the data available which must be addressed in interpreting the available data. Firstly, it is difficult to compare the available statistics between the countries with some data available, as these often relate to different indicators. A further issue in interpreting the data concerns those countries where data is available on the numbers of private and public sector providers. In the private sector, providers are often much smaller than public providers and in order for a true estimate of the relative importance of the sectors to be made, data on the numbers of service users that use the different services would need to be available. Unfortunately, that kind of information is not readily available in many countries. In addition, in the UK for example, employment services from the private sector may be further subcontracted.

A final issue of relevance here concerns the nature of the services that are offered by public and private sectors. In general terms, publicly provided services tend to cover (or did so in the past) the full range of employment related services including intermediation, vocational training and others. In many countries, however, the service that are provided by the private sector are not comprehensive – they may, either by legislative provision or choice, provide only some employment services. For example, in the Netherlands, public services provide all employment related assessment services, while the private sector provides all employability boosting interventions (e.g. vocational training). Moreover, in some countries specific sectors of the employment market are substantially catered for by either the public or private sector. For example, in Norway the State only outsources rehabilitation services. In Ireland, the situation is broadly similar.

These considerations mean that it is difficult to accurately estimate the relative importance of private and public service provision across the countries of the study.

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[115] The following 22 countries have been analysed as regards the types of service providers for employment services: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

3.2. Relative importance of private and public service provision

In three countries no information was available on the relative numbers of private and public sector suppliers. In a further four countries (Denmark, France, Greece and Ireland), private sector suppliers do exist, but they either account for very small parts of the market or there is almost no numerical information available to allow an accurate assessment of the relative importance of these sectors. However, for the remaining countries, some quantitative information could be identified and this is summarised in *Table 2.3.1* below.

Table 2.3.1. *The extent of public and private sector provision of employment services*

Country	Extent of private and public sector provision
Austria	Numbers have increased from 42 private services servicing 1,970 clients in 1999 to more than 400 services servicing 11,060 clients in 2008. However, this accounts for less than 3% of the overall number of clients served.
Belgium	12% of services in Flanders and 5-7% in Wallonia have been outsourced to the private sector. No information was available in relation to ACTIRIS (Brussels PES) and Arbeitsamt der DG (German speaking community).
Czech Republic	All three forms of provider exist – public sector, private sector and NGOs (NGO's are private non profit for the purpose of this study). There are 77 Public Employment Offices (PES) and 2,150 Job Agencies (PRES) registered with the Ministry. Full comparative data is not available, but 1,170 NGOs provide some form of social services, some of which may relate to employment.
Denmark	Only two outsourced Job Centres out of 91. Private sector providers are being phased out in Denmark.
Finland	There are a range of public and private suppliers of employment services in the broadest sense of the term. Private sector provision is high in the training area, but it appears that there is little private sector supply of intermediation services.
Germany	About 14% of unemployed people obtained placement services from PRES in 2008, while 10% of placement vouchers went to PRES. This has increased over time. The numbers of PRES are also generally increasing from year to year.
Hungary	There are currently almost 200 private providers of intermediation services (about the same as PES) – this is an increase of about 300% since 2002.
Italy	There are 539 public employment centres and many more private centres that provide a limited range of services. Precise figures are not available, but private sector provision has increased over time.
Netherlands	Public and private sectors provide different services – the state provides assessment, the private sector provides active services. 400 Municipalities provided reintegration services and 1,850 private sector companies provided intermediation services in 2009.
Norway	Outsourcing takes place only in relation to rehabilitation services and accounts for 28% of the market.

Poland	No relative figures are available. The services provided by PRES and PES differ and are often complementary. The number of job agencies has risen rapidly from 13,500 in 1990 to 327,000 in 2008.
Romania	PRES employment guidance services accounted for almost 9% of services in 2006.
Slovenia	There are 59 PES offices and a further 14 educational guidance institutes offering employment services. There were a total of 270 agencies offering various aspects of PRES.
Slovakia	PES has 46 offices. There are 746 PRES offering intermediation, 853 offering temporary employment 54 supported employment and 52 social enterprises. 27% of unemployed people used PRES in 2005.
Spain	On average across regions, 13% of services were offered by PRES in 2009. This varies between 2% and 25% depending on the region.
United Kingdom	Both private for-profit and not-for-profit providers exist. External contractors provide 60% of Pathways to Work programmes.

The figures available to the study would appear to indicate that the level of private provision of services is smaller than those provided by the public sector. Even allowing for the fact that the services provided are not always comparable, in most countries the level of service provision by the private sector is below, and often considerably below 30%. For example, in Spain approximately 13% of employment services offered in 2009 came from the private sector, but this percentage varied considerably by region, where between 2% and 25% of services came from the private sector. Amongst the highest rates of private sector provision were seen in the UK, where 60% of Pathways to Work services (the main employability intervention) were offered by private sector agents. In contrast, only 3% of service users were treated by private suppliers in Austria.

Little information was available on 10-year trends in public and private sector provision. However, despite a relatively low level of private sector service provision, there appears to be a trend towards an increasing share of service provision coming from the private sector. The Netherlands and the UK have pioneered this approach in the past and other countries have since increasingly privatised these services. In Austria, for example, the number of private services has increased almost tenfold since 1999 and the number of services users by more than 500% since that time. There have also been increases in the numbers of PRES in Germany, which are said to be increasing in number from year to year.

In Hungary, there are about 200 PES offices in operation, while between 2002 and 2008 there has been an increase from 282 to 948 in the number of employment agencies, about 200 of which provide PRES services. However, there are no data available on the numbers of unemployed people using these services, nor on the range of services provided, so it is not possible estimate their relative importance.

Even where figures on trends are not available, it is clear anecdotally that private sector provision has increased in many other countries. For example, legislative reforms in Italy have broadened the range and numbers of services from the private sector, and this has also happened in countries such as the Czech Republic and many of the other new Member States.

In Spain, the recent 2010 legislation has allowed for profit private employment services to operate, a move which is likely to increase their number.

However, it should be noted also that some countries do not show evidence of this trend towards increasing private sector provision, most notably in Denmark, where there has been a significant reduction in the number of private sector services and where there is some doubt as to whether they will continue to exist.

3.3. Typology of private service providers

Three issues were addressed in this chapter – the relative importance of for-profit and not-for-profit organisations in service provision, the importance of for-profit providers and the role of voluntary staff in service provision. Information on these issues proved relatively difficult to obtain, especially in relation the last of these issues. *Table 2.3.2* below provides an overview of the relative importance of for-profit and not-for-profit organisations for the countries where information was available.

Information on the type of private sector provider proved to be difficult to obtain. Only 15 of the countries could obtain any information in this regard and in some cases this data was not quantitative in nature. However, it can be seen that different patterns emerge in relation to whether for-profit or not-for-profit organisations constitute the majority of outsourced services. In the new Member States, there is a trend towards the majority of outsourced services being provided by for-profit organisations. This is true of the Czech Republic, Estonia, Poland, Romania and Slovakia and for Italy amongst the EU-15/EEA.

By contrast, the majority of outsourced providers have not-for-profit status in Belgium, Ireland, and the UK. Both types of organisation exist in Germany, the Netherlands, Norway and Slovenia has both types of organisation, but it is not possible to say which type of organisation was in the majority.

As before, it should be noted that in some countries not-for-profit organisations are largely confined to one sector of the employment services market. For example, in Germany all outsourced training organisations have not- for-profit status while in the Netherlands and Ireland, rehabilitation services for disabled people are largely provided by this sector.

Information on trends in this area over the past 10 years is not easily available. However a number of comments can be made in relation to this issue:

- The relative importance of for-profit employment services seems likely to increase in many countries (see Spain for recent legislative change that enables their activity). Only Romania appears to have no such organisations.
- Denmark runs counter to this trend with private sector organisations playing a small and diminishing role.
- The role of NGOs varies considerably. In some countries such as the Netherlands, they are largely involved with people with disabilities, in others they operate across all or most of the range of employment services, while in others (often the new EU Member States) there is little or no tradition of NGOs operating in this area.

Table 2.3.2   *The relative importance of for-profit and not-for-profit organisations in employment services provision*

Country	Typology of service providers
Belgium	In Wallonia, about 25% of outsourced contracts go to for-profit organisations with the remainder going to non-profit organisations. In Flanders, 12.5% of providers were for-profit organisations in 2009.
Czech Republic	There are 77 Public Employment Offices (PES) and 2150 Job Agencies (PRES) registered with the Ministry. Job Agencies appear to be largely for-profit organisations, though there are some NGOs active also.
Estonia	PRES were enabled in 2000 since which there are now 142 active PRES. Yearly figures indicate about 40 new services registering per annum. 6 are NGOs. There are 26 PES.
Denmark	There are very few (2) private services and it appears they are phased out.
Germany	No robust statistics are available, but placement services (1,670) are almost exclusively for-profit organisations, while training organisations are almost exclusively not-for-profit.
Ireland	70+ local services provided by NGOs, 25 by Trade Unions, and 70+ provided by the State Training Authority.
Italy	Precise figures are not available but a 2007 study indicated that 82% of clients used private agencies for services.
Netherlands	There are both profit and non-for-profit private reintegration companies. No precise figures are available.
Norway	Both for-profit and not-for-profit agencies can operate in relation to vocational rehabilitation. No figures are available regarding their relative size.
Poland	Most PRES are for-profit organisations (c.95%).
Romania	There are no non-profit service providers.
Slovenia	The Educational guidance centres are not-for-profit organisations. The agencies offering PRES may be either for-profit or not-for-profit organisations. The non-profit organisations include the educational guidance centres, municipalities, trade unions, chambers of commerce and craft organisations.
Slovakia	Only 2 out 746 PRES have not-for-profit status. Agencies dealing with disabled people tend to be not-for-profit.
Spain	A 2010 legislation has seen provisions made for the entry of for-profit private sector organisations to enter into the market.
UK	It is estimated that about 30% of private sector providers are for-profit organisations. However, it is likely that the proportion of providers (for-profit) will increase and that they will sub-contact service provision to smaller not-for-profit organisations.

The third issue to be investigated here concerned the importance of voluntary workers in service provision. In light of the fact that employment services are the subject of statutory provisions and are still largely run by the State, it is not surprising that there was little evidence

of service provision by voluntary workers. Most of the countries in the study were not in a position to provide information on this issue.

3.4. Additional activities carried out by service providers

This chapter addresses the extent to which employment service providers are involved in the provision of other services of general economic interest. In theory, these services may be supplied on a commercial or non-economic basis.

Information proved difficult to obtain on this issue, perhaps in part because many of the organisations that are involved in the area would have been specifically set up to provide employment services. No information on this issue was available from Denmark (where there is only two PRES), Latvia, Romania, Spain and Sweden. *Table 2.3.3* below summarises the information that was obtained in relation to additional activities.

Table 2.3.3   ***The provision of other services of economic interest by employment services providers***

Country	Additional activities carried out by providers
Austria	No information is available except that which indicates that no charges may be made for services directly to clients by private providers.
Belgium	In Wallonia, it would appear that other services are not offered, as they are mainly training organisations. In Flanders, the services are usually a small part of the overall activity of outsourced organisations. In Wallonia, outsourced organisations offer their services on a commercial basis.
Czech Republic	Employment Offices and Job Agencies do not carry out additional services; while NGOs do (they are not primarily focused on employment).
Estonia	PRES are free to carry out other activities, but no information is available regarding these activities.
Finland	PES's also supply some services that employers pay for, e.g. tailored placement services, recruitment, outplacement, and advice on company training and personnel hire.
France	In some cases, training is provided to employers as a commercial activity by some agencies.
Germany	Placement services do not appear to carry out other services of economic or non-economic interest.
Greece	No information available on private suppliers and the public suppliers do not engage in commercial activities.
Hungary	Service suppliers must supply information on the performance of their services (general economic interest). In addition, some engage in labour market research. No information is available on whether they engage in pure commercial activities also.
Ireland	State Training Agency provides some services to employers. Local area partnerships provide a broad range of inclusion services. The State Training Agency may provide commercial services to employers, limited to the labour market and training areas.

Italy	Private employment agencies may provide a range of employment related services other than intermediation. These include hiring out workers, management consultancy, assessment centres, recruitment consultancy and other employment related activities.
Netherlands	Only employment related services are provided.
Norway	Vocational rehabilitation organisations may also make commercial service offers to clients.
Poland	PES's carry out services of general economic interest. PRES carry out commercial activities with payments coming from employers, but not from individuals.
Slovenia	All other organisations apart from the educational guidance centres would carry on other activities.
Slovakia	The PES supply services that are of general economic interest, while they can outsource services to organisations that are considered to be non economic services of interest. Such outsourced providers may engage in purely commercial activities.
United Kingdom	Some larger contractors do provide other services of general economic interest, sometimes on other countries as well. A small number of service suppliers are involved in pure commercial activities in the UK and beyond.

A number of trends were evident in the information that was obtained. Firstly, as indicated in Section 1, no country allows for charges to be made for individualised employment intermediation services – these are free to the unemployed individual (as is consistent with the 1948 ILO convention). However, in some countries, employment services (be they PES or PRES) are able to charge for specific services to employers. For example, in Italy, PRES that provide employment agency or training services for employers can charge for this work. Charging for training is also allowed in similar circumstances in France, Finland and Ireland for example. A variation on this theme comes from Norway, where rehabilitation service providers can charge employers for any rehabilitation services provided.

Another trend that was evident was of employment service providers providing a range of commercial or non-commercial services. This was a weaker trend, but evidence for it was seen in the UK and elsewhere. In the UK, this is in part due to the fact that some 'traditional' employment service providers have been bought out by larger commercial organisations. However, it was also clear from a number of countries, e.g. Estonia, Italy and Slovenia that private sector agencies may supply other services on a commercial basis.

Finally, there are a number of countries where it is clear that no other activities may be carried out. This is mostly true of the PES, which are mandated by law or regulation to provide employment related activities, but it is also true of PRES in some countries, e.g. the Netherlands.

4. SOCIAL HOUSING[116]

4.1. Introduction

This chapter presents a detailed description of the private and public social housing providers in the selected countries and provides information concerning additional services delivered.

In order to understand developments of the last decade in public and private provision of social housing, it is necessary to briefly step further back in history. In most European countries social housing was created as a response to the emerging housing needs brought along by massive industrialisation and urbanisation in the early 20th century. The sector developed at the own initiative of private actors, which included associations, enterprises and other private bodies. However, after the massive destruction created by the second World War, pressing housing need led national States to take over the responsibility to provide the population with housing at a larger scale. This period saw at both sides of the Iron curtain large scale construction of high rise public housing estates, with varying degrees of quality but most of them applying fast standardised production of cheap units to fulfil the shortage.

Over this period, most Western European countries developed large public housing stocks, built and managed directly by local governments or specialised government agencies. Decades later, post-industrialisation and structural changes in the economy and society coupled with the emergence of neo-liberal policies brought along processes of privatisation and/or stock transfer of the social housing stock from public back to private hands. This process had different faces; one of the most prominent cases was the United Kingdom, where in the 80s the "Right to buy" policy was instituted, allowing councils to sell social housing dwellings directly to tenants; in addition, a policy of large-scale stock transfer to newly created private bodies, "housing associations", was initiated. As Mullins and Pawson[117] explain, over the past two decades, Britain has witnessed a process of transfer of more than a third of its council homes from local authority ownership, management and control to the independent non-profit housing sector, generally known as the housing association sector: *By 2009, in almost half of municipalities of England and Wales 'council housing' was a thing of the past"*.

In Central and Eastern European Member States, the transition to market economies after the fall of communism in the 1990s, has been the single most important event marking the recent development of social housing provision. In countries such as Estonia, privatisation led to the compulsory establishment of housing co-operatives or associations in privatised multi-apartment buildings. In the Czech Republic, a continuous policy focus on home-ownership has led approximately 60% of the public stock prior to transition to become private ownership.

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[116] The following 22 countries have been analysed as regards the types of service providers for social housing: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

[117] Mullins D and Pawson H (2010) *Housing associations: Agents of policy or profits in disguise?,* Chapter 10 in Billis D (ed) Hybrid Organizations and the Third Sector. Challenges for practice, theory and policy. Palgrave Macmillan.

Overall, over the last decades municipal provision has been declining and/or undergoing re-structuring. In Finland, for example, a reorganisation in the municipal sector led to almost all large cities to externalise ownership of social housing from the municipal budget. Some local authorities set up a limited liability company (Kunta Asunnot) to which they transferred ownership of their housing stock as a capital contribution. A similar situation occurred in many former communist countries, where municipalities have set up in house bodies to manage their stock (municipal housing companies in Hungary and Romania; municipal housing fund in Slovenia; social housing associations in Poland).

The general trend nowadays in most European countries is to come back to the involvement of private actors (mostly not-for-profit) towards meeting (social) housing policy objectives through a wide range of social agencies, albeit with continuing government subsidies, financing housing programmes, and sector-specific regulatory frameworks.

In the Netherlands, following the Brutering agreement in 1993, social housing organisations have been financially independent from the government and have gained considerable economic strength. They have been fulfilling a wide variety of tasks directly or indirectly related to their core housing mission. Over the last few years the scope of their activities and the system of supervisions as a whole has become subject to political discussion. As a result, a new housing act is due to come into effect in the summer of 2011. Both in Germany and in Sweden the former non-profit status has been abolished, in Germany in 1989 and in Sweden very recently. Thus today the social housing stock provided by public companies is marginal and present only in Austria, Belgium (Flanders) and Finland. In Austria, the withdrawal of municipalities from new construction over the past decades and the privatisation of former publicly owned companies have increased the relative importance of private providers. Furthermore, in Germany, cities like Dresden and Kiel have sold off their municipal stock to private equity investors. A similar process also occurred in Austria about ten years ago; however, in Austria rent regulation, according to the limited-profit housing law, still applies to the dwellings sold to for-profit investors.

A trend that stands out within the private sector, are mergers of housing associations. Partly following a drive to increase efficiencies, these have been widespread over the last decade in countries such as Denmark (following decentralisation of local government since 2007 with a reduction of the number of municipalities from 300 to 98); the UK, the Netherlands and France (the overall number of Hlm organisations decreased from 764 companies in 2002 to 714 in 2009).

Last but not least, in Italy, recently new operators are also entering the social housing scene, mainly Foundations for social Housing development (created by bank Foundations in partnership with Regions, Municipalities and other private investors). New Foundations and Ethical Funds are being developed throughout the country, but it is a very recent phenomenon (so far only 2 projects have been implemented in the whole country).

4.2. Relative importance of private and public service provision

In order to distinguish 'private' from 'public' provision of social housing, we will start by recalling the study's definition of private providers:

"Providers which are not public authorities or other bodies governed by public law".

Furthermore, "body governed by public law" means any body:

a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;

b) having a legal personality; and

c) financed, for the most part, by the State, regional or local authorities or other bodies governed by public law; or subject to management or supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

In accordance to this definition, public providers should comprise *public authorities providing housing directly and bodies governed by public law*. However, as seen in Section I, social housing providers in the EU/EEA are characterised by a wide variety of legal statuses and organisational forms, which do not necessarily match the above distinctions. For example, in many cases, the fact of being "publicly owned" or "publicly managed/supervised" or "financed, for the most part, by the State (…)" does not mean that the respective company is governed by public law, or vice versa. In Poland, for instance, social housing associations owned by municipalities are subject to a specific law on social housing associations, which is private law. Another example is Hungary, where in house solutions by companies owned by local governments are subject to private law, but their operations are supervised according to public law given that they carry out municipal tasks. A similar case is Finnish municipal companies, which are subject to both private law (e.g. through limited liability in the case of bankruptcy) and to public law (e.g. they are subject to public procurement regulations). In addition, in some cases providers have a mixed ownership (public-private), which poses additional classificatory challenges.

Hence, as these examples show, in many cases it is extremely difficult to draw a clear line between what is 'public' and what is 'private' in the field of social housing providers. Furthermore, it is worth noting the contested nature of the public/private divide in this field, which is illustrated by the recent legal debates about the status of non-profit housing associations in England and the Netherlands[118].

Consequently, it is worth mentioning that the 'modalities of provision' presented in Section I, point 4.4 (in house / external provision) do not entirely match the public/private distinction according to the study's definitions. Both in house providers (e.g. some municipal housing companies) and external providers (e.g. external providers in Wallonia and Brussels, Belgium) are ruled in some countries by a combination of public law and private law, respectively.

Table 2.4.1 gives an overview of the types and relative importance of private and public providers of social housing services in the countries under study.

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[118] See Blessing, A. (2012); Bowden (2008).

Table 2.4.1   ***The extent of public and private provision of social housing services***

Country	Extent of private and public sector provision
Austria	• *Public provision*: Out of the total social housing stock, 40 % is provided directly by municipalities and 20% by public companies. • *Private provision*: The Limited-Profit sector (which provides 20% of the social housing stock) comprises about 50% co-operatives and 50% companies (of which 90% are limited companies, the rest joint stock companies). About 20% of these companies are owned by public entities. In addition, housing cooperatives gained relative importance after the privatisation of former publicly owned companies, and for-profit providers have recently been accepted for promotion schemes (figures not available).
Belgium	• *Public provision*: In Wallonia social housing is provided by agreed social housing providers (*Sociétés de Logement de Service Public* – SLSP) who are regulated by public law. • In the Brussels-Capital Region social housing is provided by 33 *Sociétés Immobilières* de Service Public (SISP), a mix of public-privately owned enterprises and co-operatives and subject to rules governing commercial companies. While the government owns the majority of the former's capital, social housing tenants own shares of the latter. Both are supervised by the SLRB (*Société du Logement de la Région de Bruxelles-Capitale*), a limited company established under public law. • *Private provision*: In Flanders, social housing is mainly provided by *Sociale Huisvestingsmaatschappijen* (SHM), which are private associations and foundations. They provide 137,000 social rental dwellings.
Czech Republic	• *Public provision*: Out of ca. 683 thousand social housing units, ca. 89% of social housing is provided directly by municipalities or in-house by organisations owned by the municipalities. • *Private provision*: About 11% of the above figure is provided by in-house solutions engaging not for profit providers (charities), mostly concerning crisis or temporary social housing arrangements.
Denmark	• *Public provision*: Municipalities provide only 2% of social housing. • *Private provision*: Social housing is almost entirely provided by non-profit associations (98%).
Estonia	• *Public provision*: Municipalities provide 6,000 social rental dwellings directly, which is equivalent to 1% of the total housing stock in the country. • *Private provision*: Marginal (NGOs).
Finland	• *Public provision*: Some municipalities (particularly small ones) carry out provision directly, but it's a limited phenomenon. In addition, municipal companies (in-house) currently own and manage 260,000 dwellings (corresponding to about 60% of the social housing stock). These companies are subject to both public law (e.g. public procurement) and private law (e.g. bankruptcy). • *Private provision*: Private limited profit companies manage 135,500 dwellings (about 31% of the social housing stock), and other private

	providers[119] 36,200 dwellings (about 8%).
France	• *Public provision:* Hlm (*Habitation à Loyer Modéré*) companies own more than 4.0 million dwellings. They are about half public (Offices de l'Habitat, 2.2 million dwellings) and half private (*Entreprises sociales pour l'habitat* with 2 million dwellings and Cooperatives with about 20,000 dwellings). *Les Offices* are publicly owned but they fall within the same regulation as other (private) types of Hlm companies. Also subject to the same regulation and providing social housing, there are semi-public enterprises (*Société d'économie mixte, SEM*), which own 0.3 million dwellings and some non-profit associations owning less than 0.1 million dwellings. • *Private provision*: Does not exist.
Germany	• *Public provision*: Does not exist. • *Private provision*: All providers involved are private companies. Schemes providing public subsidies are open to all providers.
Hungary	• *Public provision:* Out of 132 thousand social housing units, larger municipalities run ca. 80% of the sector. They tend to apply in-house solutions (companies owned by local governments), which are subject to private law, but as they carry out municipal tasks, their operation is supervised according to public law, e.g. public expenditure. Direct public provision is mostly applied in smaller municipalities. • *Private provision:* Option not in use.
Ireland	• *Public provision:* Local authorities provide most social dwellings directly with 84% of the stock (about 118,400 dwellings). • *Private provision:* The rest (about 23,000 dwellings, 16%) is provided by not-for-profit approved housing bodies in the voluntary, philanthropic and the co-operative sectors.
Italy	• *Public provision*: Municipalities manage directly about 200,000 dwellings. In addition, there are 113 public housing agencies, which manage 762,000 rental dwellings on behalf of the local authorities. Public law applies to these agencies in all regions. In Emilia Romagna and Toscana public companies (which only manage but do not own the dwellings) are 100% owned and controlled by the local authority and operate in-house. In other regions public companies participate to public tenders as any provider. • *Private provision*: No information is available on the number of dwellings that are rented at social rates through conventions with the private commercial sector.
Latvia	• *Public provision*: Out of the 6,370 social housing units, ca. 75% is provided for directly by municipalities, the rest via in-house solutions. • *Private provision*: The city of Riga has subcontracted and NGOs run 6 of its 14 social houses.

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[119] 'Others' includes dwellings provided by: Some insurance companies; some firms; some organisations only owning very few dwellings to be used as housing for special groups; and religious congregations.

Netherlands	• *Public provision*: Does not exist. • *Private provision*: Social housing is exclusively provided by not for profit associations and foundations.
Norway	• *Public provision*: There is a small public housing sector, consisting of dwellings let directly by the municipalities (97,000 homes). • *Private provision*: Private providers do not play a significant role in social housing provision; there are no precise data available on the total number of social dwellings managed by private providers, but it is very small and limited to certain categories of tenants (students, elderly people, disabled).
Poland	• *Public provision:* Direct provision by municipalities and social housing associations owned by municipalities. Ca. 1.5 million units are social housing. Except for a minimal share of around 1.3%, all social housing is provided for via "in-house" solutions by social housing associations. It is worth noting that the latter are subject to a specific law on social housing associations, which is private law. • *Private provision:* Only non-profit private providers provide social housing, namely: tenement co-operative housing; private TBS; and NGO of public interest.
Portugal	• *Public provision*: In 2008, 115,000 to 125,000 social housing dwellings (equivalent to 2% of the total housing stock) were owned by municipalities. In addition, IHRU still owns a share of social rented housing that it manages directly (12,027 dwellings in 2008). Social Security is also responsible for a residual number of social housing (in 2008 ca. 1,400 dwellings.) In the same year, 14 out of 192 municipalities answering a questionnaire[120] had established municipal public companies for the management of their housing stock. These function under public law. They are 100% publicly owned and controlled by the municipality and operate in-house. • *Private provision*: NGOs are eligible to apply for specific public funding programmes for social housing provision. Housing co-operatives and private companies also have access to some state projects aiming at the promotion of housing at controlled costs. No precise figures are available.
Romania	• *Public provision*: Out of 190,000 dwellings, ca. a third of all social housing is provided directly. In addition, a few bigger municipalities have established special legal entities (e.g. public institutions, joint stock or limited liability companies, 100% owned by them) to manage their housing stock. As in the case of Hungary, these companies are subject to private law but controlled and supervised by public law given that they perform municipal tasks. • *Private provision*: Option not in use.

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[120] Questionnaire applied and all figures estimated by OHRU in 2008.

Slovakia	• *Public provision*: All social housing is provided directly by municipalities, comprising ca. 43,300 social housing units throughout the country. • *Private provision*: Option not in use.
Slovenia	• *Public provision*: Direct provision by municipalities (no data available). In addition, some municipalities or group of municipalities have established municipal housing funds to run their social housing stock. These are subject to public law. • *Private provision*: No reliable data on non-profit organisations operating in this field (it is estimated they are very few and of diminishing importance since 2003).
Spain	• *Public provision*: Public support for the provision of protected housing is dwelling-based, and open to all sorts of providers. Only in certain cases, which fall within the so-called '*viviendas de promoción pública*' (publicly promoted housing), public promoters are the only providers. This is housing for people on a very low income who cannot access housing even at the lowest rents. Direct provision by municipalities is an exception. Precise data on public vs. external provision are not available[121]. • *Private provision*: Private commercial developers, private persons, housing cooperatives, and developers in 'community of goods'. Precise statistics about different types of providers are not available.
Sweden	• There is no social housing.
United Kingdom	• *Public provision*: In 2009, out of 4,970,000 social dwellings in the UK, 2,356 (47.4%) were owned and managed directly by local authorities[122]. • *Private provision*: In 2009, out of 4,970,000 social dwellings in the UK, 2,614 (52.6%) were owned and managed by non-profit housing associations. As of 2010, for-profit operators are entitled to develop as well as managed and own social housing (no figures available yet).

- Public provision

As seen above, the definition adopted for the study led us to distinguish between two types of public provision, namely: a) direct provision by a public authority, and b) provision by bodies governed by public law. The first type is relatively straightforward to identify, as it features mainly municipalities that own and manage their social housing stock directly. According to data provided by the study's country experts, percentages of this type of provision vary between 100% in Slovakia to only 2% in Denmark. In between we find Czech Republic (89%), Ireland (84%), Latvia (75%), the United Kingdom (47.4%), Austria (40%) and Romania (33%). As mentioned in the introduction to this section, the ongoing trend in this type of provision is towards decline in most countries under study.

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[121] According to the housing ministry statistics, in 2008: out of a total 90,531 dwellings, 76,606 were initiated by public and private promoters together; 10,975 were initiated by cooperatives; and 2,950 are classified as individual self-build.

[122] Source: Wilcox, S., Pawson, H. (2011) *UK Housing Review 2010-2011,*
http://www.york.ac.uk/res/ukhr/ukhr1011/compendium.htm

Amongst the second type of public provision we find a wider range of providers, notably municipal companies, typically established and owned either 100% or in their majority by local governments. As seen in Section I, these correspond to in house solutions adopted by municipalities for the management of their housing stock. However, as mentioned earlier, depending on the country these companies might be subject to public law (e.g. Portugal) or to both public and private law (e.g. Finland, Hungary, Romania).

In addition to municipal housing companies, other social housing providers governed (at least partly) by public law include: agreed social housing providers in Wallonia and the Brussels Capital-Region (Belgium); Hlm in France; public housing agencies in Italy; municipal housing funds in Slovenia; and public promoters in Spain. Social housing associations in Poland are municipally owned entities but are ruled by private law.

Last but not least, it is worth noting that public provision of social housing does not exist in the Netherlands and Germany.

- Private provision

Amongst private providers, two broad groups can be distinguished: not-for-profit and for-profit. The distinction between each is further developed in the next point. However, broadly speaking the former is by far the most prominent way of provision across old EU Member States, and its importance has been growing over the last decades as a result of the abovementioned trend towards privatisation and stock and/or management transfer to private (mostly not-for-profit) entities. In terms of legal status and organisational forms, as shown in *Table 2.4.2*, we find a wide variety, ranging from limited profit companies (20% in Austria, 31% in Finland); housing associations (52,6% in the UK, 98% in Denmark and virtually 100% in the Netherlands); co-operatives (to be found in Austria, Belgium, Ireland, Poland, Portugal, Spain – no precise figures available); to NGOs and charities providing temporary and 'crisis' (social) housing, mostly on the basis of specific funding programmes (e.g. in Portugal, Czech Republic, Estonia, City of Riga, Slovenia).

In terms of for-profit providers, their importance is very small in social housing provision across EU member states. As explained in section I, they are active mostly through specific funding schemes, in countries such as Spain, Italy and Portugal. It is worth noting, however, that Austria and England have recently opened the possibility for for-profit providers to apply for such funding schemes. In addition, as we have explained earlier, following the abolition of the non-profit Act in Germany in 1988, any type of provider can provide social housing. This has open the door to the large-scale sale of former public or municipal housing to international for-profit investors, such as Japanese or American pension funds and insurance companies. However, it is worth noting that German municipal housing companies are publicly owned and provide 2.3 million dwellings, of which 30% are subsidized.

Last but not least, it is worth mentioning that in Central and Eastern European Member States for-profit providers do not exist despite the fact that in many of these countries the legal option to establish this type of providers does exist (e.g. Hungary, Romania and Slovakia).

Table 2.4.2   Types of providers of social housing

Country	Public providers		Private providers						co-operatives**/***	for-profit companies
			private law entities (civil or business law), non profit							
	local authorities	public law bodies	associations	co-operatives*	companies/societies		other			
					public owners	private or mixed ownership				
AT	x			x	x	x				x
BE		x		x	x					
CZ	x								(x)	x
DE									x	x
DK	x		x	x						
EE	x								(x)	
ES		x							x	
FI	x	x			x	x				
FR		x		x		x				
HU	x	x							(x)	
IE	x			x		x				
IT	x	x							x	x
LA	x									
NL			x				Foundations			
NO	x								x	x
PO	x				x	x			x	x
PT	x	x					NGOs		x	
RO	x	x								
SI	x	x								
SK	x								(x)	
UK	x		x	x		x	Provident and Industrial Societies, Trusts			x (from 2011)

* co-operatives, non-profit: these are co-operatives which are regulated by a non-profit regulation (housing law, non-/limited-profit law)

** other co-operatives: these are co-operatives without an extra non-profit regulation, but are not classified as "for-profit" due to their specific nature

***(x) refers to provision of housing which is not regarded as being social.

4.3. Typology of private service providers

This section discusses the types of private providers of social housing services in more detail. Their relative importance is shown in the *Table 2.4.2* above.

a. Importance and types of non-profit private service providers

Amongst private non-profit providers in the old EU Member States we find a great variety of legal structures; this is not the case in the new EU Member States, for historical reasons. European company law doesn't exist, and comparison of national law is complicated and would require a separate analysis to explore all the important features of the different organisations. What is important, however, is that all these organisations are governed by private (civil or business) law and have to comply with their respective regulatory frameworks.

The non-profit status of these organisations is derived from external legislation, which is either a separate law like in Austria ("*Wohnungsgemeinnützigkeitsgesetz*", Limited-Profit Housing Act) or incorporated in the different "housing laws" (Belgium, Denmark, Finland, France, Netherlands, Poland and UK). In the UK we also find a reference to "charitable" status, which is not the same as "non-profit" but falls within that category.

There are three basic types of non-profit private housing providers:

- cooperatives and associations which constitute assemblies of individuals,

- companies which are assemblies of financial capital, and

- other bodies in various forms, where assets are appropriated, e.g. in foundations or English trusts (body of trustees), the common feature of these bodies being that assets may not be transferred out.

Housing Cooperatives: This is most probably the oldest version of social housing provider, set up in times when housing conditions were very bad and there was hardly any public intervention in housing matters. The "social" status of co-op housing is sometimes questioned, and has to do with tenure and non-profit status, which do not exist for housing cooperatives in new EU Member States. The non-profit concept itself contains some elements that have been derived from the – older – cooperative housing concept (Austria). Housing cooperatives exist in many European countries (Austria, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Slovakia, Spain, Sweden, UK). However, in some of the new Member States like Hungary and Slovakia, housing cooperatives are organisations for the management of privately-owned apartments in multi-unit buildings, and have nothing to do with social housing. It should also be noted that cooperatives might adopt a voluntary non-profit status.

Concerning tenure (mode of holding or using a dwelling) in cooperative housing, we find different concepts in EU/EEA Member States. While in Austria, Denmark and Germany, housing cooperatives provide rental dwellings[123] and/or owner occupied housing, in many other

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[123] In Austria the contract between a cooperative and the user is a specific contract ("cooperative contract of using a dwelling") but the general Tenancy Act lays down that this contract establishes the same rights and obligations as a rental contract.

countries cooperative housing is closer to owner-occupied housing with some restricted owners' rights concerning the building.

Large-scale "social rented housing" provided by non-profit cooperatives can be found in Austria, Denmark and Poland, and on a smaller level in France, Italy and the UK.

Associations: In the strict legal sense an association is a voluntary assembly of individuals or other entities. Organisations of this type play a major role in Denmark; members (tenants) are represented on the boards, thus realising the principle of tenants' democracy which is one of the basic features of the Danish model of social housing. In some countries the term "housing association" is also used as umbrella term for a variety of other organisations, even in legal acts and official titles of umbrella organisations (Austria, England).

Companies: Non-profit companies are set up under national private company law. In Austria these companies are limited companies or joint stock companies, in France "*sociétés anonymes*". The non-profit status is derived either from housing legislation like in France or from limited-profit legislation like in Austria. In Belgium (Flanders) and Finland this type of provider plays a major role, while in others they are of little significance.

Former non-profit municipal companies in Germany and Sweden are also constituted as limited companies.

"English bodies": In England non-profit housing organisations exist in nearly all the legal forms mentioned above (cooperatives, associations, companies); in addition we find some very specific types of organisations, such as trusts and Industrial and Provident Societies, the latter being the most common of all providers. Non-profit status is defined in the Housing and Regeneration Act 2008, under which all charities in compliance with national legislation are regarded as non-profit; the act also defines non-profit for non-charities. In Scotland there are similar organisations called "Friendly Societies", set up under the Industrial and Provident Societies Act. In Ireland there is a similar variety of organisations.

Foundations: This legal entity, without owners or shareholders, represents capital dedicated to a specific purpose; a governing/managing board has to be set up. In the Netherlands, "housing corporations" are established in this form. This goes back to a conversion of the former different non-profit organisations (associations, companies, etc.).

The private non-profit providers sector has shrunk considerably, due to the abolition of non-profit regulation in Germany about twenty years ago and due to a similar development in Sweden which occurred recently (see Box 1.11 Section 1). However, the sector is now gaining weight thanks to the stock-transfer programme in the UK.

> *b. Importance of voluntary workers within non-profit private service providers (importance of unpaid volunteer staff, relative to paid staff)*

Voluntary work plays only a very marginal role in social housing. It was traditional in German cooperatives, for example, where tenants used to be responsible for cleaning duties. Today only in daily care or neighbourhood activities do tenants sometimes do voluntary work.

4.4. Additional activities carried out by service providers

Additional activities carried out by service providers are services with a strong relation to housing provision or with a relation to other developing activities such as the development of non-residential premises (e.g. for shops, supermarkets) in residential projects, ancillary infrastructures to social housing (garages, playgrounds), the provision of "housing-related" services (repair and relocation services), etc.. Housing providers may also be active in regeneration of neighbourhoods and communities. The activities may be carried out for own purposes or for third parties, typically in the case of public purpose buildings and community infrastructure for municipalities or social service providers (like neighbourhood centres, kindergartens, fire brigade premises, homes, community libraries, social care centres). Housing management activities carried out for other providers may also be regarded as additional service.

Whether or not these activities qualify as "services of general economic interest" or "pure commercial" activities depends on the legal framework and modes of provision. The provision of non-permanent accommodation (for students or for the elderly) may be regarded as a service of general economic interest in one country but as a commercial activity in another. So a simple description of the kind of activity is not sufficient to classify it as being a "service", and nor can an activity be classified as commercial or non-commercial according to its nature.

In France, for example, most of the activities described above exist, but only within the framework of provision of services of general economic interest, which involves specific regulation and also funding. In England, on the other hand, there is also the provision of student housing and key-worker accommodation, which is not regarded as a social housing activity and falls within the scope of "pure" commercial activity.

Rules governing non-profit bodies also include limitations to "accepted" activities, such as the Austrian Limited-Profit Act: There we find a definition of "principal activities" (provision of rental housing and housing for sale), "secondary activities" (provision of garages, premises for commercial activities but only within a residential building and limited to a certain floor space, homes for third parties) as well as "exceptional" activities (for which permission by the supervising body is required) and which are not regarded as service of general economic interest.

a. Provision of other services of general economic interest

Most of the activities described above fall within the scope of general economic interest service delivery; the exceptions are mentioned explicitly under point c).

b. Provision of other non economic services of general interest

Non economic services of general interest are only provided by local authorities; independent housing providers do not provide non economic services of general interest.

c. Provision of 'pure' commercial activities

Pure commercial activities are carried out by:

− For-profit providers: In those countries where for-profit providers are eligible for public funding schemes, providers are active both in the provision of social (= public assisted) housing and in the "normal" housing market, providing housing for rent or for sale (e.g. Austria, Germany, Italy, Norway, Portugal, Spain, from 2010 UK). In these cases the for-profit activities may even dominate.

− Regulated/Non-profit bodies are to a small extent active in provision of housing on the market and/or non permanent accommodation like student housing, which is not regarded as social housing (England, Finland). The "exceptional" activities of Austrian limited-profit bodies, which require special permission (see above), can also be mentioned. But it must be stressed that in the case of regulated/non-profit bodies the income obtained by these activities is for the benefit of the general interest activities.

5. CROSS-SECTOR ANALYSIS

This chapter presents a brief overview of some similarities and differences in data collected in relation to the issue of the relative importance of private and public sector providers of all social services of general interest examined in this report: early childhood education and care (ECEC), long-term care (LTC), social housing and employment services.

5.1. Relative importance of private and public service provision

We first look at the relative number of private and public sector providers as defined in previous chapters, and, within the private sector, the relative importance of for-profit and non-profit providers across the four sectors. Finally, the chapter looks briefly at the extent to which other activities might be provided by service providers, especially private sector providers. We summarise our results in two tables, however it should be stressed that these tables should not be taken as being definitive, they may not represent the full picture of the complexity of service provision across Europe; instead they reflect the information that we were given and able to locate.

Table 2.5.1 provides an overview of the balance between public and private sector providers across the four sectors. As can be seen from the table, in many countries the public sector dominates, although across all sectors there are some trends in many countries towards increasing private sector involvement in providing publicly funded services. In broad terms, private sector provision appears most likely in the LTC and ECEC sectors, with more limited roles in employment services. As regards social housing providers, in many countries it is extremely difficult to draw a clear line between what is 'public' and what is 'private'.

- *Long-term care*

As *Table 2.5.1* shows, a mixed picture appears for LTC, where there are a few countries that rely almost entirely on the private provision of services and a few more that rely heavily on the public sector. The majority of countries have a substantive amount of public and private sector providers, with the private sector often involved in the provision of residential care. Countries that rely almost entirely on private sector provision for all LTC services include Germany and the Netherlands where legislation and regulation have ensured that almost all services are provided by the private sector. 94% and 86% of residential care provision in England and Scotland respectively are provided by the private sector. Other countries where at least 65% of all residential care places are provided by the private sector include Estonia, Belgium (Wallonia), Ireland and Italy. Despite this lack of comprehensive long-term trend data, there seems to be a trend towards increased use of private service providers. The increased use of cash benefit and voucher systems whereby service users can choose to purchase services that best meet their needs rather than having to make use of a set of prescribed public sector funded services, also increases the likelihood that more privately provided services will be used.

- *Early childhood education and care*

In the last ten years, childcare in most of the study countries remained mainly public. In some countries, like Norway and Finland, the private provision increased slightly over the past ten years, without however exceeding the public provision. The UK is the most remarkable example of a huge increase of private ECEC services: a 70% increase in private (for-profit)

childcare provision has happened since 2002. Today, in most EU/EEA countries, there are more public ECEC services than private ones; the reliance on the private sector is very different where responsibility for service provision rests with the education sector, which is the case for most countries for children aged between 3 and 6. Over 65% of children over three years in the EU/EEA are in publicly funded provision, mostly in schools or as freestanding kindergartens within the education system. For children *under three* the picture is different. In at least 7 countries – Greece, Ireland, the Netherlands, Portugal, Spain, Norway and the UK, private provision predominates. Some of these countries have adopted an explicitly pro-market approach: In the UK, Ireland and the Netherlands, for instance, the policy is to view ECEC as a competitive business led by entrepreneurs and to assume that supply and demand of ECEC can best be delivered independently of any state intervention.

- *Employment services*

Little information was available on 10-year trends in public and private sector provision. However, despite a relatively low level of private sector service provision, there appears to be a trend towards an increasing share of service provision coming from the private sector. The Netherlands and the UK have pioneered this approach in the past and other countries have since increasingly privatised these services. Still, in most countries the level of service provision by the private sector remains often considerably below 30%. Exceptions are rare. Intermediation services in the Netherlands are provided by the public sector, whilst 60% of services provided under the Pathways to Work scheme (the key intermediation and employability service) in the UK have been contracted out to external service providers.

- *Social Housing*

Although, as *Table 2.5.1* indicates that in 15 countries social housing still services appear to be almost entirely provided by the public sector, overall two-thirds of new build projects are being undertaken by the private sector, a fact which highlights the ongoing shift from public to private provision. Germany and the Netherlands stand out as rare exceptions to this pattern where there is a total reliance on the private sector, albeit in Germany this includes for-profit public companies established under private law. There are also mechanisms being used to increase private sector involvement. The UK is one example of a country which has seen an increase in the role private sector through reforms which allowed tenants the opportunity to purchase their dwellings, as well as the transfer of the stock of social housing to housing associations. The clear general trend nowadays in most European countries is to come back to the involvement of private actors (mostly not-for-profit) towards meeting (social) housing policy objectives through a wide range of social agencies, albeit with continuing government subsidies, financing housing programmes, and sector-specific regulatory frameworks.

- *Cross-county patterns*

Overall in terms of cross-sectoral patterns in service provision, the Netherlands stands out as the one country where private sector service provision accounts for more than 75% of service provision in substantive elements of service provision for all four sectors. Germany also has more than 75% of LTC and 100% of social housing services provided by the private sector, with two thirds of ECEC service provided privately. Almost all ECEC services from 0-3 in the UK are provided in the private sector, while residential care is also heavily dominated by the private sector. There are major roles also for private sector providers in employment and social

housing services in several countries. As *Table 2.5.1* indicates in most sectors in countries with a longstanding tradition in public service provision as in the Nordic countries and those Member States that joined the EU after 2004, public sector providers continue to dominate in many settings.

5.2. Typology of private service providers

We also analysed the balance between for-profit and not-for-profit provision of private sector services in the different sectors. Across countries and sectors there are very few countries where there is a substantial use of for-profit providers. Overall the use of the not-for-profit sector dominates that of the for-profit sector in all sectors. The LTC sector appears to be the most likely to make use of for-profit service providers.

In respect of *social housing*, it should be noted that the classification between for-profit and not-for-profit providers is complex. Broadly speaking the not-for profit provision is by far the most prominent way of provision across EU Member States, and its importance has been growing over the last decades as a result of the trend towards privatisation and stock and/or management transfer to private (mostly not-for-profit) entities. In terms of legal status and organisational forms, a wide variety can be found ranging from limited profit companies (20% in Austria, 31% in Finland); housing associations (52.6% in the UK, 98% in Denmark and virtually 100% in the Netherlands); co-operatives (to be found in Austria, Belgium, Ireland, Poland, Portugal); to NGOs and charities providing temporary and 'crisis' (social) housing, mostly on the basis of specific funding programmes. Except for Germany - which provides all social housing services on a for-profit basis, stands out as an exception -and Austria, no other country has any for-profit social housing provision.

Looking at *employment services*, in some new Member States, there is a trend towards the majority of outsourced services being provided by for-profit organisations, as in the Czech Republic, Poland, and Slovakia. This is also the case in Romania, albeit as *Table 2.5.1* indicated only 9% of services are provided in the private sector.

In respect of *ECEC*, there is more non-profit than for-profit provision in most countries, although percentages vary for children under three years old and over three. Not-for-profit service providers have over 90% of private sector service provision in Finland, France and Germany. In contrast, in the UK and Ireland, 85% of ECEC services provided in the private sector for children aged 0-3 operate on a for-profit basis. 40% of private services for children aged 3-6 also operate on a for-profit basis in the UK. There is substantial growth in for-profit providers of ECEC services in the Netherlands and a reliance on these providers in the Czech Republic, but no data on the balance between profit and non-profit providers is reported.

The *LTC* sector stands out in terms of having the most reliance on for-profit providers where services are delivered by the private sector. In the UK and Ireland all private sector services are dominated by for-profit providers, while for-profit residential care as a proportion of total private care is significant in Austria, the Czech Republic, France, Germany and Italy. While 40% of private sector providers of residential care in Norway are for-profit organisations, this only accounts for 4% of overall residential care beds. Marked differences in the use of for-profit providers to provide residential LTC services can be seen at regional level between Wallonia and Flanders in Belgium. There can also be marked differences by type of service

provided: we have noted that while private sector residential care is largely for-profit in Ireland, domiciliary services in the private sector are delivered by not-for-profit providers.

5.3. Additional activities carried out by service providers

This chapter addresses the extent to which social service providers are involved in the provision of other services of general economic interest. Across all four sectors information on this issue proved difficult to obtain, in part because of the fragmentation of service delivery among many providers. One pattern identified was that a number of service providers are likely to provide other social services of a non economic general interest, such as social care services and services for people with disabilities. Some examples of private sector organisations operating in both the LTC and ECEC sectors were noted. In the ECEC, LTC and employment services sectors, some service providers may also provide additional services on a commercial basis to individuals who either do not qualify for public services or choose not to use them. Employment services may also operate as private employment agencies.

Across all four sectors very few examples were given of service providers who engage in purely commercial activities. This should not be taken as an indication that no commercial activities are engaged in; it reflects a lack of information. In the social housing sector as the majority of services are provided by public and private non-profit providers commercial activities are restricted by regulation. Moreover it should be noted that one and the same activity might be regarded as either social or commercial in different countries. Commercial activities are more likely to be seen in the other three sectors. In respect of ECEC services, only one example was cited - corporate service providers in the UK might also be involved in a range of additional services that are provided to nurseries, including financial administration and specialist equipment. Similarly very few examples of explicit commercial interest were reported for LTC services providers. It was noted in particular that the holding/ parent companies of LTC companies might be involved in commercial activities in other sectors, as in Sweden. Some employment services might be involved in providing training services to employers on a commercial basis in some countries, such as France and the UK, but little additional information was provided on any other activities.

Table 2.5.1   Balance between public and private provision of services across all four sectors

Key: **[]***at least 75% of service provision by public sector; **[]****75% of service provision by private sector

Country	LTC	ECEC	Employment	Social Housing
Austria	Residential care beds: 51% private; 49% public	Public 61%; private 39%	[Public 97%; private 3%]*	Public 60%; private 40%
Belgium	Wallonia, social care beds: private 74%; public 26%; nursing home beds: private 62%, public 38%; domiciliary care: private 74%, public 26%. Flanders: residential care: private 39%; public 61%.	0-3: 50-65% public; 35-50% private; 3-5: 40% public; 60% private	[Wallonia: 93-95% public; 5-7% private; Flanders: 88% public; 12% private]*	[Public 100%]*
Czech Republic	[Residential care places: public 84%; private 16%]*	0-3: extended maternity leave [3-5: 90% public, 10% private]*	Public and private providers exist; no data on numbers available.	[Public 89%]*
Denmark	Public sector provision 52.5% to 82.5% across municipalities	[95% public; 5% private]*	[Private sector negligible]*	[Private 98%]**
Estonia	The private sector plays an important role but no specific data on balance.	Not collected	Not collected	[100% Public]*
Finland	[Domiciliary care: public 75%, private 25%. Residential care: public 88%, private 12%]* Sheltered housing: public 55%, private 45%	[90% public; 10% private]*	No firm data; private sector provision high in the training area, but little private sector supply of intermediation services.	Public 60%; private 40%.
France	Residential care: 55% public, 45% private. Home nursing: 30% public, 70% private. [Domiciliary and community services: 75% public, 25% private.]*	[0-3: 90% public; 10% private. 3-5: 100% public]*	[Private sector negligible]*	[100% Public]*
Germany	[Domiciliary care: 0% - 8% public; 92% - 100% private. Residential care: 7% public, 93% private; (some regional variation)]**	34% public; 66% private	[Public 86%; private 14%]*	[Private 100%]**

Greece	[Residential care: 99% public, 1% private. (But very little provision of any sort)]*	0-3: 9% public; 91% private; [3-5: 98% public, 2% private]*	[Private sector negligible]*	Not collected
Hungary	Residential care: 63% public, 37% private. Short-term respite care beds in 2006, 67% public, 33% private.	0-3: extended maternity leave [94% public]* [3-5: 94% public, 6% private]*	No data on balance - 200 private providers of intermediation services in action.	[Public 100%]*
Ireland	[Home help: 77% public, 23% private]* Domiciliary care packages 63% public, 37% private. [Residential care: 26% public, 74% private.]**	[0-3: 98% private]**; 2% public. 3-5: unclear	[Private sector negligible]*	[84% public, 16% private]*
Italy	Residential care places: 35% public, 65% private. [Significant regional variations: in Lombardia residential care: public 12%, private 88%.]**	0-3: no data, but public dominated; [3-5: 74% public, 26% private]*	No precise figures available but private sector involvement increased over time.	[100% public]*
Latvia	[Residential care: Up to 9/114 institutions in private sector.]* Domiciliary care: 66% public, 34% private.	No data available	Not applicable	[nearly 100% public]*
Netherlands	[100% private]**	[0-3: 95% private; 5% public]** [3-6: 98% public, 2% private]*	[Assessment and reintegration services 100% public]* [Intermediation services: 100% private]**	[100% private]**
Norway	[Residential care: 90% public, 10% private. Limited private provision elsewhere]*	46% public, 54% private	[All public except rehabilitation services where 28% are private sector providers]*	[nearly 100% public]*
Poland	[Residential care: 75% public, 25% private]*	[0-3: mostly public; 3-5: 90% public, 10% private]*	No relative figures are available, but public and private sector providers exist and provide different functions.	[nearly 100% public]*
Portugal	Not collected	No data available, [0-3: mostly private]** [3-5: mostly public]*	Not collected	No exact data available

Romania	Not clear, but 27% of social care services in private sector.	[100% public]*	[91% public; 9% private]*	[100% public]*
Slovakia	Residential care: 67% plus public.	0-3: extended maternity leave [mainly public]*; [3-5: 95% public; 5% private]*	59 public offices; 14 (public) educational guidance institutes offering employment services. 270 private agencies.	[100% public]*
Slovenia	[Residential care: 86% public, 14% private. Home care: 88% public, 12% private]*	[0-3: 95% public, 5% private]*	Public: 46 offices. Private: 746 offering intermediation, 853 offering temporary employment; 54 supported employment; 52 social enterprises. 27% of unemployed used private in 2005.	[100% public]*
Spain	Residential care: 47% public, 53% private. Day care centres: 65% public, 35% private. Domiciliary care: mostly public	[3-5: Most services public]*	[Public 87%; private 13% (Varies 2% to 25% private by region)]*	No exact data available
Sweden	[Residential care and sheltered housing: 83% public,17% private]* [Domiciliary care: 83% public, 17% private]*	[82% public, 18% private]*	Not applicable	Housing not regarded as SSGI
United Kingdom	[England: Residential care: 6% public, 94% private. Domiciliary care: 14% public, 86% private]** [Scotland: Residential care: 14% public, 86% private]** Domiciliary care: between 51% and 61% public, 49% -39% private.	[0-3: 3% public, 97% private]** 3-5: 60% public, 40% private	No overall figures, but private providers significant for intermediation services: private sector has 60% of main Pathways to Work programme.	48% public; 52% private

SECTION III - QUALITY TOOLS AND FRAMEWORKS

1. LONG-TERM CARE[124]

1.1. Introduction

This chapter provides an introduction to the issue of quality tools and frameworks as they relate to Long-Term Care (LTC) Services in the context of Social Services of General Interest. It brings together a range of material from different sources including academic reports, material from the European Commission, the OECD and national level sources.

There have been a number of developments in respect of the quality of LTC services. In respect of these issues the research instrument concerned a number of issues were:

- Types of quality tools and frameworks – this refers to the nature of the quality tools that are used, e.g. whether they are a set of legislative or regulatory requirements or a fully developed quality assurance methodology;

- Origins of the quality tools and the methodological approach – this refers to, for example, the legislative basis of the tool and the administrative procedures that the quality system uses as well as the extent to which services users and other stakeholders have been involved in development of the tool;

- The scope of the framework – this refers to extent to which the quality management too focuses on service accessibility and sustainability and on the working conditions and skills and competences of staff;

- The implementation of the quality framework – this refers to the level of involvement of service users in the quality system and the extent to which the system includes an examination of any safeguards that may be in place for service users;

The monitoring and evaluation of quality tools and frameworks – this refers to the usage of the results of the quality system for purposes of system improvement.

1.2. Types of existing quality tools and framework

All countries have some form of quality assurance system in place for LTC; although these vary considerably. As *Table 3.1.1* indicates, in most countries some, if not all of the quality tools, are backed up formally by legislation. The weakest system appears to be in Poland, the only country where there are no LTC or social service specific measures in place.

Most quality standards and frameworks have been defined at a national level, although in the case of Denmark the municipal authorities are mandated by the national level to develop their

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[124] The following 15 countries have been analysed as regards existing quality frameworks and tools for long-term care services: Austria, the Czech Republic, Denmark, Estonia, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Romania, Spain, Sweden and the United Kingdom.

own quality frameworks. In the case of federal countries quality standards and assurance mechanisms may be developed at regional level – this can lead to a significant disparity in approach, as in the case of Italy, despite the national government publishing non-binding guidance on minimum quality standards. There does not however have to be divergence in countries with devolved administrations. In the UK, where Scotland is completely devolved from England in respect of health and social care, similar quality frameworks are being implemented, albeit a new formalised quality rating system (known as the "star rating system") has now been introduced in England alone to aid in monitoring and performance assessment[125].

It is possible to make a distinction between two broad categories of quality tools, standards and frameworks – those that are largely generic in focus and concentrate on LTC as a whole regardless of the setting in which it is delivered and others that refer to a more targeted approach developed primarily for the purpose of improving the quality of a specific service or a group of services. Regardless of country the bulk of efforts have been concentrated on residential care; far less attention has been paid to quality issues in respect of community-care (e.g. day care services) or home based services.

Examples of the generic quality standards include the *Standards of Quality of Care* in the Czech Republic; the *Quality Assurance Framework in Care Provision* in Germany; and the *National Strategy for Quality Improvement in Health and Social Services* in Norway. One example of a more specific service-targeted quality framework is the national quality certificate scheme for residential care that has recently begun to operate in Austria (see Box 3.1). Other examples of specific quality standards for residential care include those to be seen in Ireland, Romania, France and England.

Box 3.1: The National Quality Certificate for Care Homes in Austria[126]

The national quality certificate for care homes in Austria (NQZ) is the only care home quality initiative approved by the government. The scheme started in 2009 with further evaluations to be carried out over the next few years. The NQZ is designed to indicate a good quality of residential and nursing home services, focusing on quality of processes and outcomes, putting in place incentives for continuous improvements of quality in residential care and increasing transparency of care home service provision. With regards to the implementation of NQZ, the federal government has agreed with the provincial authorities on adopting the NQZ certificate nationally for Austrian care homes.

In contrast, few examples of specific national level tools on the quality of community or home based care are in place. Where there have been some developments these are usually non-statutory measures such as the '*Voluntary code of quality guidelines for home care support services for older people*' that has been in development in Ireland since 2009. Another rare example is the '*Home visits and counselling programme*' in Austria, an initiative developed to improve quality of care for federal LTC allowance recipients. The programme is structured in a way that graduate nurses visit and collect data from a sample of federal LTC cash benefit recipients on the services that they receive.

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[125] Malley, J. (2010) *Measuring the quality of long-term care in England*, Eurohealth 16(2):21-24.

[126] Trukeschitz, B. (2010) *Safeguarding good quality in long-term care in Austria*, Eurohealth 16(2):17-20.

Approaches to quality standards in all countries always have at their core the role of service providers, coupled with accreditation and certification procedures in several countries, e.g. Denmark and France specifying quality requirements; most countries also have systems of routine inspection e.g. in England and Germany. The scope and reach of quality frameworks to address the needs of other groups, e.g. opportunities for LTC service user involvement in service development and quality assurance are more variable. Some comprehensive approaches include the Norwegian national quality strategy targeted at decision-makers, service users, specialist interest groups, professional organisations and researchers. The Quality Framework in the Netherlands is another example of a wide-reaching quality tool aimed at LTC professionals, management, and service users[127].

Table 3.1.1   The main features of quality tools and frameworks in the study countries

Country	Type of quality approach
Austria	A comprehensive quality framework for LTC services has not been developed in Austria. Quality criteria for LTC service provision can be found in both agreements between the Federal State and its provinces, laws, ordinances and guidelines. Regulation set minimum standards and to control service provision. Measures taken to ensure a certain level of quality in service provision vary substantially between the nine Austrian provinces. In addition to measures set out in legislation quality-certificates (NQZ) can be awarded for LTC homes. A home visit and counselling programme is used to monitor quality of care of those living at home.
Czech Republic	Standards of care for social services including residential care homes were enshrined in legislation in 2007 as part of the Law on Social Services.
Denmark	Municipalities in Denmark are mandated by national legislation to develop quality standards for social care services they provide. This is not LTC specific but covers practical help, personal care and training (rehabilitation). Health service provided LTC services are subject to "the Danish Quality Assessment Model" which consists of self-evaluation and reporting to clinical databases combined with periodic accreditation by external experts. The model is currently being implemented in all Danish hospitals, and will subsequently be implemented in primary and municipal care. In addition at municipal level quality is measured through certification (e.g. ISO) of care delivery organisations and user satisfaction surveys.
Estonia	Minimum standards and quality principles are set in separate legislation governing health care and social support facilities.
France	Legally mandated quality standards and tools defined by National Quality and Evaluation Agency for social care services and the High Authority for Health for health care services. In addition, non public sector providers of "domiciliary services" have to go through a process which includes accreditation, certification and evaluation. This is run by different stakeholders at national and local level and includes pension funds. Quality assurance tools have also been developed.

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[127] Frijters, D. H. M. (2010) *Quality of care assurance in long-term care in the Netherlands*, Eurohealth 16(2):11-14.

Germany	Quality assurance is enshrined in legislation (SGBXI) on quality assurance and customer protection in care. This law includes requirements for documentation of care delivery, for institutions and individuals responsible for quality assessment, and for quality assessment methods. The benchmarks apply to all direct care measures, in case of institutional care also medical care, social support, accommodation, food and additional services and are mandatory for all social care insurances and providers. Expert guidelines have also been draw up under the law – these also mandatory. In addition quality assurance for institutional care is regulated in a dedicated law at the federal and state level. Under these laws, inspecting authorities operate either on the state or the municipal level, each with an own responsibility to supervise care homes in their area. The inspecting authorities and the Medical Review Board of the social care insurances responsible for quality assurance under SGBXI are required by both laws to cooperate.
Ireland	The National Quality Standards for Residential Care Settings for Older People in Ireland were launched on 9 March 2009. The Health Act (2007) provided for the establishment of the Health Information and Quality Authority (HIQA) and for the registration and inspection of all nursing homes by the Chief Inspector of Social Services, part of the HIQA. There is no legislation on quality of home care services although the Health Service Executive is preparing a voluntary code of Quality Guidelines for Home Care Support Services for Older People, but this has not yet been put in place.
Italy	Non binding principles on the minimum quality of care in residential facilities have been published by the national govt. Regional governments develop their own quality standards for quality of care; these only apply to residential care. There is considerable variation in quality frameworks/ tools across the country. In some regions e.g. Lombardia and Toscana there are two sets of standards with higher standards of accreditation required in residential facilities receiving public funds.
Netherlands	Legislation governs the quality of care received in health and LTC facilities. This includes a law on professional competence in personal health care services. A Quality Framework has been developed by a group of stakeholders. It is used for internal self assessment by service providers, to aid individuals choose which services to use and as a tool for the national care inspection service the IQZ.
Norway	National non-statutory strategy for quality improvement in health and social services. The focus is on improving the content of services, improving the care systems and empowering service users. Five target areas have been defined as follows: user empowerment, provider empowerment, improve leadership and organisation, strengthen the role of knowledge in education, and measure the quality of services.
Poland	No specific measures in place – only regulations governing conditions are set out for staffing, buildings and fixtures and for equipment. Service providers must have ISO quality certificates as well as certificates from the Health Care Quality Monitoring Centre – but these are not LTC specific.

Romania	Legally binding specific quality standards for home care services and residential care services for older people were introduced in 2006. In addition generic standards for social services are based on the European Quality in Rehabilitation Award (EQRM) – these must be obtained in order to obtain accreditation to provide services.
Spain	Law 39/2006 explicitly states that the system of LTC services will promote quality in order to achieve efficiency of services. The central government alongside the autonomous communities is now expected to establish a set of quality criteria, along with measures to evaluate and compare centres and services within the system. Other than this reliance on non-legally binding achievement of good practices in service provision.
Sweden	Suppliers of LTC standards must meet specific quality standards in order to gain accreditation. This process is legally enforceable and quality requirements may also be specified in invitations to tender. A national system of continuous monitoring of the quality of services is yet to be implemented; an important development was the funding of the Open Comparisons project which aims to provide a national picture of the care for older people. The results could be used in the providers' own work to improve their services and as a basis for the national government in further development of care of older people. The long-term aim of the Open Comparisons is to improve user choice. So far, these tools have not yet been fully elaborated and they are not legally cogent
UK (England and Scotland)	A national inspection body, the Care Quality Commission, (a similar body the Scottish Commission for the Regulation of care operates in Scotland) is responsible for ensuring that all providers of social care services in England meet and maintain national standard of care. In both England and Scotland a Best-Value approach is in place where local authorities are encouraged to examine the long-term situation of local populations and to develop a sustainable, high quality supply of services to meet local needs. In principle, the inspection regime should examine the extent to which this is being achieved. LTC is assessed in two distinct ways. Local authorities are judged on their success in implementing government policy, managing public resources and responding to the needs of their communities. And social care providers, from public, private and voluntary sectors, must register with inspectorates and then face regular assessment and inspection. A quality ratings system was introduced in 2007 in England. This system is designed to give a more rounded assessment of services than is possible using the national minimum standards alone. There are legally binding requirements re criminal records checks on all LTC staff.

1.3. Origin and procedures for setting up quality frameworks/tools and methodological approach

Quality frameworks may have a number of origins – they may arise from already existing general quality approaches in health and social care systems or they may have been specifically designed for application to LTC services. This chapter explores in more detail the origins of the

quality frameworks. It specifically looks at the types of public authorities that have been involved, the administrative procedures underpinning them, whether they are legally enforceable and the actors to which they are addressed. In addition, where the information was available, it looks at the methodology that was used to develop the tools and the extent to which services users and other stakeholders were involved in the development process. It should be noted that only limited information was available to address these issues.

As noted in *Table 3.1.1* most countries have some level of legal backing for quality systems that are in place. This may take the form of one or more specific pieces of legislation or government regulation specifying that a specific system must be used (e.g. in Italy) or that a quality system (unspecified) must be used (e.g. in Denmark). These provisions have generally been put in place either by ministries responsible for health and/or ministries responsible for social care services. This reflects the fact that LTC services often fall under the responsibility of both these ministries, with the ministry of health responsible for long-term medical nursing care and social services responsibility for non-medical services that help individuals with basic activities of daily life (dressing, washing, eating etc). The responsibility for implementing and monitoring these systems may be devolved from national/regional ministries to independent agencies responsible for maintaining quality standards in health and social care services, as for instance occurs in the United Kingdom.

- *Legal and administrative procedures*

A number of different types of approach to the legal enforceability of quality procedures can be identified. In the first, a specific quality framework would be developed or replicated, have legal backing and be enforceable under legislation. One example of this is the Netherlands Quality Framework, known as *Responsible Care*, while in France national standards were defined in 2002 legislation and in Germany national guidelines also carry the weight of law. In Italy where quality issues are addressed at the regional level, some regions such as Toscano make use of their own regionally developed quality frameworks.

Another approach is where national legislation specifies that quality standards must be used, but does not specify a specific quality framework. One example is in Denmark, where the municipalities have been mandated by the national government to develop their own quality standards for personal care services since 1999. In Austria, quality criteria in the Federal Constitutional Act stipulate the provinces to regulate and assure certain characteristics of LTC service provision (e.g. size of homes and rooms, qualification of staff). In Ireland while national quality standards on residential care were mandated in legislation it was then up to a new statutory body the Health Information and Quality Authority to develop national standards.

A few countries do not operate any system of legally enforceable quality frameworks. Norway is one such country, where the national strategy for quality improvement in health and social services is not legally binding, but as yet there not been any evaluation of its impact.

Where the private sector is involved in delivering services, mechanisms to help promote similar levels of quality to those expected in the public sector can include a combination of licensing or accreditation, contract management and process monitoring. These measures are legally enforceable and managed by the relevant ministry or service funder. These types of procedures can be seen in a number of countries including the UK, Italy, Poland and Sweden.

With regards to the enforcement strategies used to ensure that the quality frameworks and tools are implemented, inspection regimes were one of the most frequently mentioned regulatory mechanisms. In the Czech Republic, inspections of quality standards are carried out by a regional authority. Following the inspection, the regional office can make recommendations for improving quality and set out the terms and conditions for carrying out the improvements. In an extreme case, a fine can be imposed or the registration can be withdrawn.

The outcomes of inspections in Germany have to be made publicly available. In cases where quality standards are not met the law allows for a number of measures, including a reduction of payments until quality requirements are fulfilled, the temporary loss of the provider license, and the withdrawal of the contract between social care insurance and provider. Similarly, in Ireland, residential care homes are inspected against a set of the quality standards. If standards are not met, the inspector can refuse to register, attach conditions to a registration or cancel a registration altogether in the event of non-compliance with the regulations that underpin the standards. In Scotland the Care Commission carries out inspections of care home services at least twice in each twelve month period following registration, with at least one visit in each twelve-month period being unannounced. As support services and housing support services, these must be first inspected within twelve months of registration, and with subsequent inspections at intervals of no more than twelve months from the previous inspection.

- *Methodological approach used to develop frameworks*

There are a number of different origins to the development of quality systems. The evidence from the fifteen countries indicates that consultation is a frequently used pre-requisite to the development and reform of quality frameworks in most countries. Consultations vary in nature but can invite input from groups including service users and their families, service providers, professional staff and the general public. It is however difficult to establish the specific influence of these different groups over the final development of quality frameworks and tools.

Some examples of practice include the situation in Austria where a working group including representatives of all provincial authorities, as well as representatives of older people, care home providers and care home staff, were brought together to help develop the residential care home quality certificate (NQZ). A number of different stakeholders, including health and social care insurance funds, welfare associations, public and private care provider associations, employee associations and key organisations representing older people and people with disabilities were involved in providing input on the development of quality guidelines and expert standards, that were ultimately subsequently approved by the German health ministry in 2009.

In the case of development of quality standards in the Czech Republic consultation was restricted to academics, representatives of providers and support associations but not service users. Some consultation processes are broader, with an opportunity for all interested parties to express their views; in some instances as in the UK and Ireland in most circumstances (where there are no commercial sensitivities) all views received are made public. An example of a consultation procedure in Scotland is presented in Box 3.2.

Box 3.2: The consultation process in Scotland

The process of consultation can be conducted using many different formats. However, the underlying principle is that consultation should provide opportunities for all those who want to express their views on a specific topic in ways which will inform and enhance that work. Typically, consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals known to the administration to have an interest in the issue under consultation. They are also placed on the Scottish Government web site enabling wider audiences to access consultation papers and submit responses. Invitations to make written responses are often complemented by additional opinion-gathering activities, such as public meetings, focus groups or questionnaire exercises. Copies of all the written responses received to a consultation exercise (except those where the individual or organisation requested confidentiality) are placed in the Scottish Government library and are publicly accessible.

Examples of phased approaches to the development of standards can also be identified, as in Ireland which built on research findings and exemplars of best practice. Development of the standards was conducted in partnership with service users, service providers, health care professionals, older people's representative groups, the Department of Health and Children and the Health Service Executive. Another example of this methodological approach was followed in developing the Domiciliary Care National Minimum Standards in England (see Box 3.3). It involved initial analysis of existing practice, development of draft standards by an expert working party, feedback from an invited group of stakeholders followed by further revision and public consultation (usually lasting three months).

Box 3.3: Development of the Domiciliary Care National Minimum Standards in England

The process involved in the development of the National Minimum Standards for domiciliary care consists of the four stages:

Stage One: The starting point was the analysis of existing voluntary regulatory and approved provider schemes. The common themes were extracted from over 90 schemes and examples of good practice identified in relation to each of the themes.

Stage Two: An expert core working group of 20 people was assembled representing provider organisations from all sectors and including inspection and regulation and health service interest. The initial draft standards were developed and refined from the work of this group.

Stage Three: The draft standards were then shared and discussed with representatives of service users and by a broad reference group of some 50 people and organisations. The standards were further refined as a result of the consultation and redrafted into a common format required for all the regulatory standards.

Stage Four: The draft standards were published for public consultation and revised to reflect the response prior to final publication.

It should be noted that in some countries, particularly those countries that joined the EU after 2004, interest in the quality of LTC services is a relatively recent phenomenon. This has influenced the origins of emerging quality frameworks with some being developed as a result

of international co-operation, as well as the implementation and/or adaptation of international quality systems to different national contexts. Examples of this can be identified in the Czech Republic where an Anglo-Czech project in 1998 was the vehicle for the development of 17 quality standards that were eventually enshrined into legislation in 2007 and in Romania where quality standards for all social services including LTC were developed as part of an EU Phare project. These standards for social services are based on the European Quality in Rehabilitation Award (EQRM).

1.4. Scope and content of the quality framework/tool

This chapter is concerned with the scope of the quality frameworks and tools that are used. In particular, it examines the emphasis that the quality system places on improving service accessibility and the sustainability of services. Another key area covered relates to the environment in which services are delivered. In addition, it examines the focus that the quality system places on the working conditions of employees and on their skills and competences.

The first three of these issues relate to systems that operate through standards and targets and the aim is to improve service quality. By contrast, the second two issues relate to systems that seek to ensure that the preconditions for supplying services are such that high standards can be applied. *Table 3.1.2* below summarises the findings from the study in relation to these issues.

Table 3.1.2   The scope and content of quality systems

Country	Scope and content
Austria	Legislation covers accessibility to LTC services. There is little focus on sustainability other than a general commitment that provinces are obliged to offer social services in their local areas. There are some general protections of working conditions, governing issues such as working hours, salary and maternity leave. Focus on staff competence is largely restricted to regulation of the training and skills of social workers.
Czech Republic	National Standards of Quality of Social Services focus on a range of issues regarding social services in general; they include standards on accessibility of services including staff-client communication and information; sustainability (looking at the continued provision of services in the context of other local available resources, as well as working conditions and competences of staff, including their professional development. Much of the focus is also on dignity in service provision and the protection of personal human rights.
Denmark	Services provided within the health care system fall under the auspices of the Danish Quality Assessment Model. This focuses on skills and competences of the workforce as well as on the environment in which services are delivered. It does not cover availability, sustainability or working conditions.
Estonia	Little detail is available, but service sustainability and accessibility are addressed, as are staff qualifications and working conditions
France	In France the scope of quality systems is restricted to professional skills and competences. There appears to be no emphasis on accessibility, sustainability or working conditions.

Germany	Quality assurance in care provision within the German Social Security Code makes some provisions for service accessibility (in terms of internal communication and co-operation with other services); it also covers working conditions and the skills and competences of the LTC workforce. It does not address sustainability.
Ireland	Focus on residential care. National Quality Standards for Residential Care Settings for Older People provide 32 standards grouped under 7 headings: Rights, Protection, Health and Social Needs, Quality of Life, Staffing, The Care Environment and Governance and Management. Accessibility, Sustainability, Working Conditions and skills/competences are all addressed.
Italy	Focus on residential care. Quality frameworks are developed at regional level so not possible to provide a national picture. Skills and competences of professional workforce are covered in two regions examined (Lombardia and Toscana). There appears to be little emphasis on accessibility (this is not legally defined nationally or locally) and sustainability in both these regions and no focus at all on working conditions. Private providers of publicly funded services are also subject to quality standards through process of accreditation.
Netherlands	System in the Netherlands views LTC service users as consumers of services (market orientated system). As part of the national Quality Framework a website provides information accessible to all, to help individuals assess quality of services. Information on sustainability of services is also available, but the quality framework does not appear to include overt measures aimed at sustainability. There is no focus on working conditions or on skills and competence of staff, although these are in part covered by other legislation. Other issued covered include care-related safety and the well-being / satisfaction with care (of residents).
Norway	The National Strategy for Quality Improvement in Health and Social Services focuses on fair access to and sustainability of services. Working conditions and staff training and qualifications are regulated separately under the Work Environment Act. The main focus of the strategy is on improving care services, care systems, and user empowerment
Poland	There is no coherent quality framework in Poland and LTC is governed by the same principles as other area of health care. An accreditation process means that providers of services must have International Organisation for Standardisation (ISO) quality certificates, as well as certificates from the Health Care Quality Monitoring Centre, but it is unclear what these cover.
Romania	There are two sets of quality standards: one for specialist home care and social services and the other for residential care. Accessibility is addressed in Standard 24 on residential care. There is little emphasis on the working conditions of staff in quality standards. Skills and competences are covered including minimum criteria for staff qualifications and continuous education.
Spain	Quality frameworks are relatively limited and underdeveloped. Each autonomous region sets out criteria on accessibility to LTC. In legal terms, there is only a vague reference to the right for access to LTC throughout the country. In terms of the working conditions of care staff, the 39/2006 Law particularly refers to the importance of caregivers and employees quality of

	life. However, no other specific details are outlined.
	The same law also refers to the need to improve professional skills of the LTC workforce.
Sweden	Guidelines from the National Board of Health and Welfare are used in accrediting and monitoring private providers of publicly funded LTC services. These guidelines also cover the working conditions and professional qualifications of LTC staff are addressed in the guidelines for the National Board of Health and Welfare. However a national system to monitor services has as yet to be developed. One project which may be used as the basis of a future national system, the Open Comparison project, distributes annual questionnaires on quality to service providers. These provide information on accessibility, staff competence and continuity of service.
UK (England and Scotland)	In Scotland the Quality Framework set out in the Regulation of Care Act 2002 address accessibility, sustainability, working conditions and professional skills and competence. In England equally, the accessibility and sustainability of services are covered by the quality frameworks relating to residential and domiciliary care. Regulations apply under the Care Act 2000 on specific training and competences for some LTC workers e.g. social workers.

As *Table 3.1.2* indicates, there is significant variety in the scope of quality frameworks across countries. One issue, as noted earlier, is that some quality frameworks focus solely on residential care, as in Italy, and do not consider community care or home based care services. The majority of countries' quality systems are concerned with improving the accessibility of services; however this term is treated in different ways in different countries. In some it refers to the provision of information on services and interaction between services users and service providers, in others it can also be about defining minimum requirements on the availability and/or right to make use of LTC services as in England (see Box 3.4). However, there was not a similar level of concern with service sustainability; only five of the study countries reported being overtly concerned with this element.

Box 3.4: The Fair Access to Care Services Framework in England

In England, the performance assessment system examines the proportion of the population receiving services, as well as the intensity of the support provided. The Fair Access to Care Services (FACS) framework was introduced in 2003 to address inconsistencies across England about who receives publicly-funded social care. The aim was to provide a fairer and more transparent system for the allocation of services. FACS sets out four levels of need: low, moderate, substantial and critical. Local authorities decide at which level they will fund care. People whose needs fall below these levels receive no publicly-funded care and have to arrange and pay for their own care and support. The quality of social care services is assessed through the local authority's capacity to ensure that people have a fair access to care services they need.

Even here however, there is variation in what is meant by sustainability, ranging from loose principles on ensuring continued access to services and continuity of care in Norway to detailed specification set out in National Quality Standards in Ireland (see Box 3.5).

Box 3.5: Treatment of sustainability within National Quality Standards for Residential Care Settings for Older People in Ireland

The sustainability of services is covered under the governance and management principles within the quality standards.

Governance and Management.

Standard 27: Operational Management - The residential care setting is managed by a suitably qualified and experienced nurse with authority, accountability and responsibility for the provision of the service.

Standard 28: Purpose and Function - There is a written statement of purpose and function that accurately describes the service that is provided in the residential care setting and the manner in which it is provided. Implementation of the statement of purpose and function is clearly demonstrated.

Standard 29: Management Systems - Effective management systems are in place that support and promote the delivery of quality care services.

Standard 30: Quality Assurance and Continuous Improvement - The quality of care and experience of the residents are monitored and developed on an on-going basis.

Standard 31: Financial Procedures - The continued viability of the residential care setting is assured through suitable accounting and financial procedures.

In contrast, there was a strong focus on the skills and competences of at least part of the LTC workforce (e.g. social workers and nurses) in most countries. This reflects the potential vulnerability that frail older people may have to physical, verbal and psychological abuse. Specific qualifications may be required for some positions within the LTC system, and there can be minimum requirements on the proportions of staff that must be qualified. In Ireland, for example, Standard 23 within the *National Quality Standards for Residential Care Settings for Older People* states that 'there will be appropriately skilled and qualified care staff in order to ensure that services are delivered in accordance with the quality standards and the needs of the residents'. In addition, Standard 24 (Training and Supervision) states that 'staff will receive induction and continued professional development and appropriate supervision'.

In France, efforts to promote the competence and qualifications of LTC staff have been addressed by the quality framework of the National Quality and Evaluation Agency for social care services. Explicit objectives were to increase both the numbers of qualified care professionals for older people, but also improve their overall qualification levels. Substantial progress has been made in these regards. In England the most significant impact has come from the requirement that in care homes a minimum number of staff should be trained to particular National Vocational Qualification level.

There is some explicit focus on working conditions in the quality frameworks of seven countries, although it was also pointed out elsewhere that working conditions are generally covered by health and safety as well as by general employment legislation.

With regards to quality principles embedded in the quality frameworks or in other pertinent legislation, as for instance in Austria, there appears to a broad agreement. Typical principles, as for instance seen in the Netherlands and Estonia include: respect for human dignity and fundamental rights, respect for physical and mental integrity of service users, solidarity, non-discrimination, favouring social integration, respect for cultural differences, users' empowerment, respect for users preferences, accessibility, transparency, continuity, comprehensiveness, result orientation and good governance.

In Scotland, quality principles are embedded in all the different elements of the quality framework introduced by the *Regulation of Care (Scotland) Act 2001*. Six principles: *dignity, privacy, choice, safety, realising potential,* and *equality and diversity* are included in each set of National Care Standards. They were derived from contributions made by the National Care Standards Committee, its working groups, and those people and groups who contributed during consultations as part of the process of drafting the standards.

1.5.   Implementation of quality tools/frameworks

This chapter addresses the implementation of quality frameworks and tools in practice. In particular, it examines the extent to which implementation is service user focused, i.e. to what extent are service users (and/or their families and/or representative service user associations) involved in implementing the quality framework.

There is a trend towards more personalised LTC services across Europe; thus it might be expected that there might be user involvement in the development of quality frameworks. *Table 3.1.3* below summarises the approach to these issues from the participating countries.

Table 3.1.3   ***User involvement on quality framework implementation***

Country	Implementation of the quality framework
Austria	It is not clear that LTC users are involved in the implementation process. However, the users were engaged in the development of the specific NQZ quality certificate.
Czech Republic	In the Czech Republic, LTC users are involved in the implementation of a number of the quality standards.
Denmark	In the case of the *National Guidelines*, evaluations are usually carried out through sampling of cases, professional assessments, and user evaluations. As for the *Danish Model for Quality Assessment* in health care, even though service users are not directly involved in the quality management the information from the regular user satisfaction surveys is included in the documentation on quality.
Estonia	In Estonia, service users, care workers, and other stakeholders can suggest ways to improve provision of services.
France	Service users and care staff of the institutions in France are involved in the process of quality management.

Germany	In Germany, service users and care staff play active role in the quality assessment of the institutional care services.
Ireland	Service user involvement in the implementation of the National Quality Standards for Residential Care Settings for Older People is clearly defined through quality standards.
Italy	In Italy, service users and care staff are involved in the process of quality management at a regional level
Netherlands	Service users and other stakeholders are involved in the implementation of the Quality Framework.
Norway	In Norway, service user participation is an important guiding principle in the provision of LTC services.
Poland	Service user involvement is relatively limited.
Romania	The Romanian system for quality management does refer to service user involvement in the quality standards for both residential and home care services.
Spain	In Spain, service users, their relatives and care staff are all involved in the implementation process.
Sweden	Service users are involved in the implementation of the quality frameworks.
United Kingdom	In the United Kingdom (England and Scotland), service users, workers and other stakeholders are fully involved in the implementation of the quality tools and continuous evaluation of the care services provided.

In most countries, service users appear to have a role in the implementation of quality frameworks and quality approaches, only in Poland, Austria and Denmark does their role appear to be less distinct. In nearly all countries service providers and LTC professionals have been involved in both the development and implementation of LTC quality frameworks. Box 3.6 provides an illustration from the French context. In Norway service users (or their family guardians) are involved in the discussions with their care providers and have the opportunity to influence the form and type of the services they are offered.

Box 3.6: The implementation of the quality tools in France

All care staff and residential LTC service users must be involved in the process of implementing quality tools. Working groups define the main priorities for quality improvement. Priorities are identified on the basis of a self evaluation of results. This is followed by the involvement of the "external" stakeholders including administrative and medical representatives of local government, regional health insurance fund and local authority. They meet up with the representatives of different services within the residential institution, in order to assess the team work, personal investment, and adequacy of the quality process.

In Scotland, service users, workers and other stakeholders are involved in the implementation of the quality framework and in the continuous evaluation of the quality of services provided. They play an important part of the inspection process. Where inspections are announced, questionnaires are issued to service users and their relatives and carers to complete and these views expressed are taken into account when grading the service. The inspector from the national inspectorate, the Care Commission, will also speak with a selection of service users and, where they are also present, with carers and relatives about their experiences of the services that are being provided. They will also talk to different members of care staff and to the service manager. A similar process exists in England where service users (and their family carers) are seen as 'Experts by Experience' (see Box 3.7).

Box 3.7: Experts by experience - England

Care Quality Commission inspections in England involve users and family carers in order to help the Commission to improve the way they inspect and report their findings. Because of their unique knowledge and experience of using social care services, they are referred to as 'Experts by Experience'.

An expert by experience is involved in an inspection and talks to the people who use the care service. Sometimes, they conduct telephone interviews for people who use home care agencies. They also do one to one meetings with people in supported living and group sessions (usually over lunch) for people in care homes. If they are visiting a service, they feed back on what happens around the place; see how everyone gets on together and what the home feels like.

They take some notes and write a report about what they have found. The inspector includes all these details in the inspection report. Experts by experience also take part local authority adult service inspections where they meet with people in the community, run focus groups, and visit local voluntary and council services. They also meet with social services staff, and provide feedback to the council with the inspection team about their overall findings of the inspection. Source: http://www.cqc.org.uk/

1.6. Monitoring and evaluation of quality tools/frameworks

This chapter addresses the monitoring and evaluation of quality frameworks. In particular, it examines the extent to which the frameworks have mechanisms for avoiding abuses of service users and whether there are effective complaints procedures in place. In addition, it addresses the extent to which review mechanisms are used for purposes of service improvement and whether there has been independent research which evaluates the quality system. *Table 3.1.4* below summarises the approach to these issues from the participating countries.

Table 3.1.4   Monitoring and evaluation of quality frameworks

Country	Monitoring and evaluation
Austria	Complaints and abuse procedures are not part of specific LTC regulations, but covered as part of a broader system for addressing complaints. However, it is unclear how provincial authorities make use of data on LTC services to improve performance. The voluntary NQZ certification process of residential facilities can only be used by care homes that have established their own quality management procedures. Aim of NQZ is to facilitate continuous quality

	improvement. Project to develop quality indicators for people with LTC needs living at home has now been initiated.
Czech Republic	No specific abuse procedures in place; complaints mechanism including independent redress. Inspection and review can lead to improvements in quality of care, although the mechanisms for this are not specified. No information on independent evaluation of the system is available.
Denmark	Procedures are in place to deal with suspected abuse and independent complaints procedures are also specified in the Quality Assessment Model (QAM). The QAM is used for both self assessment and accreditation. It is intended to feed into future service improvements. There has been no national evaluation: municipalities must evaluate performance and standards on an annual basis.
Estonia	Some procedures re complaints and abuse. Unclear how data used in performance assessment although independent evaluation conducted.
France	No LTC specific procedures re abuse, although now in development. Complaints procedures exist outside quality framework. No evidence as yet that self assessment report data is used in performance assessment and improvement initiatives. No data available from independent research.
Germany	Abuse and complaints procedures do not appear to receive much emphasis in quality framework. Since May 2008 a law for the structural improvement of Germany's social care insurance („Gesetz zur strukturellen Weiterentwicklung der Pflegeversicherung") stipulates that outcomes of quality assessments of care providers must be available to the public in an easy-to-understand and readily accessible way via the internet and other means. This resulted in the establishment of a scoring system similar to school marks, the so-called "Pflegenoten". It is expected that by the end of 2010 all providers/institutions well have been covered in at least one assessment that led to the calculation of the score. Reaction to scores may have an impact on service provision and research is now underway.
Ireland	National Quality Standards for Residential Care Settings for Older People cover abuse. Complaints mechanisms are in place, though not well described. Quality Assurance and continuous improvement measures are intended to feed into future development of services. No other explicit information on performance assessment provided. There has been no evaluation of the framework to date.
Italy	Procedures for addressing suspected abuse and complaints are in place. There is no system of performance assessment available as yet and variations in rate of inspections of services across country. Evidence of research being commissioned on quality of LTC services at regional level.
Netherlands	Abuse considered explicitly within quality framework. Complaints procedures in place. Quality framework includes performance indicators concerning content and quality of care. Data on these must be submitted to national inspection body. Internally management of LTC services discuss outcomes with the clients' council and professionals and draw up agreements about improvement routes and targets. Targets and actions for improvement are presented to the national inspection body (IGZ) if requested. IGZ carries out inspection visits, especially where risks are involved and monitors factual

	improvements. IGZ reports are public and can be found on www.kiesbeter.nl. Outcome of the quality framework also taken into account in contracting policy. The framework has been evaluated independently one year after its introduction.
Norway	No specific measures re client abuse. Independent complaints procedures are in place. There is a rich history of performance assessment in Norway for all aspects of the health and social care system. Performance indicators, including quality indicators are published by Statistics Norway, but no independent research on the Quality Strategy has been commissioned to date.
Poland	No specific procedures in place to deal with either abuse or complaints – reliance on generic procedures within health system alone. No use of data in performance assessment and no evaluation conducted.
Romania	Procedures for addressing suspected abuse and complaints are in place with quality framework. No evidence used in performance assessment. No independent research available, although service providers must conduct an annual evaluation, which is usually internal to keep costs down.
Spain	Limited information provided on procedures for addressing suspected abuse and complaints. There appears to be no system of performance assessment available as yet. Evidence of research being commissioned on quality of LTC services at autonomous community level (Catalonia and Andalucia).
Sweden	Procedures for addressing suspected abuse and complaints are in place. There is no system of performance assessment available as yet. Research is ongoing on the development of such a system
UK (England and Scotland)	In both countries procedures to guard against abuse and to provide independent complaints procedures are in place. There is evidence that data is used in improving performance in the system. In England since 2008 Quality Ratings have been published on the performance of adult social services. A number of independent evaluations have been published.

All countries have mechanisms in place to prevent and deal with suspected abuse, although some of these procedures are not included in quality frameworks and are instead part of generic procedures within health and social care services. In Romania for example there are standards within the quality frameworks for both home and residential care on "protection against abuses and neglect"; providers must have in place a procedure for the protection of abuse, neglect, discrimination.

In England, one important part of the drive to promote respect for and dignity of older people using services is the recognition of their particular vulnerability to abuse. In 2000, the Government published a national framework, 'No Secrets', for councils with social services responsibilities, local NHS bodies, police forces and other partners to develop multi-agency codes of practice to prevent and investigate abuse.

Again there is evidence of independent complaint procedures available in all countries, although we have not sought to look at the extent to which these procedures can be readily navigated by a LTC user. The majority of these are embedded within quality frameworks, but there are exceptions such as the situation in Poland where these have been developed within a

general health care context. It should also be noted that a small number of cases from different countries, in respect of the rights of individuals living in LTC facilities, have also been brought to the European Court of Human Rights where redress has not been possible at national level.

The situation in respect of the use of data to inform potential improvements in LTC services is much more varied. Relatively little information is available on this across all countries, although there are no exceptions such as Germany, the Netherlands and England where there are detailed information on performance indicators, and in the case of Germany (see Box 3.8) and England – quality rating scores are published for social care services. In all three countries, the publication of information on quality is intended to influence service users in their choice of service, which in turn may help to drive up standards in poorly performing services. Quality Assurance Mechanisms in Denmark, Ireland and Scotland are also used as part of mechanisms to help improve services. In some other countries some of this data may have a role but it is difficult to determine, while Sweden is in the process of developing a system to allow quality indicator data to be used in future performance assessment.

Box 3.8: Scoring system for rating quality of long-term care service provision in Germany[128]

Since May 2008 a law for the structural improvement of Germany's social care insurance system ("Gesetz zur strukturellen Weiterentwicklung der Pflegeversicherung") stipulates that outcomes of quality assessments of care providers must be available to the public in an easy-to-understand and readily accessible way via the internet and other means.

This resulted in the establishment of a scoring system similar to school marks, the so-called "Pflegenoten". The scores of the assessment are summed up into a number of higher-level categories (social and medical care; dementia care; social support and support for activities of daily living; environment, nutrition and domestic aspects) and an overall score. The outcomes of the client survey are not included in this score but are given separately.

Scores are presented on the internet by the social care insurance associations (where they can be searched by region, type of institution, special requirements and other criteria) and have to be published in each institution. This shall allow older people and relatives to make more informed choice in selecting a provider or care home and to see how their own provider stands in comparison to others in the same area. It is expected that by the end of 2010 all providers/institutions well have been covered in at least one assessment that led to the calculation of the score.

When it comes to independent evaluation of quality frameworks, again the picture is mixed. Seven countries indicate that independent reviews are either available or underway; in some cases these are at a regional rather than national level as in Spain and Denmark. There is also some evidence that research has been commissioned to develop future quality indicators, as in Austria and Sweden. Quality frameworks can also stipulate that service providers pay for regular evaluations. In Romania however the majority of service providers conduct internal evaluation (81.7% public and 93.3% private sector providers) because external evaluations are too expensive.

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[128] Buscher, A. (2010) *Public reporting, expert standards and indicators. Different routes to improving the quality of German long-term care*, Eurohealth 16(2):4-8.

1.7. Conclusion

- *The conceptualisation of quality in long-term care services.*

There is a wide range of approaches to quality management in relation to LTC services in Europe. In many instances, these quality approaches are about social care and/or health care services in general rather than focusing specifically on LTC. Moreover quality frameworks and tools tend to focus on residential LTC services with much less attention being paid to community care and home-care services. This is a significant limitation, given that the personalisation of services may mean that more individuals have the opportunity to remain at home for as long as possible rather than enter LTC facilities.

Most of these frameworks are supported to some extent by legislation – indeed a number of Quality Frameworks are specifically enshrined in national legislation. The other principle approach concerns legislation specifying the needs for quality frameworks and tools, but not prescribing what tools should be used. Voluntary quality assurance systems are relatively rare.

It is also clear that many countries are reviewing and seeking to improve their quality frameworks and tools, as for instance in Austria and Sweden where research in this respect is underway. In part this may well be influenced by a general trend towards the use of performance assessment systems in health and social care services, coupled with the need for greater levels of economic efficiency targeting resources towards best practice models, and with an even more acute concern to protect the human rights of what is considered to be a vulnerable group within society.

As in some other sectors, such as employment, there is also evidence that quality principles are now being considered more routinely as part of contracts negotiated with external service providers. There do not appear to be significant attempts to harmonise approaches at a European level, although we did note that in Romania and the Czech Republic quality standards were developed in projects with international partners.

- *The extent and limits of current quality tools*

As noted above, one crucial limitation of some quality frameworks is that they focus predominantly or completely on residential care service as in Italy and do not consider community care or home based care services. While the accessibility of services is often included, there is little focus on long-term sustainability or on the working conditions for care staff. Quality tools are much more concerned with the conditions in facilities and on the competences of staff delivering services.

Fragmentation in responsibility for funding and overseeing LTC service provision – sometimes a health concern and sometimes a social care concern - may mean that many quality frameworks do not apply to the whole range of long-term services provided. One question is the extent to which health and social care regulatory bodies can work more closely together, and perhaps consider developing a harmonised approach to quality management in respect of LTC. Another question is the extent to which outcome measures that are being used have been validated and are appropriate to LTC rather than broader social or health care services.

- *The implementation of quality management systems*

Most countries appear to have mechanisms in place to involve service users and their carers in the implementation of quality management systems. However what is unclear is the relative strength of the views of services users (and carers) relative to the input of other stakeholders such as service providers and LTC workers. This is of particular concern given the relatively limited amount of evaluation that has been conducted on the effectiveness of different quality frameworks and tools. However it is the case that procedures to tackle abuse and to facilitate complaints are embedded into most quality frameworks. It is also the case that several countries, including the Netherlands, Germany and the UK are publishing information on the quality of services, in part with the express purpose of helping individuals choose services which they believe better meet their needs. This aspect of quality frameworks is likely to become increasingly important as LTC services become more personalised.

2. EARLY CHILDHOOD EDUCATION AND CARE[129]

2.1. Introduction

This chapter provides an introduction to the issue of quality tools and frameworks in early childhood education and care (ECEC) services.

As set out in Section 1 of this study, ECEC services take many different forms across European countries and governments draw on a variety of different rationales to justify public investment in ECEC[130]. There is also an ambivalence of attitudes towards childcare: primarily care, a service mainly to enhance the mother's access to the job market and/or to compensate for inadequate maternity leave, or also educational for the children benefiting from it. Because of these differences, the concept of quality in ECEC services encompasses a variety of meanings, values, expectations and standards across Europe, making it difficult to clearly distinguish between different elements of the quality frameworks.

But broadly speaking, quality standards and requirements in all countries are always concerned with the role of service providers and quality of staff, coupled with accreditation and licensing procedures. Furthermore, quality in ECEC services has in many countries been associated with an increasing focus on pedagogical initiatives and standards, based on the view that such services will improve children's performance at school and their life chances in general. In almost all countries, services for children aged 2+ to 6 are funded and/or provided directly by education departments, and increasingly, the legislative framework for quality in early education and care services is an educational one. The administrative responsibility for implementation of quality frameworks is mainly, but not invariably, carried out at municipal or local level.

2.2. Types of existing quality tools and framework

All 15 countries in the study have some form of quality assurance in place for ECEC services. These vary however considerably. The main distinctions between categories of quality tools, frameworks, and standards are as follows:

Homogeneous versus fragmented quality frameworks/tools

It is clear that very few countries have comprehensive and coherent legislation for quality frameworks across the ECEC sector (see *Table 3.2.1*). The Norwegian ECEC system, with all its quality tools related to care and education laid down in the 2005 Kindergarten Act, may be an exceptional case of a homogenous and structured quality framework. The Danish system is rather homogeneous, too. All ECEC services and related quality standards for children until the age of 5 are laid down in the 2007 Act (Dagtilbudsloven). Apart from these, in most other countries quality tools are regulated in multiple legal instruments. One major reason for this is the split between care services and early education services – a split that is usually, but not

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[129] The following 15 countries have been analysed as regards existing quality frameworks and tools for ECEC services: Belgium, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia and the United Kingdom.

[130] See for instance, EU/NESSE (2009) *Report on Early Education and Care: key lessons from research for policy makers*.

necessarily, age-based (in most cases, children shift from care services to early education around the age of three). This split takes many forms, but essentially childcare services and early education services are administered and regulated separately. The consequence is that different quality tools apply to these respective services. This study reveals that in most countries there is also no homogeneous quality framework within these subcategories. There are some exceptions, like the Czech Republic and Romania, which both have a quality framework for early education (kindergartens) laid down in one legal instrument.

Specific versus general quality frameworks

Most countries have quality frameworks and tools that are specifically designed for ECEC services. However, some countries have to rely on the generic quality framework applicable to general social services in order to guarantee quality in ECEC services. This is for instance the case in Romania for care services for children under three. In some countries a specific system was adopted only recently, as in the Netherlands, where the 2004 Childcare Act (which came into force in 2005) imposed quality standards specifically made for childcare services. Before that date, quality tools in Dutch ECEC services were of a more general nature.

Structural indicators versus process indicators

In most countries two types of quality tools have been adopted: those related to organisation, hygiene, safety, etc. (structural indicators), and those related to the pedagogical programme (process indicators). As said in the introduction, there is increasing emphasis on the educational and pedagogical programme in many countries.

Democratic approach versus comprehensive legal approach

The different approaches to developing quality frameworks for ECEC lie on a continuum. At one end there is a view that frameworks need only be very general and value-orientated, and quality will emerge almost organically from professional work within institutions working with local stakeholders. This approach is most typified in the Nordic countries and in the Emilia Romagna Region of Northern Italy, and there is a considerable literature about these democratic approaches. Certainly they are regarded professionally as achieving very high standards of provision. At the other end of the continuum, there is an approach which holds that every aspect of quality must be articulated in detail through legislation and guidance, and independently evaluated for compliance, and that individual institutions can be allowed very little discretion. This approach is typified by England, where the quality framework (Early Years Foundation Stage Framework) allows hardly any discretion, and where all monitoring and evaluation is carried out independently through the Office for Standards in Education (Ofsted).

*Table 3.2.1   **The main features of quality tools and frameworks in the study countries***

Country	Main features of quality tools and frameworks
Belgium	There is no homogeneous quality framework. Quality tools/frameworks are adopted at the level of the Communities.
	Both the Flemish and French Communities have a system of accreditation and licensing of care services, imposing several quality requirements on the service providers. Care services are strictly supervised by inspection bodies in

	both Communities. In Flanders, service providers use a self-assessment tool (SICS). As regards early education, service providers are required to meet development goals and are regularly inspected by the Education Inspectorate.
Czech Republic	There is no quality framework for care for children under three. As regards early education, the first quality rules were laid down by the National Early Childhood Curriculum in 2001. The Curriculum specifies methods and forms of work corresponding to the specific needs and possibilities of pre-school children, and defines general educational goals to be met. Regular inspections are carried out. Kindergartens are also obliged to carry out a self-evaluation.
Denmark	The quality framework for care and early education of children up to five is set out in the 2007 Act (Dagtilbudsloven). Service providers have to comply with several regulations imposed by national law. Service providers must for instance make and follow pedagogical learning plans. Inspections are carried out by the municipalities, which have the duty to monitor all childcare services and to check how they meet the requirements of the legislation, such as pedagogical learning plans, evaluations of children's language abilities, while taking into account the children's views in relation to their care and education.
Finland	The aim of the National Curriculum Guidelines on ECEC, adopted in 2003, is to improve and harmonize the quality of ECEC throughout the country. Based on this national curriculum, municipalities draw up their own local ECEC curricula. As regards early education, a separate national curriculum was adopted in 2000: the Core Curriculum for Pre-School Education, which mainly lays down the aims of education and the pedagogical principles on which pre-education should be based.
France	In France, several quality tools exist, to be found in different legal instruments adopted at different times. There is a system of licensing of services for under three-year-olds; regular inspections are carried out in both the care services and early education services; and a national curriculum has to be followed by providers of early education services.
Germany	Binding quality frameworks have been adopted at the level of the Länder, and between 2003 and 2008, all 16 regional governments issued first-time curricular frameworks. There is also the federal Common Framework for Early Education, adopted in 2004, which contains non-binding guidelines for providers of early education services.
Greece	Greece has several quality tools, which do not come under one structured framework. Providers of services for under three-year-olds need to have a daily programme of creative activity. As regards early education, there is a licensing system for private kindergartens, and an educational curriculum for kindergartens has to be respected. Inspections are carried out by the Educational Advisors.
Hungary	There is no one homogeneous quality framework related to ECEC services in Hungary. Quality frameworks and tools are enshrined in several instruments. The 1993 Education Act, the 1997 Act on the Protection of Children and related ministerial regulations govern the issuing of licenses, inspections, and also include requirements for pedagogical programmes and for monitoring and

	improving their implementation. On-site inspections of care services (for under three-year-olds) are carried out by the licensing municipality once a year and by the county Guardianship Agencies every four years. Kindergartens are inspected by the municipalities and the education offices.
Italy	As regards care services for under three-year-olds, rules/minimum requirements have or will be set out at several levels (national, regional, and local), related to the operation of the services on the one hand and the pedagogical programme on the other. Local governments have the legal duty to inspect the operation of services, as well as children's well-being and health. They use their own staff or request the intervention of the local agency of the national health authority.

As regards early education, the organisation of state schools and the requirements for accreditation as *paritarie* (equal to state schools) are determined at national level. Further, there are national educational guidelines for state kindergartens. |
Netherlands	The 2004 Childcare Act introduced the General Quality Standards, meaning that all ECEC service providers are obliged to offer quality and adequate childcare. Monitoring and inspections of these General Quality Standards are carried out by the local health authority. More specific quality standards for children at risk were introduced by the 2010 OKE Act.
Norway	Norway has a pretty homogeneous and structured quality framework for ECEC services, laid down by the 2005 Kindergarten Act and its secondary legislation, including the Framework Plan for the Content and Tasks of Kindergartens. The plan is compulsory for all ECEC services in Norway and provides head teachers of kindergartens, pedagogical leaders and other staff a framework for the planning, implementation and assessment of the activities of kindergartens. Monitoring is carried out by municipalities and county governors. Municipalities are obliged to provide guidance and ensure compliance with rules. The county governor supervises municipalities. The legally binding 2006 Framework Plan for the Content and Tasks of Kindergartens requires services to have an annual pedagogical plan, including self-evaluation.
Poland	There is no one homogeneous quality framework for ECEC services, and requirements are scattered over different legal instruments. General standards concerning organisational and safety requirements for nurseries (under three-year-olds) are set out in Ministry of Health regulations. Standards concerning organisational and safety requirements for kindergartens are set out in National Ministry of Education regulations. A new core curriculum for the kindergarten was introduced in 2008, setting out the aims of education. Regular inspections are carried out in both nurseries and kindergartens. Monitoring and inspection of services for under three-year-olds are the duty of the health authorities. A new system of monitoring kindergartens was introduced in 2009 related to pedagogical work, whereby external evaluations are carried out. Local educational authorities inspect compliance with the law and the requirements related to education and care. Kindergartens have to carry out self-assessments.

Portugal	The existing quality tools do not belong to one structured framework but are scattered throughout different legal instruments. There is a system of licensing and accreditation of childcare service providers. Kindergartens must follow the 1997 Curriculum Guidelines. Regular inspections are carried out in both crèches and kindergartens: the General Inspector, operating under the aegis of the Ministry of Social Welfare, inspects compliance with legislation in services for under threes; the Inspector General for Education inspects and evaluates kindergartens. ECEC staff use peer assessment.
Romania	As far as care services for under three-year-olds are concerned, no specific quality tools have been developed yet. The general 2007 quality framework, applicable to all social services, therefore applies to crèches but is not adjusted to the specific situation of crèches. This framework includes accreditation and licensing of service providers with regular controls by the Social Inspectorate at county level. Inspection is limited to food safety and sanitary conditions. There are no educational curricula for services for under three-year-olds, and therefore no pedagogical monitoring either.

As regards early education, a specific quality framework was set up in 2005. Kindergartens are accredited and controlled by the Romanian Agency for Ensuring Quality in Pre-University Education Systems, operating at national level. Kindergartens further have to follow the Reference Standards and Performance Indicators for Evaluation and Quality Assurance in Pre-University Education, adopted in 2008. Kindergartens have to issue a self-evaluation report annually. |
| United Kingdom | There is no one structured quality framework for all ECEC services. There are two main evaluative tools: the regulatory framework administered nationally by the Office for Standards in Education (Ofsted) which is used to assess service providers and which is legally enforceable; and the very considerable amount of independent research commissioned by the Government to evaluate each of its initiatives. |

2.3. Origin and procedures for setting up quality frameworks/tools and methodological approach

This chapter explores in more detail the origins of the quality frameworks. It specifically looks at the types of public authorities that have been involved, the administrative procedures underpinning them, whether they are legally enforceable and who they address. In addition, where the information was available, it looks at the methodology that was used to develop the tools and the extent to which service users and other stakeholders were involved in the development process.

a. Public authorities responsible for putting the quality frameworks and tools in place

As noted in *Table 3.2.2* below, most countries have some level of legal backing for the quality systems that are in place. These regulations have generally been put in place at national level. Some countries, like Denmark, only recently decided to shift the responsibility for standard setting from the municipalities/service providers to the national level. Others, like Finland, did the opposite by increasing the responsibility of the local authorities for standard setting.

In federal countries, quality standards are adopted at regional level. In Belgium for instance, the French and Flemish Communities each have their own quality legislation. In Germany, too, all 16 regional governments have issued binding curricular frameworks for early education. Unlike Belgium, the German federal authorities also adopted guidelines, but they are non-binding.

In most countries, these standards have been adopted by several ministries. In general, the ministry of social affairs/welfare/health is responsible for adopting quality standards for care (mostly for under three-year-olds); whilst quality standards in early education have in most countries been adopted by the ministry for education. Norway is the exception where the Ministry of Education and Research is alone responsible for ECEC services for children up to 6.

b. Legal and administrative procedures

Most countries have a legal framework for quality, although this may be stand-alone legislation, split across a number of legislative instruments or embedded in other, more general legislation. In many cases quality standards are set out in acts of parliament, in other cases they have been adopted by means of a governmental or ministerial decision.

The laws which set out quality frameworks are not consistent across countries. In France for example, which has a reasonably uniform system despite the split between health (under 2+) and education (2+ to 5), there appear to be three key pieces of legislation, whilst in Greece not only does the legislation seem not to be straightforward, but there is considerable administrative overlap. In the Czech Republic, a Trading Act covers the actions of all private entrepreneurs, including those working in ECEC. A detailed description of the powers incorporated into legislation for ECEC quality frameworks across countries would require detailed legal scrutiny.

In some countries, quality tools might also simply be developed by the authorities without being enshrined in a legal instrument. In the Flemish Community of Belgium, for instance, Kind en Gezin – a separate legal entity making up an integral part of the Flemish administration, and responsible for overseeing regulations and policies regarding childcare in Flanders – developed a self-assessment instrument addressed to providers of childcare for children under 3 years (both crèches and family day care). It is a simple and reliable instrument for finding out how the children in a childcare facility are doing. This instrument was developed by the authority in cooperation with experts in the field.

Table 3.2.2   The origin and procedures of quality systems

Country	Authorities responsible	Legal basis	Methodological approach
Belgium	Regional regulation, guidance, and inspection	*Flemish community*: Care: Parliamentary Decree of 29/05/1984, changed in 2004; new Decree to be adopted in the near future Education: Parliamentary	Some quality tools were adopted in the parliaments of the respective Communities, after preparation by the administration and

		Decree of 25/02/1997 *French Community*: Care: Parliamentary Decree of 17/07/2002 Education: Parliamentary Decree of 24/07/1997	consultation with stakeholders. Other quality tools were put in place by administrative bodies, in consultation with the sector.
Czech Republic	National legislation and inspection Regional inspection	Public Health Act 1991 Sole Trading Act 1991 (private) Education Act 2004 (private kindergartens)	Ministry of Education, Youth and Sports, after some consultation with experts
Denmark	National legislation Details left to municipalities	(Dagtilbudsloven) Act 2007	Parliamentary discussions; public debate involving trades unions who have right of comment
Finland	National legislation, National Curriculum guidelines	Children's Daycare Act 1973, amended 1983 Act on the Professional Qualifications of Social Welfare Staff 2005 Basic Education Act 1998 Resolution on ECEC 2002	Steering group within the Ministry, with stakeholder representatives, ongoing on-line consultation, ECEC expert team at Ministry
France	National legislation and guidance	Childminders Act 2005 Education Act 1989 Code de la Santé publique 2010	Administrative
Germany	National legislation and guidance Regional legislation and guidance	Child and Youth Services Act 1990, modified and amended most recently in 2009 16 Länder provide regional legislation based on federal legislation. National curricular framework	Research consortium piloted self-assessment and external assessment procedures, plus regional initiatives
Greece	National legislation National guidance, very sparse	Joint ministerial decision 2002 for daycare Framework Law n° 1566 for kindergartens 1985	Administrative
Hungary	National legislation National and local guidance	Act on the Protection of Children 1997 Education Act 1993	Parliamentary discussions; public debate, consultation of professionals and inter-ministerial discussions

Italy	National legislation Regional or local guidance Public procurement rules apply – services tendered by region mainly to municipalities	Crèches Act 1971 Law n° 62/2000 2000 Welfare Act 2000 Regional laws e.g. Emilia Romagna on services to U3s 2000-2004 Law on Scuole dell'ifanzia 1968	Public professional debates within interested regions
Netherlands	National legislation and guidance about quality conditions	General Quality Framework introduced in Childcare Act 2004	Multiple stakeholders involved, including employers and parents
Norway	National legislation on grant eligibility National legislation and guidance about quality conditions	Kindergarten Act 2005 Quality in Kindergartens White Paper 2009	Public hearings, Sami assembly, various commissions
Poland	National legislation Local guidance	Law on Health Care Centres 1991 Education Act 1991 (with further amendments)	Administrative
Portugal	National legislation and guidance	Framework Law for Preschool Education 1997, amended 2007 plus many other laws and joint orders defining specific aspects of provision	Administrative with help of independent experts
Romania	National law on crèches No other specific legislation, guidance or codification	Crèche Act 2007, amended 2009 Social Assistance Act 2006 Education Act 1995, includes kindergartens	Municipal authorities
United Kingdom	National legislation and guidance, extremely detailed and exhaustive. Centralised inspection regime (Ofsted) to oversee compliance.	Childcare Act 2006 Education Act 2004 Statutory Guidance on the Early Years Foundation Stage 2008	Consultations through white papers, invited consultancy from the business community. Not consensual

c. *Legally binding/enforceable nature of these quality frameworks*

As said above, the different approaches to developing quality frameworks for ECEC lie on a continuum. At one end there is a view that frameworks need only be very general and value-orientated, and quality will emerge almost organically from professional work within institutions working with local stakeholders (democratic approach). At the other end of the

continuum, there is an approach which holds that every aspect of quality must be articulated in detail through legislation and guidance, and independently evaluated for compliance, and that individual institutions can be allowed very little discretion (comprehensive legal approach).

Translated in terms of the legally binding nature of quality frameworks, this means that some countries will have very specific and detailed quality standards enshrined in law, which the service providers must comply with. This is for instance the case in the UK and such countries rely mainly on external inspections in order to enforce the quality standards. In other countries, where the law only provides frameworks for quality, service providers still have a legal duty to respect this framework but have much discretion over the details, as in Norway, for instance. Such systems tend to rely more on self-evaluation than on inspection for the enforceability of the quality framework.

Both the democratic approach and the comprehensive legal approach to quality standards generally involve legally binding standards. The main difference between the two is how much of the standards is imposed by law and how much discretion is left to the service providers. There are; however, some exceptions, where the quality standards are not legally binding and where the authorities have opted to adopt guidelines, which function as mere recommendations for service providers. Finland, for instance, decided in 2003 to transform the compulsory quality norms into non-binding recommendations for the service providers.

But even if the quality standards are legally binding, this does not always guarantee that they will be implemented in practice. In Romania, for instance, enforcement seems to be difficult due to financial and other constraints.

Some countries rely on independent *inspection* regimes for the enforcement of quality standards. Inspections are external checks on compliance by the services providers with the legally binding quality standards. Such inspections are carried out in many countries, including Belgium, the Czech Republic, Denmark, France, Poland, Portugal and Romania. Inspections can be centralised (the UK) or decentralised (Denmark and the Netherlands).

Other countries consider that institutional *self-evaluation* was the most useful tool for implementation, especially when, as with Denmark, Finland or some of the northern regions of Italy, this institutional self-evaluation is part of a networked approach. With the support of the municipality, institutions get together and share their evaluations. Self-evaluation and networking rely on high professional standards and commitment, rather than any kind of legal coercion, and these professional standards have generally emerged over time and are widely understood and enacted by the professional community. The Eastern European countries for instance had a system of institutional self-evaluation where a person appointed in situ was responsible for overseeing the pedagogical work of the institution, and in turn worked with a wider group of peers.

In some other countries, like Belgium and the Czech Republic, a *combined system* of inspection regimes and self-evaluation is applied.

d. Those to whom the quality frameworks are addressed

In most countries, quality frameworks are addressed to both public (regional and local authorities) and private service providers.

Where the private sector is involved in delivering services, mechanisms to help promote similar levels of quality to those expected in the public sector can include a combination of licensing or accreditation, contract management and process monitoring. These measures are legally enforceable and managed by the relevant ministry or service funder. These types of procedures can be seen in a number of countries including Belgium, Denmark, Finland, France and Norway.

In some countries the degree of quality imposed on private providers depends on the degree of public funding these providers receive. In the Belgian Flemish Community, for instance, the government can impose stricter quality standards on accredited facilities, which are (almost) completely subsidised by the Flemish government, than on independent facilities.

The quality frameworks may also be provided in user-friendly fashion for parents (as in the UK). The internet is increasingly a medium of communication about legislation and quality frameworks, and is accessible to everyone.

e. Methodological approach

Most countries have some kind of process for enacting legislation, for consultative papers, for lobbying and so on, before the law is passed in parliament. There is generally some level of citizen participation in all countries, enhanced by web access.

In the UK for example, individuals and organisations may contribute online to most proposed legislative changes. Under the previous Labour government in England there were frequent "road-shows" where government officials went to meet regional stakeholder groups of professionals to explain developments and changes in the Early Years Foundation Stage (EYFS) framework. On the other hand, a major change in English legislation, the Childcare Act of 2006, which introduced the concept of "childcare market management" and the principle that local authorities are "providers of last resort" was discussed primarily with consultants advising the private sector, and was subjected to very little regional or local consultation. There have also been various "expert" working parties set up to advise government on various aspects of the quality framework. A variety of consultation strategies have therefore been used at different times.

Within the field of ECEC, methodological processes for developing (and continuing to develop) the quality framework have varied considerably in their approach to definitions of stakeholders and the extent to which they should be consulted. In those countries which take the *United Nations Convention of the Rights of the Child* seriously (e.g. Nordic countries), children are defined as important stakeholders and their views are sought in a variety of child-friendly ways. In some countries particular attention is paid to the views of indigenous minority communities, most notably the Sami population in Nordic countries in shaping the framework.

In countries where marketisation is widespread (e.g. Netherlands and UK), employers and owners are considered as important stakeholders and may also constitute a powerful lobbying group in influencing legislation and quality frameworks. For example, the "*major providers group*" in the UK acts as a consortium to lobby MPs on topics such as regulation and levels of funding for services. If market choice is a stated approach, as in the Netherlands, parents are presumed to be exercising their choices, and their say, in choosing childcare from amongst a range of providers, and in this sense are stakeholders. Middle-class parents in the UK have

acted as a lobby to influence funding arrangements – by which they benefit – for early childhood services. The issue is to what extent the process for arriving at quality frameworks is impartial, and how impartiality and balance can be guaranteed.

2.4. Scope and content of the quality framework/tool

a. Scope and content of the quality frameworks/tools

This chapter is concerned with the scope of the quality frameworks and tools that are used. In particular, it examines the emphasis that the quality system places on improving service accessibility and the sustainability of services. In addition, it examines the focus that the quality system places on the working conditions of employees and on their skills and competences. *Table 3.2.3* below summarizes the findings from the study in relation to these issues.

As mentioned above (*supra* 2.2 and *Table 3.2.1*), only a few countries have comprehensive and coherent legislation for quality frameworks related to ECEC services. Consequently, in most countries, regulations related to the aforementioned issues are not enshrined in the one piece of legislation that aims to regulate the quality of the ECEC services, because most countries simply don't have this one piece of legislation. Most countries have separate legislation on for instance accessibility or working conditions or staff qualifications. However, no matter how these items are regulated, in many countries they are considered to be crucial to ensure the quality of ECEC services.

Table 3.2.3   The scope and content of quality systems

Country	Scope of and content
Belgium	*Under 3-year-olds:* quality tools (at Community level) include accessibility (no general entitlement, priority to certain categories of children); staff qualifications, continuous training, access, respect for children's rights, cap on fees and importance of pedagogical aspects. *Over 3-year-olds*: quality tools (at Community level) include accessibility (entitlement), development goals (educational goals); teacher qualifications. Quality tools exclude sustainability and working conditions.
Czech Republic	*Under 3-year-olds:* no quality tools exist other than sole trader requirements. There is no legal right to access and sustainability is a big problem. *Over 3-year-olds*: Public kindergartens (large majority) have to follow a curriculum which sets out the educational goals. Kindergartens are generally accessible and their services are sustainable. Working conditions and staff qualifications are not really part of the quality tools, although they are laid down by law and fought for by trade unions.
Denmark	The rather homogeneous quality framework includes a right to access, guaranteed sustainability, working conditions of staff renegotiated at 3-year intervals, specific requirements for staff qualifications, and a cap on fees.
Finland	Quality tools include staff qualifications, curricular guidelines, pay and working conditions through collective bargaining, right to access, and a cap on fees.

France	*Under 3-year-olds*: the quality tools include staffing standards, ratios, qualifications, training and fees.
	Over 3-year-olds: the quality tools include accessibility (there is a right to access), staff qualifications and national curriculum: development goals to be achieved.
Germany	Quality tools (at Länder level) include curricular framework, staff qualifications, ratios, access, sustainability, and staff working conditions.
Greece	No information provided
Hungary	Quality tools include staff qualifications, ratios, access (there is a legal right to access but it is not implemented), fees, working conditions and curriculum. Excludes sustainability.
Italy	Quality tools (at regional level) include setting criteria for staff qualifications, accessibility, working conditions, fees and curriculum.
Netherlands	*Under 4-year-olds*: Includes staff qualifications, curricular guidelines. Excludes pay and working conditions, access and fees.
Norway	Quality tools include staff training, pay and working conditions, right to access, sustainability, cap on fees, and curricular guidelines.
Poland	Quality tools include staff qualifications and a curriculum (only for over 3-year-olds). Service accessibility and sustainability are not addressed, nor are the working conditions.
Portugal	Quality tools include staff requirements including compulsory in-service training. Access, fees and sustainability are excluded.
Romania	Quality tools include working conditions and staff qualifications. Accessibility and sustainability are excluded.
United Kingdom	*Under 3-year-olds*: Quality tools include staff training and curricular guidelines. Pay, working conditions and fees are excluded.

b. Service accessibility

Many countries reported that service accessibility is included in their quality system. This is especially the case in countries where access to services is considered a legal entitlement, meaning that all children in relevant age groups have the right to ECEC places. In Denmark, Finland and Norway, for instance, every child under 6 has a right to ECEC services.

In other countries, such a right is only guaranteed for children from the age of three, as in Belgium, the Czech Republic, Germany, the Netherlands and Italy[131]. In the Czech Republic, the Netherlands and the UK, childcare for children under three is viewed as an optional extra, and accessibility is not included in the quality system. Poland and Romania mentioned that accessibility was not part of their quality system.

Accessibility is more likely to be guaranteed and part of the quality system of services for children over three (mainly kindergartens). In some countries, like the Czech Republic, access

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[131] A further discussion of entitlement is available in OECD (2006) *Starting Strong II*.

to kindergartens is guaranteed and is part of the quality system whilst this is not the case for crèches and other childcare services for children under three.

Service accessibility depends on what parents can afford to pay, so in the countries where accessibility is guaranteed, the levels of parental contribution are also laid down in the legislation as part of the quality framework. In these countries, the quality frameworks specify fee structures. In marketised services, on the other hand, for example Ireland, the Netherlands and the UK, conditions of access and fee capping are not included in the quality frameworks. In these countries, access is dependent on the ability of parents to pay. Parents on low incomes may receive tax credits to enable them to contribute towards fees of licensed providers, but the provider may be free to set fees without any restrictions, i.e. without a cap. If there is no cap on the fees users pay, fees may be very high indeed, in order to secure profits for private providers, but accessibility is limited. In the UK for instance, where funding for childcare is through tax credits, the fees paid by parents for childcare are the highest in Europe, currently around €1,452 per month per child in London. However, if there is a fee cap, this may deter private providers, and several respondents point out that for-profit provision is self-limiting for this reason.

Some countries are also concerned with reaching equality of access to ECEC services and have included service accessibility for minority groups in their quality framework. In Norway for instance, Sami populations are consulted separately over ECEC service arrangements, and kindergartens must take the children's social and cultural background into account, including the language and culture of Sami children. Other countries have not included this issue in their quality framework. In Romania for instance, childcare services (under threes) for Roma children are very problematic, but not included in any quality framework.

Equal access to services means that ECEC services must be made available over the whole country. In the Netherlands and the UK there is no specification in the quality framework about where providers operate. They can open services where they choose, without reference to other provision, provided they meet licensing and planning requirements, which may be more or less stringent. Competition between for-profit providers is regarded as an important market mechanism in controlling price and quality (probably erroneously so, since childcare markets are more accurately described as "quasi-markets"). Other countries, notably Nordic countries where there are entitlements to childcare provision, may control the supply of providers more closely.

Box 3.9:	Scope of quality systems – contrasting examples
Norway	**United Kingdom**
• The employment of pedagogically trained staff (one third to tertiary level) at nationally accepted rates of pay, adequate space, inside and outside	• Training to a minimum vocational level for a proportion of staff, but one fully qualified (to tertiary level) manager
• A cap on parental fees, with lower fees for certain families	• No cap on fees, nothing on pay and working conditions
• Guaranteed access for all children	• No free and guaranteed access for all children

c. Service sustainability

Not many of the countries studied reported that their quality tools covered sustainability of services. Only Denmark, Germany, Norway, Poland, and the Czech Republic (for children under 3) reported that service sustainability is included in their quality system.

However, notwithstanding what has been reported, in countries where access to ECEC services is an entitlement, the sustainability of these services is mostly also guaranteed. Public authorities are required by law to meet demand. Municipal or regional frameworks require that estimates of demand are systematically included in planning for services, so that there is not a surplus or a shortage of places. Over-supply of services is not an issue, and sustainability is more likely to be maintained, unless birth rates fluctuate dramatically.

Sustainability can become an issue (and is not included in the quality systems) in countries with large private for-profit sectors, like the Netherlands and the UK. In such countries, competition between ECEC providers is regarded as normal and necessary although there is increasing evidence to suggest that ECEC markets are not normal markets but atypical markets. In a competitive market, successful businesses expand and unsuccessful businesses contract, and there is continual market movement, which means that sustainability becomes an issue because of market instability. Childcare institutions open, close and reorganize in response to market pressures, rather than according to the needs of the child or the requirements of the parent, and quality frameworks cannot easily include sustainability requirements. In the current recession in the UK, for example, many private nurseries are closing. The market is unstable, especially during the recession: 870 nurseries closed in 2009 and the number of childminders has fallen by about a third over the last few years. This market volatility raises questions about both quality control and control of assets. Market volatility and unevenness of quality is more likely to occur in poorer areas[132], presumably because fee income is more unreliable. In England, for-profit provision is generally of lower quality, with the worst provision in the poorest areas[133]. If assets (properties) have been accumulated as a result of public subsidies, who should retain them? In England, by default, the assets belong to the owner when the nursery closes. In a volatile market, control of assets accumulated by virtue of public subsidies is not generally dealt with. The issue of accountability for public money which has been spent on non-public providers does not appear to have been sufficiently examined in any country and does not appear in quality frameworks.

Sustainability in the sense of public funding being maintained for services in a recessionary climate may be problematic. It is not clear yet whether countries which face substantial debt problems, such as Greece and the UK, will reduce ECEC services. No quality framework appears to address the question of reductions in service levels and how they might be handled – presumably because this is essentially a political decision.

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[132] Ofsted (2008) *Early Years: Leading to Excellence. A Review of Childcare and Education Provision 2005-2008*, London, Office for Standards in Education.

[133] Mathers, S., Sylva, K. and Joshi, H. (2007) *Quality of Childcare Settings in the Millenium Cohort Study*, London, DCSF, SSU/2007/FR/022.

d.   *Working conditions of employees*

Working conditions were not often reported as being included in the quality frameworks of the countries studied.

It is usual for countries to have formal relationships with trades union bodies in many areas of services and these broad agreements cover all services and therefore do not need specifying within the quality framework for early education and care services. In countries where early education and care services are mainly publicly provided and/or publicly funded this appears to be the norm. Denmark for example renegotiates pay and working conditions for staff every three years as part of a general recognition of trades unions. Similarly in some countries there is a minimum wage, which applies to all employees, and does not need to be separately specified within the quality framework.

Where there is a privatised market, or many small providers, it is difficult to incorporate such conditions into the quality framework and regulate them. Since generally staff costs are approximately 80% of all costs, for-profit businesses have a vested interest in reducing staff costs, and may see regulation on this issue as unnecessary or restrictive. Therefore employees' working conditions are not included in the quality framework, although there is some evidence to suggest that in a private market conditions (for example the right to paid holidays or sick leave) may be very poor indeed.

e.   *Skills and competencies of employees*

Most countries include requirements for type and levels of initial training in their quality frameworks, but there are considerable differences about where the level is set, and what kinds of qualifications are considered appropriate for different age children. Some countries require tertiary qualifications, for example France; whilst others only require low level vocational qualifications or no qualifications at all, especially for work with very young children. Again, in a private market there is a vested interest in employing staff with poor qualifications in order to keep staff costs down. Some countries, for example Flanders (Belgium) or Romania, consider that childcare work provides a vocational access route into the labour force for unskilled women, especially mothers, and therefore minimize requirements within the framework.

A few countries, mostly Nordic, consider the gendering of the workforce to be a significant issue. Local authorities in these countries may set targets within the quality framework for the number of men to be employed in the services.

f.   *Other issues included in the scope of the framework*

Most countries consider that health and safety issues and access to outside space for young children should be included in the scope of the framework. However, in dense urban areas space criteria are problematic. In the Nordic countries, direct access to and familiarity with outside spaces, and coping with climatic extremes, is regarded as an essential part of the curriculum. Finland, for example, sets guidelines for a minimum number of hours per day for children to spend time outdoors.

Further, in most countries quality tools related to services for children under 3 no longer only focus on care, health and hygiene, but also include a curriculum, which emphasizes the educational aspects in childcare.

g. *Quality principles*

With regards to quality principles embedded in the quality frameworks or in other pertinent legislation, there appears to be a broad agreement. Typical principles, as seen in Germany, for instance, include: a holistic approach towards learning, involving children in decision-making processes, intercultural education, gender awareness, specific support for at-risk children and children with (potential) disabilities, support for gifted children, respect for human dignity and fundamental rights of children and their parents.

Although there are some similarities between countries, there is also variation on some key points, such as respect for the *1989 UN Convention on the Rights of the Child* (UNCRC). Although many countries studied reported this convention as being a fundamental document underpinning their ECEC services, others did not mention it specifically in the context of ECEC services. The rights, well-being and development of the child are a prime consideration in shaping the quality framework for services, for example in the region of Emilia Romagna in Northern Italy and in the Nordic countries, and increasingly in Eastern Europe. Those countries such as the Netherlands and the UK which have pursued a marketised approach to services consider childcare places (although not usually education services) as commodities which should be bought and sold in an open market, and have minimised the importance of the UNCRC.

Box 3.10:	Main quality principles – contrasting examples
Norway	**United Kingdom**
• Good opportunities for children's development	• Health, safety and well-being of the child
• Democracy and tolerance	• Good school results
• Appreciation of sustainable development	• Parental choice
	• Childcare market management

2.5. Implementation of quality tools/frameworks

This chapter addresses the implementation of quality frameworks and tools in practice. In particular, it examines to what extent service users, the staff and other stakeholders are involved in implementing the quality framework. It further addresses the enforcement of regulatory requirements on ECEC providers.

a. *Implementation/monitoring and stakeholder involvement*

Looking at *Table 3.2.1* above, it becomes clear that quality frameworks/tools in many countries consist in legal requirements imposed on the service providers (connected with licensing and

accreditation procedures) and in inspections and/or self-evaluation systems (in order to monitor compliance with the legal requirements).

These activities are mainly carried out at regional, municipal or even institutional level (as for instance Kind en Gezin in the Belgian Flemish Community), with the notable exception of England, where monitoring and inspection is highly centralised under the Office for Standards in Education (Ofsted).

Most countries reported that stakeholders are involved in some way in the implementation of the quality tools (see *Table 3.2.4*). In countries with self-evaluation systems, the staff assess their own work. This is for instance the case in Belgium (Flemish community), the Netherlands, Poland and Romania (for children over 3). Denmark and Finland have introduced institutional self-evaluation which is part of a networked approach. With the support of the municipality, institutions get together and share their evaluations. This is important because developing self-monitoring tools that can be used by individual institutions is only the first stage; there has also to be some process for ensuring comparison and dissemination of the results of self-monitoring to various stakeholders, as in these two countries.

Many countries (the Czech Republic, Denmark, Finland, France, Germany, Hungary and Norway) reported that parents' voices were heard in these kinds of assessment procedures. It is however unclear exactly how far parents are involved in or have access to these self-monitoring activities, which are in fact essentially professional activities.

Democratisation and community participation in monitoring and evaluation of services can be more easily included within the quality framework where services are locally based and are more difficult if services are centralised or, alternatively, very fragmented. Democratisation and community participation are thus easier in municipalities in Denmark and in Emilia Romagna (Northern Italy), for instance, than in the UK.

The UK is indeed the antithesis of a self-evaluation approach. It has a highly centralised inspection and monitoring system, the Office for Standards in Education (Ofsted), where the performance of *all* providers is monitored by inspectors (employed mainly on a contract basis for each inspection) against detailed regulatory guidance, known as the Early Years Foundation Stage Statutory Framework (EYFS). Each provider is then given a rating on a four-point scale, outstanding, good, satisfactory and inadequate. The details of each inspection report are posted on the web. Increasingly the inspection reports are used by parents as a way of choosing ECEC providers. In these kinds of systems, where providers see themselves as being in competition in the marketplace, there is considerable unwillingness to share ideas or compare practice, in case this leads to market advantage. The kinds of monitoring systems in place in Finland or Northern Italy that rely on a networking model cannot be implemented easily in countries where there is considerable private for-profit provision.

Table 3.2.4   *User, staff and other stakeholder involvement on quality framework implementation*

Country	Implementation of the quality framework
Belgium	*Flemish community*: Service providers accredited and funded by Kind en Gezin have to have a quality assurance manual and are required to evaluate and improve their own performance. A parent survey is part of this. In childcare a self-evaluation instrument (SICS) is used, involving childcare workers and children. *French Community*: Children are not involved.
Czech Republic	In kindergartens, there are internal evaluations which include a stage during which parents are asked how happy they are about the development of their child in the kindergarten and about the services offered by the school. This does not exist in crèches.
Denmark	The educational plans of services have to be evaluated yearly. All staff and parents are involved in the process. "Children's environment appraisal" must be reviewed every third year. There is an ongoing process at national and local level discussing evaluations and processes.
Finland	One of the mechanisms the municipalities developed for evaluating whether the national curriculum guidelines change practice, and what changes have occurred, is "open dialogue", which involves different kinds of processes in which ECEC administrators, staff, parents and elected officials participate.
France	Parents are more and more considered as "partners" instead of "users" in schools.
Germany	Approaches towards implementation and continuous evaluation tend to be firmly grounded in an ethos of participation – by the children, the parents and of course the workers and providers, who are responsible for interpreting and implementing the curricular principles and goals and continually updating the specific programme of their centre. Also the establishment of parents' boards are a means of giving a direct voice to the families, and involve them in the implementation of quality tools.
Greece	In theory children and parents should be involved in assessments by the staff, but in practice there are no assessments.
Hungary	Legislation requires the participation of parents both in nurseries and kindergartens. Parents are not involved in the management of centres, but can comment on the educational programme and can express their opinion about prospective directors/heads of the centre.
Italy	Evaluating the quality of services for children under three and for those from 3 to 6 involve the participation of staff (coordinators and teachers) and are conducted within in-service events. Some involve an assessment of quality as perceived by parents. The participatory sessions happen routinely: educational staff meet regularly during paid hours to discuss and plan their work.

Netherlands	There are some self-evaluation instruments to assess the pedagogical climate in childcare services for children under 4, in which at least the staff are involved.
Norway	In Norway, evaluation must be continuous in each kindergarten, and stakeholders are involved in this by participation in the parents' councils and coordinating committees of each kindergarten.
Poland	There is some kind of self-assessment in kindergartens, involving the staff.
Portugal	ECEC care providers in Portugal use a peer assessment strategy to assess each other. The children and their family are also participants in the implementation and evaluation of the quality tools.
Romania	Every year, the kindergarten must issue a self-evaluation report, highlighting performance and quality indicators. This report is prepared by the staff of the kindergarten and while consideration of feedback from beneficiaries is one indicator, their involvement in the self evaluation report is not required.
United Kingdom	In the Ofsted regulatory procedures for private childcare, there is no required involvement from users, stakeholders or employees, except on the basis of individual complaints. Inspections are scheduled on an approximately 3-yearly basis, with little or no reference to previous inspection findings. Sure Start Children's Centres are now expected to report to an advisory stakeholders committee, but appointment procedures to the committee, and the powers of the committee to implement change, are left vague and are as yet untried. The inspection process within primary schools, of which nursery classes are a part, also requires that children be consulted about the service they receive.

b. Enforcement/remedies

Quality requirements are enforced in different way across countries, as explained above (*supra* 2.3). Inspection regimes were one of the most frequently mentioned regulatory mechanisms. Countries such as Finland do not have inspections but rely on self-evaluation through monitoring tools developed for institutional use (cf. above and 2.3).

It appears to be very rare in any country to impose penalties for breaches of regulations, or even to regard the ECEC sector as in need of stringent control. However, the costs of regulation where there are many small providers may be considerable; in England, for example, some 90,000 inspections of early childhood care and education settings were carried out in the three-year period 2005-2008. In that period only 7 providers had their license withdrawn. In countries which have suffered severe cuts in recent years (for example, Eastern European countries) the enforcement of regulatory requirements has been very difficult, as there is not enough money to develop and monitor regulatory standards. In those countries where funding is sufficient, it is possible to develop the scope of the quality frameworks, and to view such development as a continuous process evolving over time.

2.6. Monitoring and evaluation of quality tools/frameworks

This chapter addresses evaluation of the quality frameworks and tools. In particular it looks at whether quality frameworks/tools include independent, transparent and accessible complaints procedures. It further addresses the question whether the quality frameworks/tools encompass control mechanisms to avoid any kind of abuse (physical/mental/financial) or exploitation of users and their families. Finally, this chapter looks at the existence of independent research which evaluates the quality system. *Table 3.2.5* and *Table 3.2.6 Table 3.2.* below summarize these issues in the participating countries.

a. Independent complaints procedures/prevention of abuse

Table 3.2.5 reveals that independent complaints procedures seem to be available in almost all countries, with the exceptions of the Czech Republic and Greece, where no complaints mechanism exists. Where available, the majority of these procedures are embedded within the ECEC quality frameworks, but there are exceptions, such as the situation in Finland where the complaints procedure is of a more general nature and under the responsibility of the Regional State Administrative Agencies.

Table 3.2.5 further shows that most countries studied have mechanisms in place to prevent and deal with abuse, although some of these procedures are not included in the ECEC quality frameworks and are instead part of the generic procedures within the health and social care services (e.g. Finland, Germany, Hungary and Portugal).

Table 3.2.5   Complaints systems and prevention of abuse

Country	
Belgium	In the *Flemish Community*, stakeholders may file a complaint to Kind en Gezin regarding the quality and safety of childcare.
	In the *French Community*, a complaints mechanism was set up under the Legal Order of 2003. Complaints are always "made public" through the parents or the ONE control system.
	In addition, both communities have an Ombudsman's office for children's rights, where complaints can be addressed regarding children (and their education and care).
Czech Republic	There is no complaints mechanism.
	Abuse: control mechanisms to prevent potential abuse of children and their families are a part of both internal and external evaluation processes in preschool education. Where necessary, crèches and kindergartens collaborate with the social care departments of the local authority in order to prevent and fight child abuse.
Denmark	Complaints mechanism: Parents can complain directly to the centre, the parents' board or to the local authority. They can also go to the media. Each parent is expected to be actively involved in the provision on a formal and informal basis. Dissatisfaction can be followed by a parental decision to move to another provision. There is also a general association of parents at municipal and national level, where they address complaints over for example access, opening hours, out-door space or educational plans.

	Abuse: The assumption is that the service is professionalised and that such abuses are very unlikely. Complaints are generally dealt with at the centre level or, if necessary, with the involvement of the municipality.
Finland	Complaints mechanism: The quality framework as such does not include complaints procedures. But it is the task of the Regional State Administrative Agencies, in their monitoring role, to respond to complaints made by the customers, i.e. the inhabitants of the municipalities as users of services. Abuse: Prevention of abuse is not included in the quality framework as such.
France	No information provided
Germany	Complaints procedures: The quality control procedures of the private providers include procedures for dealing with complaints of parents. Abuse: Prevention of abuse is not included in the quality framework.
Greece	There are no complaints procedures. No information on prevention of abuse.
Hungary	Complaints mechanism: Both nurseries and kindergartens have set complaints procedures, and parents are members of the complaints committee. In addition, there is an Ombudsman's office for human rights and an Ombudsman's office for education, where complaints can be addressed regarding children (and their education). Abuse: Prevention of abuse is not included in the quality tools.
Italy	Complaint procedures are available for all public or outsourced provision. Abuse: Local governments have the responsibility to establish control mechanisms to prevent abuse. Control procedures vary across the country and are not systematic.
Netherlands	Complaints mechanism: There is an independent complaints procedure. Parents can complain to the parents' committee, which in turn can address the issue to the national complaints committee, which deals with conflicts between service providers and parents' committees. In this way, parents can influence the quality of the service providers and there is a national committee. Abuse: By law all childcare service providers are obliged to have a code of conduct for the reporting of child abuse. This includes a clear plan of action on what to do when the carers suspect parents of child abuse or neglect and what to do when carers abuse children in their care. All staff need to know and sign the code of conduct. All carers need to be police vetted and there is a clear complaints procedure for parents when they have signs of abuse by carers.
Norway	Complaints procedures are not described in detail in the quality framework, but all parents can complain to the kindergarten itself, to the municipality (local authority) or to the courts. Abuse: Theoretically, requirements governing staff qualifications and numbers are supposed to prevent abuse.
Poland	No information provided.
Portugal	Complaints mechanism: There exist Complaints Books, in which parents can submit a written complaint. A procedure has also been laid down for the management of all written or oral complaints (for example on the receipt,

	analysis, resolution and handling of complaints). The client is informed at all stages of the process and all complaints are duly registered.
	Abuse: The quality tools include specific measures aiming at preventing users' abuse.
Romania	Complaints mechanism: The quality tools as such do not include independent, transparent and accessible advise and complaints procedures, allowing a direct voice to the users, their families and the carers as well as efficient redress procedures.
	Abuse: The quality tools as such do not encompass control mechanisms to avoid abuse (physical/mental/financial) or exploitation of users and their families. However, in the case of abuse, the complaints mechanisms of the child protection system apply, meaning for instance that teachers and staff working in crèches have the duty to report cases of child abuse.
	Parents may also lodge a complaint with the director, the school inspectorate, the city hall or the police, depending on the nature of the abuse.
United Kingdom	Complaints mechanism: All childcare providers must have a complaints system in place, and parents may also lodge complaints directly with Ofsted.
	Abuse: Within the childcare sector (children under three), although the Every Child Matters framework is supposed to ensure children's well-being, there are no control mechanisms to prevent abuse or exploitation of users and their families, other than a complaint to Ofsted and police checks. Within the publicly provided (maintained) education sector, the assumption is that the service is sufficiently well professionalised for such abuses to be very unlikely. Any complaints are generally dealt with promptly within the school and within the local education authority.

b. Evaluation of quality frameworks/tools – independent research

When it comes to evaluation of quality frameworks, the picture is mixed. Ten countries indicate that reviews are being carried out. These can be independent national evaluations, as for instance in Denmark and Germany, or self-evaluations based on annual reports from inspection services, as for instance in Belgium (Flemish Community) and the Czech republic (children over three).

Many countries report some research activity to evaluate their quality systems (see also *Table 3.2.6*). The Czech Republic, Germany, the Netherlands, Norway and the UK reported such research. Belgium (Flemish Community), Hungary and Romania reported that no such research has been commissioned. Research seemed however to be on a more ad hoc basis, and not always directed at current policy initiatives. In the remaining countries no data was available or no information was provided as to this issue.

Table 3.2.6   *Evaluation of the quality frameworks/tools and independent research commissioned to evaluate the existing quality frameworks/tools*

Country	
Belgium	In the *Flemish Community*: Based on the complaints received, Kind en Gezin does an annual report which forms the basis of evaluating their own works (monitoring and inspection activities). No independent research commissioned. In the *French Community*: No information provided.
Czech Republic	Apart from the annual reports issued by the school inspectorate, no evaluation of the quality tools was reported. Specific research is carried out at universities.
Denmark	Some national evaluation entities exist (such as EVA, VISO and DCUM) that advise and make evaluations for national and local government. At national level, there is ongoing research on evaluation of specific parts of the quality. For example, an extensive evaluation of the educational plans has been done.
Finland	There is ongoing research concerning the Guidelines, their implementation and their effects on pedagogical practice.
France	No information provided
Germany	A large scale National Quality Initiative was initiated and funded by the federal government with funding support from most regional governments. However, the developed self-assessment and external assessment procedures for evaluation are not generally binding, although in Berlin they are part of a required evaluation system. Regional governments have linked these evaluation instruments more closely to their curricular framework. All large provider organisations have their own quality frameworks and procedures for reviewing and evaluating their own services. According to the curricular frameworks, approaches to continuous evaluation tend to be firmly grounded in an ethos of participation – by the children, parents, staff and providers. In some Länders there have been commissioned studies to assess the introductory phase of the curricula.
Greece	With regard to the municipal infant and child day care centres, a Special Committee has been established within the Ministry of Internal Affairs with the goal of updating and enriching the existing operational framework of the Centres. No information provided on independent research.
Hungary	No independent research has been commissioned to evaluate the existing quality framework.
Italy	Evaluation of the quality tools depends on the policy and organisation of the municipal governments. In many sites, regular meetings among the service staff are organised in order to evaluate and plan innovation. But it is rarely a formal procedure. No data is available on independent research.

Netherlands	A National Assessment Instrument for national quality measurement and scientific research was developed and national quality measures are being carried out. Results of evaluations are always presented to stakeholders in conferences and are published on websites. The government regularly commissions independent research on all aspects of quality.
Norway	Evaluation of the quality framework commissioned by the Ministry of Education and Research and monitoring by the Office of the Auditor General is taking place. In addition, the ministry regularly commissions independent research concerning quality in kindergartens.
Poland	No information provided
Portugal	All existing procedures must be monitored, revised and evaluated.
Romania	No independent research has been commissioned to evaluate existing quality frameworks.
United Kingdom	There is ad hoc reviewing (no systematic) and updating of Government policies. The government commissions a considerable amount of research into early education and childcare.

2.7. Conclusion

Most countries have fairly recent national legislation in place which provides a quality framework for ECEC services, although often this is split between education and care. In no sense is ECEC a free and unregulated market, although only one country, Italy, mentioned procurement and referred to European competition rules. Countries vary between having mainly or exclusively publicly funded and publicly provided services for all young children and having a large number of private providers who may or may not be publicly funded, access to which is dependent on ability to pay. The types and levels of services in turn determine the nature of the quality frameworks.

The regulatory controls which exist in the legislative frameworks vary considerably in their scope and intent, and in the extent to which they have been implemented.

Where public funding is used to support private providers, either non-profit or for-profit, invariably the providers must be licensed and required to operate to certain specified standards. However the processes involved in allocating monies, the detail of these standards and the amount of money available to implement them varies considerably.

The extent and mode of the funding appears to make a critical difference to the service offered, whatever quality mechanisms are in place. If services are not well funded, standards of service provision are likely to be lower, and quality frameworks are more problematic to devise and administer. Demand-led funding to private providers through a tax credit system tends to lead to more uneven and less sustainable service provision which cannot be rectified purely through adjustments to the quality framework.

Whilst legislation and guidance on control quality is necessary, it is not sufficient to ensure that standards will be set high or indeed that they will be implemented. There is a continuum between those countries which consider external standards and measurable outcomes administered by independent inspectors are necessary, and those which rely more on professional discretion and self-evaluation. A key factor in either case appears to be stakeholder involvement, although stakeholders are variously defined across the 15 countries.

Most of the responding countries implicitly accept that services for childcare fall within the category of social services of general interest, and should not be commercial, and *all* countries accept that early education services are an entitlement rather than a commercial product. Private for-profit provision presents particular issues for quality frameworks. Accordingly, we would suggest that any quality framework that is introduced at a pan-European level should include the following requirements for for-profit or non-state providers *in receipt of public monies*: In summary we would suggest the following:

- An agreement to work within the principles and pedagogic framework which the national or regional government sets for the services.

- A cap on the fees charged for childcare to an agreed percentage of household income.

- A specific mode of funding – funding follows the child and is given directly to the institution (supply side) in order to minimize market volatility and offer a better guarantee of sustainability.

- An agreement about the disbursement of accumulated assets.

- Stakeholder participation at a service level should be widely conceived and include children, parents, staff, owners and community representation.

- Licensing requirements should include staff qualifications[134], and minimum requirements for pay and conditions.

Services should supply regular statistical data about the uptake of their service, and any other statistical data deemed appropriate for municipal, regional or national evaluation of the service.

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[134] There is a current EC education project producing recommendations for staff qualifications and training.

3. EMPLOYMENT SERVICES[135]

3.1. Introduction

In this chapter, an introduction to the issue of quality tools and frameworks as they relate to Employment Services in the context of Social Services of General Interest (SSGI) is provided. It focuses on high level sources for this discussion, drawing in general terms upon material from the European Commission, the OECD and some national level sources.

Employment services have changed considerably over the past decade or so. There has been a shift away from the provision of passive employment services towards a more active model, where more is expected of the clients of these services as well as from the services themselves. Services have moved towards adopting a tailored, individualised approach based on the 'personal pathways to work' model. There has also been a move towards the integration of a range of services as well as the development of new elements of services. In addition, the past decade has seen moves towards the mainstreaming of employment services for people with disabilities. Perhaps the biggest change, however, has been the increasing emphasis on private sector provision of at least some employment services in some countries. (In some countries, this has also involved NGO or third sector provision).

Other changes have seen the integration of public employment services with social security agencies in countries such as Germany, the UK, the Netherlands, Norway and France. These mergers of organisations carry implications for quality tools and frameworks, not least because of the differing cultures involved in serving these two functions.

The research instrument developed for the work addresses many issues. In relation to quality tools and frameworks the main issues were:

- Types of quality tools and frameworks – this refers also to the nature of the quality tools that are used, e.g. whether they are a set of legislative or regulatory requirements or a fully developed quality assurance methodology.

- Origins of the quality management tools and the methodological approach for developing them – this refers to, for example, the legislative basis of the tool and the administrative procedures that the quality system uses as well as the extent to which services users and other stakeholders have been involved in development of the tool.

- The scope of the framework – this refers to general scope of the framework and in particular to the extent to which the quality management tools focus on service accessibility and sustainability and on the working conditions and skills and competences of staff.

- The implementation of the quality framework – including the level of involvement of service users in the quality system and the extent to which the system includes an examination of any safeguards that may be in place for service users.

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[135] The following 15 countries have been analysed as regards existing quality frameworks and tools for employment services: the Czech Republic, Denmark, Estonia, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Romania, Slovakia, Spain, Sweden and the United Kingdom.

- The monitoring and evaluation of quality tools and frameworks – this refers to the usage of the results of the quality system for purposes of system improvement.

These issues are addressed below in the remainder of this chapter. In addition, it also addresses a number of cross cutting themes which have been identified following consultations with the Commission. These are:

- Internal process quality assurance/assessment – this type of quality framework is focused on organisations managing their own quality through focusing on the processes (and their outcomes) of providing employment services. In this case there is no external agency managing, setting or auditing quality.

- User led quality assurance/assessment – some systems include an element of user assessment of the quality of services provided. The key issue here is the extent to which service users are involved, which is a reflection of the values underpinning the quality system.

- Assuring quality through licensing procedures – many systems include some element of licensing of employment service agents. Often drawing on an MBO based approach (Management By Objectives), they typically state a set of performance or outcome related goals, as well as occasionally including process related goals. This approach is most important when the private sector is involved in supplying employment services.

Quality assurance in outsourcing of services to private employment service providers (PRES) – where countries have provided for private sector suppliers of Employment Services, a range of approaches to quality assurance have been developed. These are in addition to any licensing procedures which may also apply to this type of supplier.

3.2. Types of existing quality tools and framework

All of the participating countries implemented some form of quality assurance procedure in relation to the internal processes of providing PES. Most of these were backed by legislation (e.g. the Czech Republic, Italy) or by Government Regulations (e.g. Germany, the Netherlands). In other countries, the quality management system seems to have come about through custom and practice or by the extension of quality systems from other areas (e.g. Ireland, Spain). A number of countries reported the influence of the quality management procedures of the European Social Fund, where these funds are applied to the provision of employment services (e.g. Italy, Slovakia). *Table 3.3.1* below provides an overview of the main features of the quality systems in operation in the study countries.

Table 3.3.1   *The main features of quality assurance systems in the study countries*

Country	Type of quality approach
Czech Republic	Does not appear to apply specific tools, as far as could be identified, but enshrines conditions for employment services in legislation, the implementation of which is then monitored.
Denmark	In Denmark, the system is heavily influenced by MBO, where active contract management (also influenced by the new Public Management) is the main feature of the quality system. The system is backed Government by regulation.

Estonia	In Estonia, the main quality tools that are used are part of a wider quality assurance procedure that is applied to the monitoring and assessment of the general labour market. These measures include a system for collecting feedback from users as well as other methods and are backed by legislation.
France	The quality of employment services in France is addressed through a number of approaches and tools. These tools are aimed at providing high quality employment services to users. A general usage of the ISO 9001 quality certification has been one emerging approach. There are also various tools to support service provision. The outcomes of using these tools are monitored and appropriate adjustments to services are taken on the basis of these assessment results.
Germany	In Germany, the quality system is based on a code of practice (in effect a set of standards), which is backed up by a monitoring agency (the Control Commission on Public Services). In addition, a range of quality management frameworks are applied to training interventions.
Ireland	In Ireland, a number of approaches are used. These include process quality tools, tools targeted at human resources, models of good practice and service agreements for outsourced services. Customer surveys also take place. There is no legislative basis for using these systems.
Italy	In Italy, much of the work being done on quality assurance is involved with employment services reforms that are being funded by the ESF. These reforms seek to develop a system that allows both public and private actors to supply services and there is a movement to develop a common system of assessment and evaluation. In addition, the SPINN project[136] has been instituted, which seeks to undertake supportive measures, including assessment activities and research on the new system. Italy has also developed a quality management tool or method in the context of the licensing of employment services. This involves having an independent evaluator, selected through public procurement procedures, assessing all employment services at a regional level. These reforms have been backed by legislative and regulation change.
Netherlands	In the Netherlands, a number of quality systems are in place. The most prominent of these is a requirement of all contracted employment services (public or private) to have a quality certificate. The most common quality certificate is the 'Blik op Werk' system. This has been developed by the 'Quality Institute', which is independent of the public authorities. If employment services companies do not have this certificate, then they are subject to an independent quality audit using the same indicators as the Blik op Werk system. This system is backed by legislation.
Norway	In Norway, there are three levels to assuring the quality of PES – these take place at individual, local and national level. In addition, external service providers must operate a recognised quality assurance system. National legislation specifies the principles of service quality while the Labour Market Administration monitors the performance of external service providers.

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[136] Ministero del Lavoro,della Salute e delle Politiche Sociali Rapporto di monitoraggio delle politiche occupazionali e del lavoro, settembre 2008. Available at: http://www.lavoro.gov.it/NR/rdonlyres/09069AB6-8B69-4E16-B525-7FBAC2C28BC1/0/Monitoraggio_2008.pdf.

Poland	Poland operates a standards based system of quality assurance which applies to both PES and PRES. This is augmented by locally based user surveys. Some service providers use the ISO 9001 standard and manual.
Romania	Romania operates a mixed system of public and private employment services, each of which are subject to the same legislative provisions regarding the kind and quality of services offered. However, there is no nationally recognised quality system applied to employment services, though there is one used in relation to social services. Romania uses an accreditation system to manage quality in PRES. This stipulates conditions in relation to staff qualifications, organisational infrastructure and organisational capacities to undertake employment service tasks.
Slovakia	Slovakia does not appear to have a set of quality procedures that are specific to employment services. Instead, it applies a National Quality Programme, which is applied to public services of all types. However, for employment services that are funded from the ESF programme, there are specific quality procedures, even if they have not been generally accepted.
Spain	In Spain, a top down approach is taken, with quality assurance activities being specified in a national quality plan for central Government. These are not specific to employment services. However, there are more specific quality assurance measures taken at regional level and there is also a quality programme in place for temporary employment agencies.
Sweden	In Sweden a number of approaches are taken to managing quality. One method used involves undertaking an in-depth analysis of PES results on a regular basis. The Balanced Scorecard approach is used as a methodology for measuring and reporting on quality. A major element of this system involves setting concrete targets for employment services, which are then used in the evaluation process.
United Kingdom	The UK system is overseen by the Department for Work and Pensions. The Department has its own quality framework which it then applies to PES. It sets concrete targets for the performance of these and it also applies a set of Service Standards to the operation of employment services. This system is backed by Government Regulation.

It is clear that all of the countries in the study have some form of quality system in place for employment services. In countries where there have been reforms in the area, these have tended to be accompanied by the implementation of new quality systems that are dedicated to the employment services sector. In Italy, for example, reform of the system has seen the development of a quality framework that involves a two-level accreditation of employment services and the monitoring of performance on a periodic basis. Other countries have seen the extension of existing quality systems from the public sector to the provision of employment services (e.g. Spain and Ireland).

The accreditation or licensing of services is a major element of many countries system, especially in relation to privately supplied services. Licensing takes place in most countries, though there are exceptions – Ireland, the UK and Spain are amongst the countries where this form of quality assurance seems to play a minor or no role.

All countries operate some form of monitoring system in relation to quality. These can be based on standards and guidelines (e.g. Germany, the UK), on targets (e.g. the UK, Denmark, Estonia) or on monitoring processes (e.g. Sweden, Ireland).

3.3. Origin and procedures for setting up quality frameworks/tools and methodological approach

Quality frameworks may have a number of origins – they may arise from already existing general approaches or they may have been specifically designed for application within employment services. This chapter explores in more detail the origins of the quality frameworks. It specifically looks at the types of public authorities that have been involved, the administrative procedures underpinning them, whether they are legally enforceable and the actors to which they are addressed. In addition, where the information was available, it looks at the methodology that was used to develop the tools and the extent to which service users and other stakeholders were involved in the development process. It should be noted that only limited information was available to address these issues.

Most countries have some level of legal backing to the quality systems that are in place. This may take the form of a specific piece of legislation or government regulation specifying that a specific system must be used (e.g. in Italy) or that a quality system (unspecified) must be used (e.g. the Netherlands, the Czech Republic). These provisions have generally been put in place by Ministries of Employment or their equivalents. The responsibility for implementing these systems may be devolved from these ministries to public sector labour market agencies, as occurs for example, in Sweden. The Netherlands provides an interesting variation on this, where a public sector quality institute has developed the quality programme and third parties are entitled to use this programme to assess the quality of employment services.

At least three approaches to the legal enforceability of quality systems could be discerned. In the first, a specific system would have legal backing and is enforceable under legislation. The system in place in Italy provides such an example, where national guidelines for employment services have been developed and these are enforceable.

A more common approach is where national legislation species that a quality system must be used, but it does not specify a specific quality framework. The system in Estonia provides such an example, where the Ministry and the labour market agency have legal responsibility for ensuring quality in employment services, whether publicly or privately operated. The tools that are used, however, have not been legally specified.

A further variation occurs where legislation may not specify a named quality system, but a specific system has become standard. In Netherlands, the 'Blik op Werk' system has become the *de facto* norm even though it is not named in legislation.

Some countries do not operate a system of legally enforceable quality frameworks. Ireland is one such country. Here, there is no legal obligation to use any quality framework and it is not enforceable that employment services use them. However, the voluntary nature of the frameworks does not mean that their use is not widespread – a specific quality framework is in use throughout the public sector employment services while a set of good practice guidelines is applied quite widely throughout the private sector.

The situation of private sector suppliers of employment services is a special case in this context. Where these exist, there is a need to ensure quality that is at least comparable to publicly provided services. This is usually achieved by a combination of licensing or accreditation, contract management and process monitoring. These measures are legally enforceable and they are managed either by the relevant Ministry or by the Labour Market Agency.

Finally, it should be noted that most countries have a mix of quality management systems in place. These have generally come from differing origins and use different methodological approaches. In Germany for instance, a system of service standards has become enshrined in government regulations and is legally enforceable and it is backed up by a monitoring agency (the Control Commission on Public Services). This system sits alongside a separate set of quality management systems which are applied to training interventions. This mixed approach is evident in most countries.

A fourth approach is exemplified by Sweden. Here the emphasis of the quality systems is on the outcomes that are achieved by employment services. The work of the Arbetsförmedlingen (the State Employment Services Agency) is defined by the Ministry, though the outputs are not legally enforceable. The Balanced Scorecard system that is used in Sweden is defined by the Arbetsförmedlingen and is not legally enforceable either.

The quality system in Italy is in transition and provides a good example of the influences on its origins. Box 3.11 below provides more details in this regard.

Box 3.11: The case of Italy - A system in transition

The Ministry of Labour, the Regions and the Provinces have undertaken to work together through a joint technical committee formed in May 2007 for the purpose of coming up with a new master plan for Employment Services. The committee is analyzing issues such as what are the essential levels of service that must be provided; what are the appropriate indicators for monitoring and evaluating services; and what are the necessary resources and targets for system consolidation.

In this regard, significant effort has been devoted to the joint construction of a Labour Information System, which will serve as a tool to the State, the Regions, the Provinces and Local Entities. It will be used for reporting, analyzing and publishing labour-related data. A State-Regions Agreement drafted in the Autumn of 2008 defines the timing and means for the completion of the system. Other actions have set the system standards (for example, the communications between employers (public and private) and employment services). The simplification of current procedures is driving down costs by about 30%, but, more importantly, the system is producing a database in real time that is useful for labour policies, considerably increasing the availability and reliability of the data[137].

The system reforms allow for private-sector organisations to provide employment services. As a result, many Regions have introduced regulatory measures providing for a system of regional accreditation of their facilities. The Regions' objective is to guarantee quality service: The

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[137]http://ec.europa.eu/archives/growthandjobs_2009/pdf/member-states-2008-2010-reports/italy_nrp_2008_en.pdf.

> 2007-2013 Regional Operating Programmes have allocated more than €1.35 billion toward modernising and enhancing the institutions of the labour market[138].
>
> A concrete example of a quality tool inherent in the accreditation system comes from Lombardy - here all accredited services (either public or private) are evaluated by an independent evaluator selected through a public procurement procedure. This regional model of accreditation, places private and public employment services on the same level and in competition. Accreditation is compulsory for services to be included in the regional network of employment services and to access public funding. This requires a strict form of monitoring and assessment of the effectiveness of services delivered, which has now been put in place.

In summary, for the countries for which information was available, it is clear that there is a range of approaches to the legal enforcement of quality systems. Most countries have at least some element of their quality system that is legally specified at a legislative and enforceable (Ireland is an exception here). However, all countries that operate private sector employment services will enforce quality in these services through some combination of licensing and/or the application of contract law.

With regard to the issue of the origins of the quality systems that are in use, no consistent picture emerged. Though there were some broad common influences, for example, many systems were influenced by the Management By Objectives approach; there was only a little evidence that there were common origins to the development of quality systems. The exception here relates to ESF funded employment services, where the quality systems employed by the ESF have influenced the development of national systems in a number of countries.

3.4. Scope and content of the quality framework/tool

This chapter is concerned with the scope of the quality frameworks and tools that are used. It addresses this issue in general terms, i.e. in relation to the broad specification of the quality framework. In addition, it examines the emphasis that the quality system places on improving service accessibility and the sustainability of services. In addition, it examines the focus that the quality system places on the working conditions of employees and on the skills and competences of employees.

The first two of these issues relate to systems that operate through standards and targets and the aim is to improve service quality. By contrast, the second two issues relate to systems that seek to ensure that the preconditions for supplying services are such that high standards can be applied. This approach is especially relevant to accreditation or licensing systems, where one of the more prominent approaches is to specify the license in terms of staff and organisational qualifications. *Table 3.2.2* below summarises the findings from the study in relation to these issues.

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[138]http://ec.europa.eu/archives/growthandjobs_2009/pdf/member-states-2008-2010-reports/italy_nrp_2008_en.pdf.

Table 3.3.2   The scope and content of quality systems

Country	Scope and content
Denmark	The main focus is on service accessibility and on the outcomes that ES services produce. There is little apparent emphasis either on service sustainability or on the working conditions or the skills of employees.
Estonia	Little detail is available, but service sustainability and accessibility are addressed as are staff qualifications and working conditions.
France	In France, there is no single overall quality framework but rather a number of different dimensions and components that focus on various aspects of quality and performance. The information, communication and other support tools in use are essential to the sustainability of the service and by extension to the accessibility of the service. Working conditions and staff qualifications issues seem to be more addressed in the wider human resources context than within the specific quality systems, per se.
Ireland	The Excellence through People (ETP) system (used in the public sector) in Ireland emphasises service accessibility, staff qualifications and staff satisfaction. The good practice model for private (non-profit) sector emphasises the accessibility and quality of services, but not staff qualifications or working conditions. More generally, frontline employment service staff from both the PES and the non-profit local service providers who are contracted by the PES receive similar training in guidance and other relevant skills for quality service provision.
Italy	The Italian system, which is accreditation based, emphasises organisational capacity to deliver quality services (including previous experience). It also is concerned with the characteristics of employees but not with their working conditions.
Netherlands	The Dutch system does not appear to directly deal with the accessibility or sustainability of services, nor does it deal directly with staff qualifications or working conditions. It is focused on performance indicators, client satisfaction and norms and values.
Norway	The Norwegian system does address the issues of service sustainability and accessibility. Staff working conditions are not directly addressed (instead, the Work Environment Act is mentioned) while staff skills and competences are not addressed by the quality system.
Poland	The service standards tool deals with service sustainability and accessibility, but not with staff working conditions or qualifications. The ISO manual is also concerned with these issues.
Slovakia	Though little information is available, it appears that general quality approaches to the Slovakian Public Service incorporate measures to improve the quality of services and to improve staff qualifications. ESF funded employment services are also subject to quality procedures intended to improve service quality.
Spain	The Spanish system incorporates concerns for service accessibility and sustainability. It does not appear to address issues concerning the working conditions or skills and competences of staff.

Sweden	The Balanced Scorecard approach does incorporate all four elements of scope, as does the work of the Arbetsförmedlingen (the State Employment Services Agency).
United Kingdom	The Department for Work and Pensions(DWP) Quality Framework is mainly concerned with the improvement of service quality and with encouraging service suppliers to improve their own practice, as is the Job Centre Plus/ DWP Performance Targets and Service Standards system. Both tools are also concerned with the accessibility of the service. The tools would appear to have little relevance for the sustainability of services, or for the working conditions or skills and competences of employees.

Most quality frameworks in operation in Employment Services (private or public) embody a concern to manage the performance of the service in question. The quality management tools that may be used for this purpose may involve the setting of objectives, the establishment of standards or the setting of targets for the performance of the service. In essence, these are common approaches to quality and they may be applied to either or both PES and PRES.

To the extent that information was available, it is clear that all countries share a concern with managing quality and performance. The quality frameworks employ a range of tools and these may differ between the public and private employment services. In the case of PRES where they exist, contractors may have to apply specific quality management systems or meet service standards and this is managed through a formal contracting procedure which will typically specify performance targets and perhaps minimum standards.

For PES, the use of contracts is not appropriate and here the scope of the quality frameworks that are used vary. They may come from general public service frameworks that are applied, e.g. in Ireland, they may be associated with reforms of the service, as in Italy or they may be associated with ESF funding.

However, as with other areas of concern, there is little evidence of a common approach to the issues of service accessibility and sustainability or to the working conditions or qualifications of ES employees. A complex picture emerges, with differing elements of national systems having different approaches to these issues. Most countries quality systems are concerned with improving the accessibility of services. The quality systems in ten of the study countries were concerned with this area. However, there was not a similar level of concern with service sustainability, where only seven of the study countries were overly concerned with this element.

Countries which operate licensing or accreditation systems have a strong tendency to specify the qualifications of staff for employment services. They may do this by either requiring specific qualifications or also by specifying the proportions of staff that must be qualified. In contrast, none of the study countries reported that their quality systems were concerned with the working conditions of employment service staff. It was pointed out that working conditions are generally covered by health and safety as well as by general employment legislation.

An example of the kinds of conditions required by licensing systems comes from Italy, where recent reforms are now being implemented on a regional basis (the regions have some

autonomy in relation to how the reforms are to be implemented). In Lombardy, the accreditation requirements include:

- Previous experience in employment service delivery;

- Financial soundness and reliability;

- Compliance with tax laws, social security and the right to work for the disabled;

- The adoption of a certificated quality management system;

- The presence of resources and expertise in relation to several policy areas.

These types of licensing requirement are perhaps typical – a large proportion of requirements relate to administrative compliance and viability, with relatively little emphasis on the content of the employment service.

3.5. Implementation of quality tools/frameworks

This chapter addresses the implementation of quality frameworks and tools in practice. In particular, it examines the extent to which implementation is user focused, i.e. are users involved in implementing the quality framework. These issues reflect a concern for how user centred the employment service is. As employment services become more oriented towards service users via such mechanisms as personalised planning, it might be expected that quality frameworks would reflect this change. The *Table 3.3.3* below summarises the approach to these issues from the participating countries.

Table 3.3.3   User involvement on quality framework implementation

Country	Implementation of the quality framework
Denmark	Users are to some extent involved in providing information to the quality system.
Estonia	Service users and service suppliers are involved in the implementation of the quality tools that are used.
France	Assessment of customer experiences and satisfaction is included as part of the quality assurance/assessment approach, but otherwise it is not clear that users or workers are strongly involved in the French system of quality management.
Ireland	In Ireland, service users seem not to be directly involved in assessing service quality, apart from feedback provided through user surveys.
Italy	User surveys are used at least in some Italian regions and are part of the quality assurance system.
Netherlands	The Dutch system emphasises the achievement of targets and would appear to have relatively little emphasis on issues of user involvement. However, user surveys are part of the system.

Norway	The Norwegian system for quality management does incorporate user involvement in its implementation through the use of user surveys.
Poland	User questionnaire tools allow for user involvement in a direct way, though the content of this involvement is unclear varies considerably across the country.
Spain	The quality assurance tools do not appear to specifically address service users.
Sweden	Sweden has described two quality tools or frameworks. In the framework tool, users may be involved, but need not be, while in the Balanced Scorecard users and other stakeholders are routinely involved.
United Kingdom	PRES service suppliers are extensively involved in quality systems and there is some evidence of client involvement.

Most quality tools/frameworks have a degree of involvement of at least some of the main stakeholders. In particular, the employees of the employment service must provide data for the quality systems and this is a feature which is common across all countries. However, there is far less consistency with regard to the involvement of service users or other stakeholders. This may be because employment services are not strictly speaking services that provide care, and therefore the imperative to involve users may be less than is the case elsewhere in SSGI. A few quality tools/frameworks systematically involve service users, such as the Balanced Scorecard approach of Sweden or the new system in Norway. Other systems involve users through the use of user surveys in a more *ad hoc* way, such as in Ireland, Italy and Poland.

The UK provides a good example of how users and other stakeholders may be involved in quality management (see Box 3.12 below). It illustrates the developing approach to user involvement, with a focus both on supplier assessment and user assessment.

Box 3.12: QF1: United Kingdom - The Department for Work and Pensions Quality Framework

The contracts which the Department for Work and Pensions (DWP) has with service suppliers set out specific targets for performance of services. For these, the external contractor must supply data. In addition, external services providers must also participate in an ongoing programme of self assessment. The Quality Framework section of the invitation to tender for the Flexible New Deal[139] clearly states that:

'*Suppliers must invest in and be active in their own improvement and development through a process of continuous self-assessment.*'

Furthermore, the Quality section of contracts with external providers also clearly states that the DWP want to actively promote consumer involvement:

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[139] At time of writing, it should be noted that the Flexible New Deal programme was instigated, but not fully implemented by the previous UK Government. The New UK Government is to replace this approach with a single 'Work Programme', the details of which have yet to be specified.

> '*We will promote more active customer involvement in our programmes. Their experience will be important in shaping our future programmes. We will work with customer representative groups and advocacy organisations to develop ways of doing this.*
>
> *Customer experience will be one of the measures employed in assessing the performance of suppliers. Clarity of expectation will be critical and we will commission research to explore what customers' expectations are in relation to contracted employment provision. We will share that information with suppliers, and it will inform the Star Rating system*'[140].

In terms of the Flexible New Deal, in areas with more than one external contractor providing services, each provider is initially given a share of the market. Once the service has been operating for a period, a system is used to take account of customer experience and supplier performance, to inform customer choice.

The DWP also state that in terms of input from external contractors they are '*moving away from a basic contract compliance model and into an approach where we will be able to share future thinking and insights from other delivery/management experience, jointly identifying opportunities for efficiency gains or better outcomes. We will be looking to suppliers to signal changes they are experiencing in customer characteristics so that we can factor those changes into policy development.*'

Norway provides a typical example of how private sector employment services are managed in terms of the involvement of stakeholders. Box 3.13 below outlines the arrangements in Norway.

Box 3.13: The Stakeholders involve in quality management in Norway (Private Sector)

From January 2012 the Ministry of Labour and Welfare will require that all of the external (not-for-profit) providers must have a quality assurance system with external audits and certification (the EQUASS Assurance scheme is the most commonly used, but the ISO system can also be used). This certificate have to be re-certified every second year.

The Labour Market Administration began in 2008 making yearly agreements with each non-for-profit company that runs specialised programmes for people with disabilities that wish to enter the labour market. However, if the Labour Market Administration is not satisfied with the quality of the service, the budget may be reduced and other sanctions may be applied. They can terminate a contract with a 6 months advance notification period.

A recent PES benchmarking report highlights how service users may be included in improving the quality of services. The example from Austria[141] below shows how a mixed methodology is used to improve service quality based on customer ratings of the services that are delivered.

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[140] Department for Work and Pensions (2009) *Flexible New Deal - Phase 2 Invitation to Tender. Provision Specification and Supporting Information,* London, Department for Work and Pensions.

[141] http://www.pes-benchmarking.eu/english/doshow.asp?IdPageLv=5.

Box 3.14: Improving customer satisfaction in the Austrian PES

In Austria, a systematic approach has been taken to the integration of service user opinions in the quality management framework of PES. It aims to:

- Collect data on the wishes and needs of the users regularly either directly or indirectly;

- Measure customer satisfaction of job seekers and employers;

- Use the results in the quality management system;

- Supervise the managerial responses at federal and local level.

A variety of methods are used (e.g. focus groups) with both job seekers and with employers to obtain information on service quality and relevance. They also use a formalised Customer Monitoring System telephone survey which is implemented by an independent market research organisation. The data from a customer complaints system is also taken into account.

Results from the periodic CMS surveys are published on the Internet and management in underperforming services are expected to undertake appropriate measures to improve service quality. The actions that they take are monitored centrally.

3.6. Monitoring and evaluation of quality tools/frameworks

This chapter addresses the monitoring and evaluation of quality frameworks. In particular, it examines the extent to which the frameworks have mechanisms for avoiding abuses of service users and are there effective complaints procedures in place. In addition, it addresses the extent to which review mechanisms are used for purposes of service improvement and whether there has been independent research which evaluates the quality system. The *Table 3.3.4* below summarises the approach to these issues from the participating countries.

Table 3.3.4   Complaints systems and prevention of abuse

Country	Implementation of the quality tool
Denmark	There are no specific procedures for complaints in the quality system, though it is possible to complain outside of the quality system. There are no provisions concerning client abuse as part of the quality assurance system. However, quality information is used to help improve the quality of employment services.
Estonia	Systems for feedback and complaints are in place and the results from monitoring processes are used to review and update service procedures.
France	Complaints procedures do not seem to feature strongly in the quality systems and there does not seem to be direct provisions regarding client abuse (although ethical codes for service provider staff would mitigate against abuse). The information collected by the quality system is used to try to improve services.
Ireland	The issue of potential client abuse is not an explicit part of the various quality assurance systems nor does there appear to be specific complaints procedures as a direct part of the quality systems. However, these do exist outside of the quality system, for example as stated in the PES's customer charter. The results

	of the quality management procedures are used to improve future service delivery.
Italy	It is not clear if there are procedures to prevent abuse. The system does not incorporate an explicit complaints procedure. The results of the quality management procedures are used to improve future service delivery.
Netherlands	Complaints procedures do exist, but are not part of the quality system. No information was available on the usage of the results of quality management procedures.
Norway	The Norwegian system protects against discrimination and guarantees certain user rights. However, it does not appear to have an explicit complaints procedure.
Poland	There is no evidence that the Polish system addresses client abuse issues or has complaints procedures. Neither the ISO approach nor the Service Guidelines appear to address these issues directly. The results of the quality management procedures are used to improve future service delivery.
Spain	The quality assurance tools do not appear to specifically address complaints procedures or abuse issues. However, the national legislation underpinning the tools does contain non-discrimination and equality clauses. No information was available on the usage of the results of quality management procedures.
Sweden	Client complaints are dealt with outside of the quality systems. Both systems provide information for improving services.
United Kingdom	The Department for Work and Pensions(DWP) Quality Framework specifies that a complaints procedure should be in place, as does the DWP performance targets and standards. There are no provisions to prevent abuse of clients. The results of the quality management procedures are used to improve future service delivery.

The situation with regard to quality systems having provisions for preventing abuse and for incorporating complaints procedures is inconsistent across the study countries. Most employment services would have complaints procedures and control mechanisms to prevent abuse as part of their set-up, but it appears that these systems operate independently of the quality system. Similarly, employment services would have systems for preventing abuse, but quality systems do not generally appear to incorporate these concerns. The UK is an exception to this trend, where the quality tools in use include complaints procedures markers.

Most of the quality systems in place incorporate mechanisms whereby the outputs of the system are used to improve future service delivery. The regularity with which these reviews take place is not clear, but all systems for which information was available indicated that the results of quality systems were used for service improvement.

Finally, it was clear that some countries had undertaken independent research to evaluate their quality systems. The UK, Spain, Italy, Norway and Estonia were among the countries that had done so. No information was available from countries such as Ireland, the Netherlands and the Czech Republic.

3.7. Conclusion

The conceptualisation of quality in employment services

There is a wide range of approaches to quality in relation to employment services in Europe. These approaches have tended to develop and evolve over a period of years in many countries, borrowing from quality management systems that operate elsewhere in the Public Service, (or sometimes from outside of the Public Service), rather than having systems which have been specifically designed for employment services. Nevertheless, there are also some examples of systems that have been designed with employment services in mind, especially in some of the new Member States, for example in Estonia and Slovakia.

It is also clear that many countries are reviewing and seeking to improve their quality frameworks for employment services. In part, this seems to be influenced by a general trend towards improved quality management in Public Services, but it also reflects a debate in some countries concerning the types of services to be offered, the nature of the agencies offering them (public or private sector) and the nature of the quality indicators that should be applied to employment services, be they related to processes, outputs or outcomes. In particular, where there is private sector supply of employment services, which is a relatively recent phenomenon in some countries, there is a need to have a clear approach to quality management.

There are also a number of significant pan-European initiatives that are relevant. These include the Common Quality Framework, which emanates from the disability sector and the EQUASS initiative, which has influenced the quality management system in Norway. These pan-European initiatives, though not quality management systems in themselves, do appear to be having some influence on current and future developments in the area.

Even allowing for the diversity of quality systems and their state of development and innovation, there are two broad approaches to quality management in evidence. These relate to systems that focus on managing processes and those which focus on managing outcomes.

The extent and limits of current quality tools

The move towards outsourcing employment services that is occurring in many countries (Denmark is an exception) has placed a renewed focus on quality management tools and methods. In particular, it has highlighted the need to manage quality in external services and in doing so has pointed to the limitations of current quality systems in many countries.

Among the problems that have been identified are:

- The fragmented nature of many quality systems;

- The issue of the applicability of general quality systems to the specific setting of employment services;

- The specific issues of how to manage contracted external services, either through some form of accreditation, licensing or a combination of these two.

The legal basis for quality management approaches also varies. In a few countries, legislation specified that quality management procedures should be in place (this is in countries that have

had recent changes to legislation); while in others these systems are specified by regulation. However, in the many countries, there is no explicit legal basis for quality management systems.

An exception to this concerns outsourced services, where the legal basis for quality management and its degree of enforceability in relation to quality management systems is higher.

The implementation of quality systems

There is a wide range of practice with regard to the involvement of users in quality frameworks and processes and this varies also in relation each of the elements of definition, implementation, development and evaluation. Relatively little information is available with regard to most of these elements, with the exception of implementation. Here, it is clear that most if not all systems involve the service suppliers in providing information to quality management processes. Fewer countries involve end users, at least in a regular and systematic way and it is clear that this tends to occur more often in relation to outsourced rather than in house services.

However, many countries do use surveys of end users as a means of obtaining information on the quality of services from users. However, this is often done in an *ad hoc* way rather than being a designated and regular part of the quality system.

It is perhaps significant that the pan-European initiatives such as CFQ and EQUASS place a lot of emphasis on end user involvement, as a means of improving the quality, relevance and fairness of a system. However, this movement does not seem to have impacted in a widespread way on current quality systems, at least at this point in time.

A focus on user involvement would imply that robust procedures for users to be able to make complaints would exist. In addition, it might also be expected that there would be safeguards in the system to prevent client abuses. These features are available in most systems, but it is perhaps surprising that they are not generally reflected in the quality systems that are used to manage employment services.

4. SOCIAL HOUSING[142]

4.1. Introduction

Certain features of social housing provision are specific to this service and are not found in others. This is due to the nature of the service, which for a great part consists in the development and renting or sale of good quality dwellings at affordable prices. For this it is necessary to ensure that the physical infrastructure is adequate and complies with health and safety standards and with environmental requirements. In this respect, social housing is different from other social services where the physical infrastructure is not the "core" of service provision.

An equally important element in the quality of the service of letting social housing is the relationship between landlord and tenant, as the allocation/management/administration of the dwellings is the other "core" activity in social housing provision (see Section 1 of the study). Yet compared to other social services analysed in this study, the continuous care/advice/empowerment activities offered to beneficiaries do not constitute a core aspects of social housing provision, although additional services to residents (such as care services) are increasingly carried out by social housing organisations, directly or in partnership with other services providers (see Section 2 of this study).

Therefore, the main quality elements in social housing, as they have emerged from this study, concern:

- the supply of social housing in comparison to needs (availability), and the affordability and security of tenure, which depend both on the regulatory framework and sustainable funding as preconditions;

- accessibility, which depends on the availability and the selection/allocation procedures (fairness and transparency);

- the quality of the accommodation (as regards new constructions and maintenance);

- the quality of administration/management (landlord-tenant relationship), which includes dealing effectively with customers' needs, requests and complaints; providing transparent information to customers; and efficient management of rents and charges, maintenance and upgrading;

- the way providers conduct their business and their viability.

In this Section, all the above-mentioned aspects will be examined in more detail.

What emerged from this study is that there is almost no coherent quality framework for social housing across European countries. Unlike the UK, very few countries have set up coherent quality frameworks for social housing, and they do not cover all aspects of quality of social housing. Nevertheless, in most countries in Europe the question is addressed, but in different

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[142] The following 15 countries have been analysed as regards existing quality tools and frameworks for social housing: Austria, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, the Netherlands, Norway, Poland, Romania, Slovenia and the United Kingdom.

areas of legislation: building and construction comes under environmental legislation, tenancy regulation under civil law, business audit under business law, and so on. Moreover, as social housing has a quasi "minority-position" within the general housing sector, general regulation is applicable both in social and non-social sectors (such as building codes and tenancy legislation). This does not in any way prevent the introduction of specific legislation on the quality of social housing, but implies that there is often a situation of multi-source regulation. As a consequence, quality regulation in social housing is rather fragmented and depends on the different dimensions of the service concerned.

4.2. Types of existing quality tools and framework

Existing quality tools for social housing across Europe can be differentiated according to five basic aspects which allow a meaningful description and analysis of existing quality regulations, without being too detailed:

- *The scope/area*: What are the areas the quality tools intend to regulate and measure? Four areas can be differentiated: quality of the buildings/dwellings; business conduct/viability of the providers; landlord-tenant relationship ("letting as service") and strategy.

- *Specificity*: There are quality tools which refer to the total housing sector (e.g. building regulations), and there are tools which are implemented only in the social housing sector (for example, allocation principles or specific building regulations; specific audit procedures and supervision of "social" landlords).

- *Enforceability*: The legal enforceability of the tool/framework can be placed on a continuum between obligations and rights implemented in legal instruments (laws, by-laws) providing monitoring, control and supervision and defining sanctions in the case of non-compliance on the one hand, and self-commitments by single providers on the other hand (self-regulation).

- *Comprehensiveness*: The comprehensiveness of the tool/framework indicates whether a specific tool addresses only a limited number of elements of social housing regulation (for example, rent regulation, minimum standards of social housing) or if it gives a comprehensive framework which integrates all of the relevant elements of an area (for example, tenant-landlord relationship) or integrates different or even all areas/aspects.

- *Quality-specific* regulation versus *integrated quality aspects* in general regulations. Tools/frameworks may be differentiated depending on whether they are designed to cover quality matters only or if quality matters are integrated in more general legislation.

Generally it is hard to find an example of regulations which deal exclusively with the quality aspect of social housing. The models which come closest are those of social housing regulators in the United Kingdom (England and Scotland), with a regulatory framework of quality standards (a "Regulatory Framework" in England, implemented in April 2010, and a "Housing Charter" in Scotland, still under discussion in parliament). In most cases quality aspects are integrated in general regulations and, in particular, in legally binding tools. On the contrary, voluntary commitments like certifications and codes of conduct are, by their very nature, limited to quality matters.

To give an illustration of possible forms of regulation, we have compared two countries (Austria and England), which have different approaches to regulation. The details for other countries are dealt with in chapter 4.4 – *Scope and content of quality framework/ tools*. Both countries share some common points as regards the social housing systems: there are public providers (councils, municipalities) as well as non-profit organisations (social landlords) and the systems are based on rental provision. In both systems there is fragmented regulation integrated in general legislation, not standing alone: building quality, tenancies, business conduct of providers are regulated by different legal instruments. But the legal systems are somewhat distinct as regards housing legislation: in England there are different successive Housing Acts which regulate various issues, such as the right to buy (1980), Social Housing and Social Landlords, Tenancy Matters and Allocation (1996), Housing Conditions, Enforcement of Improvements (2004) and the Housing and Regeneration Act 2008, which introduced some reforms concerning the social housing sector and the regulation of quality matters (see below). In Austria, in contrast, there is more area-specific regulation: there is a general Tenancy Act regulating all types of leaseholds, a Limited-Profit Housing Act, and Housing Promotion Schemes of the federal provinces (see below) plus extra regulations for building quality (Building Codes). Thus, quality is "mainstreamed" in several pieces of legislation which deal with different aspects of social housing.

Box 3.15: Types of quality tools and frameworks in Austria

In the Austrian system a more "mainstream" model of quality regulation is to be found: first of all there are the housing promotion schemes of the federal provinces. They not only provide public funding, but also set standards for the technical and energy quality of buildings and dwellings, and define rent regulations and eligibility criteria for providers and prospective tenants/homeowners. These schemes not only function as an instrument for the availability of social housing (strategic level), they also define allocation criteria (accessibility), regulate affordability and set quality standards for the buildings/dwellings. These schemes may be classified as framework regulation covering a wide range of issues where quality matters are integrated.

National legislation is similar. The Limited-Profit Housing Act delimits the area of activity (housing only), lays down the principle of limited profit, sets rent regulation (cost-coverage rent, statutory capping) and defines certain principles of business conduct (effectiveness, economy, utility) which are subject to regular control and supervision. Here, too, quality issues are embedded in wider and more general regulation.

Letting as a service and the relationship between landlords and tenants are regulated in the general Tenancy Act, with some specific regulation also to be found in the Limited-Profit Housing Act: obligation for landlords and tenants; they refer to rent calculation, information of tenants, maintenance and repairs, and security of tenancy. Other provisions cover the statutory involvement of tenants in some matters, and the obligation to apply for court approval (or that of an arbitration committee) for specific measures which lead to a rent increase. In line with other regulation this Tenancy Act may be regarded as quality regulation incorporated in general legislation.

It should be noted that the rent model of the Limited-Profit Regulation, with a rent provision for repairs and upgrading, provides an efficient model for retrofitting stock.

Box 3.16: Types of existing quality tools and frameworks in England (UK)

In England, quality matters are regulated in different legal instruments and governmental programmes (Government's Decent Home Guidance) with a combination of quality standards and goals. Recently a new element was introduced which comes close to a comprehensive framework regulation (i.e. which covers quality in several of the different dimensions of social housing provision mentioned above in the introduction).

A regulatory body for social housing, the "Tenants' Services Authority" (TSA), was set up under the Housing and Regeneration Act 2008, and given authority to define a Regulatory Framework for providers' services and conduct. The quality aspects themselves had already been pre-defined in the Act. To give providers the freedom to choose how to provide services and conduct business (Housing and Regeneration Act 2008, Section 193 (3)), this new element was set up in the form of "co-regulation", which means that it relies on the self-regulation of providers, who are expected to develop the standards according to local demands, incorporating effective tenant involvement, and to present reports to the tenants and the public, thus improving the quality of service.

"Co-regulation" also implies that there are general regulations/standards which must be complied with at the same time or which are addressed directly in the standards (such as the Government's Decent Homes Guidance, the rules under the Housing and Regeneration Act 2008; the Governments' Direction on rent to the TSA); there is also an Audit Commission, whose job is to cooperate with the TSA but which is constituted as an independent body with its own area of tasks and responsibilities. The regulator itself has the power to monitor the service and enforce measures in the case of non-compliance.

It has to be added that the regulatory framework has only been implemented since April 2010; furthermore, there is evidence of an ongoing critical debate around the new tool, which has yet to prove its efficiency.

In both countries the same areas/scope of action are addressed (see chapter 4.4 of this Section). The English model seems to represent a new trend. In the English quality regulatory framework the strategic level of general availability of social housing is not integrated (nevertheless, it does exist but outside the framework); but it very evidently puts more emphasis on services provided by landlords and on tenant involvement. This involvement also seems to function as an instrument to guarantee service quality where it is complicated to set standards. For instance, it is difficult to regulate matters such as promptness and efficiency of reactions to customers' enquiries and complaints concerning the condition of the premises or conflicts with neighbours or third parties. In France a similar approach to quality exists. Under the *Convention d'Utilité Sociale* (CUS 2009), providers are obliged to set up policies and programmes with clear targets for the improvement of certain quality issues related to letting and to present them to the state and local authorities. Performance is measured on the basis of a set of indicators including promptness in answering requests/complaints, time for repairs to be done, degree of tenants' involvement in decision making, etc. Obligations related to consultation with tenants are defined by the Solidarity and Urban Renewal Act (SRU, 2000). In contrast to England, this model functions without a regulator.

It has been mentioned above that tenant involvement compensates for the absence of quality standards in letting, due to the difficulties in defining the standards. In this respect Denmark

can be mentioned as a model in which tenant involvement is an intrinsic element of the system, based on the Tenants' Democracy Act and the type of organisation (cooperatives and associations). Thus tenants have much influence on the performance of the provider and the service.

In other cases, the lack of quality standards in legally binding regulations in some countries is compensated by self-regulation via voluntary Codes of Conduct and other commitments, such as the "Charter of Services" and "Social Reports on Corporate Social Responsibility" in Italy or the "Code of Conduct" in the Netherlands, which is based on the principle of self-regulation, with the involvement of an umbrella organisation of social housing providers (for more information on the origins and content of this type of voluntary commitment, see below under chapter 4.3).

The following table presents a rough description of quality tools in member countries in the sample. Types of instruments are described according to the "Prototypes" described above.

Table 3.4.1   Overview of types of quality tools and frameworks

Country	Type of Quality Regulation
Austria	Quality issues are incorporated in general legislation, which is partially specific for the social housing sector. Alongside the general building code there are technical and energy requirements in the housing promotion schemes (at a higher standard than the general code); limited-profit providers and their business performance are regulated with specific legislation including monitoring, audit and supervision. The Limited-Profit Act also provides regulation as regards rent setting, maintenance of buildings/dwellings and allocation of dwellings; this Act also incorporates the principle of "quality management by funding" (see text). Landlord-tenant relationships are regulated in the general Tenancy Act.
Czech Republic	Quality regulation is integrated in different general laws referring to building quality, housing management of condominiums and cooperatives. Specific regulation for social housing only exists for new construction and reconstruction (funding scheme) and lays down quality requirements; the scheme itself has only been implemented recently. Rental matters come under civil law and there is no specific rental legislation, from which one can conclude that rental services and quality of services are not very strictly regulated.
Denmark	There are no "quality-alone" tools and, in addition to the general building code, quality matters are embedded in general regulations. There is specific regulation for the social housing sector and contains, amongst others, requirements as regards the landlord-tenant relationship, allocation rules, management/administration. Quality regulation via tenant participation is an intrinsic element of the system (under the Tenants' Democracy Act).
Finland	Regulation of quality matters is incorporated in general regulation. This consists of general housing legislation such as the Renting of Apartments Act and the social housing specific "ARA" legislation (Housing, Finance and Development Centre; see ARA construction instructions) as well as national legislation concerning allocation of social housing (Government Decree on

	Tenant Selection).
France	Quality regulation is incorporated in general legislation which partially addresses the social housing sector in a specific way via allocation rules, a set of regulatory measures for social providers, including their control. Furthermore, recently implemented regulations focus on letting services and tenant involvement: the Solidarity and Urban Renewal Act 2000 (covering different issues) and the Convention d'Utilité Sociale of 2009 (which is quality-specific). In addition, the HLM-Sector (2008) has recently introduced a voluntary commitment to improve service quality and increase satisfaction amongst tenants (Qualité 2010/2015 – Quality Action Plan).
Germany	Quality elements are included in general regulations such as the general Tenancy Act. Specific regulations including quality issues for social housing (building quality, rent setting, allocation) are integrated in the promotion schemes for new housing construction/provision. Since the abolition of the non-profit housing law there are no social providers with specific regulation.
Hungary	Social housing in Hungary is the responsibility of the local governments which implement their own policy (rent setting, allocation rules, privatisation rules, etc.) within the framework regulation. However, the central government defines the financial structure of social housing programmes which are implemented by local governments. The quality tools are under the control of local governments.
Italy	In Italy there is legally binding quality regulation in the national and provincial building codes and general rental legislation; specific regulation for social housing exists with respect to energy efficiency. Other quality issues are based on the recently developed self-regulation of social housing providers: the "Charter of Services" and "Social Reports on Corporate Social Responsibility" are addressed to tenants and local authorities. Tenant involvement is defined in the general legal framework law for social housing (at national level).
Latvia	Since Social Housing Policies in Latvia are currently being developed and the existing stock of social housing (municipal housing) is rather small, there is not much specific quality regulation. A housing monitoring system is also being developed.
Netherlands	In the Netherlands quality issues are regulated by a combination of general legislation (such as general buildings regulations, the Landlord-Tenant Consultation Act), sector-specific regulation (such as the Housing Act, the Allocation of Housing Act and the Social Housing Management Decree) and self-regulation of providers. Their Code of Conduct has been developed by the professional union of social housing providers. A trend towards more political control, legislation and government supervision can be seen in current discussion.
Norway	There is also no specific quality framework regulation for social housing. Instead quality issues are embedded in different laws such as the Housing Rent Act, the Housing Cooperative Act and building quality regulations in general building legislation, as well as quality criteria laid down by the state housing bank (funding institution).

Poland	Poland is the only country among the new EU Member States which has introduced a new form of social housing (TBS – social housing companies). It is regulated by the national government (building norms, financial schemes, rent setting principles), but implemented by the social housing companies under the supervision of local governments. The quality tools in respect of the municipal social housing stock are under the control of local governments.
Romania	In Romania, local municipalities are responsible for social housing, but through the programmes designed and partly implemented by the Housing Agency. The national government has an important role in quality regulation as well. After privatisation, the quality of the social housing stock remained under the control of local governments.
Slovenia	Quality regulation in the existing (social) housing stock is considered to be rather weak, despite the provisions of the general Housing Act addressing landlord-tenant relationships and tenant protection councils at municipal level; however, these councils have not been set up. Stricter regulation is to be found in general building legislation, also provided by recently implemented funding schemes for projects.
United Kingdom	In England, in addition to the regulation of quality matters through general legislation (Housing Acts on landlord-tenant relationships, conditions of housing stock) and social housing specific regulation (Housing Acts on social housing providers, Government's guidance on decent home standards) another element has been introduced. In order to improve service quality in social housing a regulating body has been set up, given the power to define a framework of standards covering a wide range of quality aspects which providers are expected to specify on the base of self-regulation, involving their tenants ("co-regulation"). This tool comes close to a "quality-only"-framework. In Scotland something similar is planned; the regulating body has been set up and the regulatory framework ("Social Housing Charter") is under discussion in parliament.

4.3. Origin and procedures for setting up quality frameworks/tools and methodological approach

The origin and procedures of the quality tool/framework are the result of a long development of social housing, which is a compromise between different stakeholders. On the one hand, the fragmented approach to regulation and quality control has dominated most of the social housing sectors in the EU/EEA Member States, in which specific elements in the legal system are linked to the social housing sector (tenancy legislation is part of civil law, business conduct and auditing are commercial/civil law, building codes come under technical environment law). On the other hand, legally binding framework regulation addressing different areas has been linked to long existing systems like, for instance Limited-Profit Housing in Austria and HLM-provision in France. Promotion and financing schemes may also be considered as legally binding framework regulations, but the multiple areas covered by these schemes are not all to be considered as matters of quality.

The regulation of the main quality elements of the social housing service is the responsibility of the national governments. The building quality, landlord-tenant relationship and framework legislation of the availability, affordability of social housing and tenure security are typically national. However, in recent years as a consequence of decentralisation, sub-national governments (regional and local) have been assigned the responsibility for social housing and regulation of quality has become a shared responsibility (e.g. Austria, England, Germany, Italy). In quality regulation and control of providers national legislation seems to prevail, while in some cases there are also split responsibilities between national and regional level. For example in Austria the legal framework is developed at national level, while the supervision of providers and the quality of social housing is delegated to the Austrian provinces. Similarly, in the "municipality-based" system in Denmark the regulating legislation is national but the supervising authorities are the municipalities. However, in some of the new EU Member States (e.g. Hungary, Poland, Romania) local governments have the responsibility to regulate certain elements of the tenant-landlord relationship (for example, the allocation rules, rent setting, supervisory authority).

Box 3.17: Role of local governments in social housing in Hungary

In Hungary, the 3,300 local governments are responsible for social housing in the framework of national legislation (Housing Act, 1993 and Social Act, 1993). Local governments may decide about the privatisation of their stock, may lay down the allocation procedures and may decide on the rent structure of their social housing. As a consequence, access of needy households to social housing varies a great deal depending on which municipality they live in, and not just because of the availability of social housing, but because of the different procedures, too. Some local governments have waiting lists with a well-defined point system, while other local governments use a competing tender system in allocating social housing. Due to the different rent setting mechanisms and the rent allowance systems across municipalities, affordability varies as well.

Building regulation, basic tenant-landlord regulation and business conduct rules are subject to national laws through parliamentary procedures across EU/EEA Member States. On the other hand, the level of responsibility (central v. regional and local authorities) for the regulation of rents and of the obligations for providers/landlords (including communication between stakeholders such as providers and tenants) varies considerably across the EU/EEA Member States, especially in terms of implementation and supervision of the regulation. In the new EU Member States, for instance, local governments have a determining role in implementation and control.

As pointed out above a number of options have been put in place, ranging from legally binding tools to self-commitment/self-regulation at the level of housing providers or their professional unions. The mapping has shown that most of the quality tools concerning technical standards, landlord-tenant relationships and general business audit are in the form of legally binding instruments (laws, by-laws, ordinances). Of course the "degree" of enforceability depends on the (legal) instruments provided for users or other stakeholders to enforce certain measures (like court procedures open to tenants in many of the general Tenancy Acts of EU/EEA Member States), on the control mechanism provided and also on sanctions for non-compliance with regulation, such as withdrawal of authorisation or the compulsory removal of providers from the official registers, or the obligation to pay back public subsidies.

Legally non-binding self-commitments, which have been developed and adopted more recently (by single providers or at the level of professional unions), are mainly to be found in the field of landlord-tenant relationships and the conduct of providers. This is for instance the case in Italy and the Netherlands (see Boxes 3.18 and 3.19 below).

Box 3.18: Voluntary commitments for quality assessment and improvement in Italy

Over the last 10 years the social housing sector in Italy has seen the development of voluntary quality procedures adopted by providers of social housing both in the public and cooperative sectors, aimed at guaranteeing increased transparency and accountability (both towards public authorities and towards the residents):

- With regards to the relationship between landlord and tenant, both public housing agencies and housing cooperatives have adopted a 'Charter of Services' to clarify rights and obligations of tenants and landlords.

- With regards to the business conduct of providers, both public housing agencies and housing cooperatives use "Social reports", a system of social accountability bringing together social and economic efficiency aspects, which is a particular feature of the social housing sector.

- There is also a voluntary system of "labels" such as the management system of social responsibility and ISO 9001, based on standards agreed upon internationally.

Box 3.19: The Code of Conduct for housing organisations in the Netherlands

The Aedes Code of Conduct was established in 2007 by Aedes, the Dutch federation of social housing organisations, following a development during which social housing organisations became financially independent from the government and started to gradually expand their activity outside the traditional scope of building and letting of dwellings. It was generally felt that in this new situation housing organisations were in need of a framework for accountability towards not only their tenants, but also their stakeholders and society in general. It applies to all members of Aedes and contains mutual values and standards on the mission of social housing organisations, participation in legal entities, management and supervision and the relationqhip with stakeholders at local and regional level. The Aedes Code is not legally binding, but non-compliance with the code can lead to measures or sanctions against members within Aedes.

In the development of such voluntary tools we also find a strong involvement of the professional unions and other important stakeholders. The same applies in the case of conventions with third parties (public authorities) as regards energy-saving issues. Certifications are gaining importance at the level of a single provider.

Concerning the methodological approach for the development of the tools and the procedure applied, the following can be stated: in all European countries analysed in this mapping there are negotiations between stakeholder organisations, regardless of whether or not these

consultations are conducted in parallel to a parliamentary process (on an formal or informal level). Parties involved usually include federations of housing providers, tenant organisations, organisations of regions and/or municipalities, in some cases also other stakeholders such as health care organisations, as well as experts/specialists (from universities or technical institutes). The precondition for this is clearly the existence of pressure groups and organisations of stakeholders. The existence and power on the side of tenants' unions depend partially on the renting "culture" in different countries. Some countries have a strong tradition of tenant involvement and representation of their interest at different levels, notably, for instance, the Scandinavian countries. The de-facto influence within this process depends on the respective power of the stakeholders involved and their representatives. In the new EU Member States, especially in countries where the share of social housing sector dropped below 5% (e.g. Estonia, Hungary, Latvia, Lithuania, Romania and Slovakia), the tenants' associations are politically very weak. However, social organisations (NGOs) are very active in protecting tenants' property rights, because in the socialist system tenancy rights were very similar to the rights of owners (tenancy could be inherited, swapped, etc.).

In the new EU Member States tenant protection used to be very strong in the public rental sector. The typical rental contract was for an unlimited period (indefinite duration), though after 1990 new types of contracts were gradually introduced. For example, the tenant had to be provided with alternative accommodation if the landlord (municipality) terminated the contract, even if the cause of termination was that the tenant had not paid the rent on time or there had been other breaches of the lease agreement. These rules did not apply if the rental agreement was for a definite period, which is increasingly the typical type of contract. However, a change in the law is under discussion as several elements of the old system have survived. For example, rental contracts can be bequeathed from one generation to the next, and can be swapped. Though building regulation has an effect on the quality of the newly-built social housing (which is typically very low), there are no quality tools which would force the landlords to improve the quality of the existing stock. The housing stock that remained in the ownership of the social landlords is usually of lower quality than the stock which was privatised.

The following examples illustrate the lobbying process and the conflicts of interest behind the legislation, and the origin of quality regulations in Central and Eastern Europe, as these are determining elements of the process leading to the adoption of quality regulation for social housing in the new EU Member States.

Rent regulation in the Czech Republicis one of the hot political issues, where the landlords' interest group took the government to the European Court of Justice because rent control limited private property rights. In new EU Member States where restitutions have been implemented (Czech Republic, Poland and Slovenia), the rent regulation of the new private rental sector was subject to public discussion. The new landlords were interested in the liberalisation of rent control, and they lobbied the government for the termination of rent control. In Slovenia, rent control was terminated by the government in 2004, but the Czech Republic tried to maintain the control in the interest of tenant safety. This was the reason why the landlords' organisation took the case to the European Court.

In the Czech Republic, legislation is passed by Parliament (two chambers and the signature of the president). The bill is prepared mainly by the Ministry responsible, then adopted by the Government and "sent" to Parliament (however, MPs can submit their own bills). The subsidy

programmes are prepared by the Ministry responsible and adopted by the Government (the programmes go through internal and external opposition debate, and the external one includes all the other Ministries). The main lobby groups influencing the legislative process and preparation of particular subsidy programmes are the construction companies (a very powerful lobby group), municipalities (organised in the Association of Towns and Municipalities of the Czech Republic), tenants (organised in the Union of Tenants), landlords (organised in the Civic Union of House and Flat Owners), and social providers/NGOs (which are considered to be the weakest lobbyists).

In Hungary, since 1996 there has been a Housing Policy Committee and advisory body to the government, which includes the representatives of the stakeholders in the housing sector (representatives of local governments, financial institutions, construction companies, tenant associations, developers, research community, etc.).

In the old EU Member States, where often tenants' unions have a long tradition, the general patterns of consultations and conflicts are similar. Furthermore, although not all of the quality tools/elements have been put in place via the parliamentary process, the involvement of users and other stakeholders is nevertheless present. One remarkable example is the involvement of users and other stakeholders in the development of the new regulatory framework in England: the Tenant Services Authority claims that 27,000 tenants were involved in the consultation leading to the setting up of a new quality framework, making it the largest tenant consultation to be undertaken in England (it included over 24,000 questionnaires). Consultation with tenants was undertaken using a range of techniques including interviews with a representative sample of tenants, shared owners and prospective tenants; feedback from 18 regional tenant events and numerous 'Local Conversations'; questionnaires completed by tenants and on-line surveys and blogs; road shows around the country; and formal consultation. Similarly, consultation with landlords included regional events for landlords, online consultation, formal consultation, regular meetings with the trade body representing English housing associations (the National Housing Federation).

4.4. Scope and content of the quality framework/tool

This chapter examines the core issues which are covered by tools/frameworks on the quality of social housing. As pointed out in the introduction, social housing stands out somewhat in contrast to other social services as it comprises different areas or aspects within the service (building, renting, managing) which are addressed in the majority of European countries through quality regulation integrated in general regulation. This chapter begins with an overview of the scope and content of quality instruments, illustrated with selected examples, and then looks in detail at issues of sustainability, accessibility and employees' skills/working conditions.

a. Overview

The scope and content of quality regulation has already been referred to briefly in the previous chapter on the existing types of quality tools/frameworks. The above-mentioned examples of Austria and England illustrate clearly the scope and content of two rather comprehensive examples of quality frameworks (compare *Table 3.4.2* and *Table 3.4.3* below).

When comparing the two frameworks (Austria and England), the difference in approach to regulating quality needs to be taken into account: In Austria quality elements are embedded in

general regulation, while in England the standards set by the social housing regulator, based on other regulation, are specified on the basis of self-regulation of providers and involving tenant participation.

In general the scope is the same as presented in chapter 4.2 in this Section: issues that are dealt with at strategic level (including the availability and accessibility of social housing), the home standards in new construction and maintenance, "letting as service to tenants" (including tenant involvement and the performance of providers). The range of "services" is more explicitly defined in the English quality framework. This includes, amongst others, "neighbourhood management" and dealing with "anti-social behaviour". The legal framework in Austria (Tenancy Act and Civil Code) also provides obligations for the landlord to take appropriate measures in the case of disturbance of the proper use of a dwelling, but these aspects are regarded as part of the 'routine' housing management, rather than as specifically quality elements.

Table 3.4.2   Austria: Legally Binding (Quality) Regulation, Details

Standards	Basic legal framework	Aspects	Details
Strategic level (availability of social housing)	PromotionSchemes of Federal Provinces	Schemes provide financial means for support; define standards, eligibility criteria for future tenants, rules for rent setting	Definition of total means distributed; eligibility of for-profit/non-profit providers combined with tenure of housing; income ceilings of future tenants/owner-occupiers
Development, construction, quality of buildings/ dwellings	Building Codes (legal instruments); quality standards of Promotion Schemes (legal instruments)	Building Codes indicate basic requirements of technical standards; Housing Promotion schemes define additional higher standard; e.g. concerning energy efficiency	Example: Promotion Scheme in Vienna: defines maximum cost of construction and minimum requirements of energy efficiency (low energy standard) and provides extra qualities (e.g. for the disabled)
Business conduct of providers; viability	Limited-profit providers: additional criteria in Limited-Profit Housing Act: (object of auditing and control): business efficiency in different areas	Limited-Profit Housing Act: The Act states that Limited-Profit Providers have to follow the principles of efficiency, economy and utility and are subject to specific control and supervision	In additional to normal business audit, limited-profit providers have to prove they comply with regulation and are cost effective in different areas (new construction and management of stock); performance is subject of supervision by public authority

Landlord – tenant relationship; general	Rent Act	The Rent Act defines the obligations and rights both of landlords and tenants, including: maintenance, renovation, reporting of rent income and charges, rent setting (exemption: Limited-Profit Providers)	Landlords are responsible for ensuring safe housing conditions and taking appropriate measures; they have to report on expenses/charges; tenants have statutory rights of interventions
Landlord – tenant relationship; Limited-profit providers	Limited-Profit Housing Act	Specific rent calculation rules (cost coverage); obligation to develop allocation system for applicants	Under Limited-Profit Housing there is a rent provision for future repairs and maintenance
Landlord – tenant relationship; Co-ops	Cooperative Act	Members' participation	The cooperative housing model has participation as an intrinsic element of the system

Table 3.4.3   England TSA (Quality) Regulatory Framework[143]

Quality standard	**Outcomes**	**Outcomes – details**
Tenant involvement and empowerment	Customer service, choice, complaint procedure	Providing information and simple access for complaints
	Involvement and empowerment	Offering opportunities of involvement; consultations with tenants; opportunities to scrutinize housing associations' performance against all standards
Home	Quality of accommodation	Meeting the requirements defined in Government's Decent Home Standard: no hazards; key building components in fit condition; kitchen/bathroom sufficiently recent, etc.
	Quality of repairs and maintenance	Cost-effective repairs; offering choices to tenants

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[143] Note: In England, quality standards are set by the regulator. On the basis of self-regulation the providers are expected to specify the standards involving their tenants according to local standards. For details, see TSA (2010) *What does the regulatory framework mean for you? A guide to social housing standards*, http://www.tenatservicesauthority.org/server/show/ConWebDoc.20175.

Tenancy	Allocation (potential tenants)	Fair, transparent and efficient mode of allocation taking into account needs of applicants
	Rents	Rent charged according to Government directions
	Tenure	Offering most secure form of tenure
Neighbourhood and community	Neighbourhood management	Keeping neighbourhood and associated communal areas clean and safe
	Local area cooperation	Cooperation with relevant partners
	Anti-social behaviour	Preventing and tackling anti-social behaviour in partnership with public agencies
Value for money	Cost effectiveness of charges + quality of service	Providing cost-effective, efficient quality services
Governance and financial viability of providers (only registered social landlords; not councils)	Compliance with relevant regulation	Complying with relevant regulation and governing documents, safeguarding taxpayers' interests, maintaining viability
	Effective risk management	
	Effective management of resources	

When analysing the two country examples above, an interesting point is the difference between the two countries as regards "home standards". Here the English regulator refers to the "Government's Decent Home Standards" which are partly indicated in *Table 3.4.3*. In Austria there are no such standards, other than the general obligation for landlords to keep their premises in safe conditions and "in compliance with actual technical standards", with detailed definitions of respective parts of buildings; upgrading has to be done according to technical and financial conditions (General Tenancy Act, similar to Limited Profit Housing Act). The Austrian quality framework might at first sight be considered to be less strict. But one has to remember what has been said concerning enforceability, as well as the existence of non-regulatory tools in the form of financial provisions or incentives which might even function more efficiently. However, it should be mentioned that in England public funding schemes are available for retrofitting (improvement of existing buildings with energy efficiency equipment) the existing stock so that the "strict" regulatory scheme seems to be backed in financial terms at least to some extent.

Under the social housing promotion schemes in Austria, future tenants have to meet certain criteria, and limited-profit providers are obliged to develop allocation schemes in accordance with customers' needs Limited-Profit Housing Act, (§8(3)). In England access criteria for social housing are laid down by national legislation, namely the Housing Act 1996 as amended by the Homelessness Act 2002. The government issues guidance about how the law should be applied, although housing providers (local authorities and housing associations) have some discretion. Within this framework, the landlord body is responsible for organising service

provision, and landlords are expected to develop fair, transparent and efficient modes of allocation (see *Table 3.4.3*).

    b. Sustainability, accessibility, employees' working conditions, and other elements

Examination of the quality frameworks and tools in the EU/EEA countries shows that the scope of quality tools is close to the range presented in the two examples above. In terms of accessibility, sustainability and employees' working conditions, the mapping revealed the following findings:

Accessibility might be considered as a "precondition" for service delivery in social housing. It depends on both general availability (supply), which is a matter of legislation, and on funding and allocation rules. As in the examples presented above this is dealt with in the "strategic" regulating instruments such as funding schemes, housing plans and other related instruments. "Allocation" is a related issue and is partially subject to general legislation such as access criteria to social housing provided by promotion schemes and the obligation for providers to develop efficient and transparent allocation modes. The legal framework regulating supply of social housing, its funding, and allocation in each of the countries studied is described extensively in Part I of this study.

Sustainability is a very comprehensive concept which, in social housing, can have many different dimensions: technical/energy sustainability, which relates to building quality; economic/financial sustainability, which relates to sufficient funding of technical measures and viability of providers; social sustainability, which relates to housing estates and neighbourhoods. In the examples presented above sustainability is integrated in the appropriate quality frameworks/tools in many ways. The aim of social housing services is to compensate a market failure of latent undersupply of affordable decent housing, either nationwide or in some specific areas or in specific stages of socio-economic development. Thus an undersupply of social housing might affect society as a whole as well as individuals in need. Even if the existing supply of the service is excellent this may not compensate for a lack of adequate housing. Thus the strategic instruments of EU/EEA countries for social housing, providing monitoring of and support for a sufficient supply, may be regarded as quality tools. Furthermore, there is an additional interpretation of sustainability relating to social housing: in some EU/EEA countries the "social" quality of accommodation is of limited life-time as after a certain period of time the (subsidised) dwelling loses its social status and the landlord is free to rent it or sell it at market price. It is the case, for example, in the German system of housing promotion, in the recently introduced system in the Czech Republic (which has been notified to the Commission with respect to the Regulation on State-Aid), and in Austria in the case of subsidised rental housing provided by for-profit bodies. On the contrary, in some countries the use of a dwelling for social purposes is attached to the dwelling forever, for instance in the case of rental housing provided by Limited-Profit-Bodies in Austria, where rents remain limited. The situation is similar in France under the HLM-system, where the security of tenure (i.e. the guarantee that tenancy rights won't expire in the future) constitutes a fundamental feature of social housing. Promotion of home ownership and owner-occupied housing in this respect is always less sustainable than rental accommodation.

Below we provide some examples of legal frameworks for accessibility and sustainability in social housing across EU/EEA countries.

France: While on the general level the long existing Construction and Housing Code is a framework containing all the legislative and regulatory provisions of different housing policies, under newly introduced legislation, the Solidarity and Urban Renewal Act (SRU, 2000), a general target of at least 20% has been set for social rental housing in defined areas; however this level has not yet been reached everywhere. In addition, public financial support is available for new construction. Both elements are to be regarded as examples of quality tools regulating availability on the strategic level and functioning as a precondition for accessibility of social housing. The general allocation rules are regulated in a specific law which, amongst others, sets up an allocation commission and defines a formal complaints procedure for unsuccessful applicants for social housing.

Denmark: The general "Social Housing Act" defines the responsibilities for providing social housing and regulates the activities of social housing providers. The act also covers landlord-tenant relationships, putting much emphasis on tenant participation in decision-making and management of housing estates.

Italy: There are various financial support schemes with different degrees of financial assistance, targeting applicants with different social needs as well as providers entrusted with delivering the service and regulated by specific laws. The schemes also cover building standards. Furthermore, "Housing Plans" exist at national and regional level.

Austria: There are long established "Housing Promotion Laws" at federal province level. They define the type of housing which is eligible for public financial assistance, the type of providers accepted and eligibility criteria for applicants. Via the financial schemes the cost level of the construction is defined, together with the obligatory fixing of a cost-rent. Unlike in many other countries there is specific legislation for non-profit providers at national level (Limited-Profit Housing Act). Some of the federal provinces develop "Housing Programmes" which define a target for new subsidised housing provision for a certain period. The "Quota" Principle is generally not applied, and the housing programmes follow calculations of housing needs, which are adjusted regularly.

UK/England: The general Housing Act regulates general housing policies, and new legislation has been introduced to cover quality matters in a framework regulation. The TSA (Tenant Service Authority) has been set up as Regulator in Social Housing, one of its basic tasks being to define quality standards in order to improve all quality aspects of social housing, from building quality to neighbourhood quality, from tenant empowerment to value for money. This scheme has been introduced as co-regulation alongside the existing tools.

Hungary: An important quality control technique at strategy and policy level is the State Audit report, which is not legally binding but, since 2008, sends important signals about the efficiency of the sector. The State Audit Agency in Hungary reviews specific programmes at local government level. In addition, the newly-established "Integrated Urban Development Plan" method that is necessary in order to receive any EU fund-related support requires the preparation of a social inclusion and anti-segregation policy in further local developments.

Slovenia: A specific quality framework is included in the regulations of the Housing Chamber, pursuant to the Housing Act (Articles 139, 140 and 141). The Housing Chamber is a voluntary professional association of housing providers (Housing Fund of the Republic of Slovenia, non-profit housing organisations, municipalities, municipal housing funds, owners of rental housing

and providers of housing management services). The Housing Chamber monitors the renting of housing and housing services, provides its members with guidance, information and expert support, establishes a business ethical code (good business conduct) and organises additional training for housing service providers.

Working conditions for the staff involved in housing services, whether civil servants in public institutions or employees and workers of private companies, cooperatives or other bodies, are not regulated by the quality frameworks/ tools discussed above. However, they can be found in general applicable regulations on working conditions.

With regards to **skills and competences** it has to be noted that employees in housing cover a wide range of services, qualifications and education. There are technicians employed for the development, construction and maintenance part of the service; there are management, administration and service department staff; there are workers in charge of daily care and cleaning of apartment blocks. Contact with service users varies depending on the position. For each of these areas specific education is required which is institutionalised in country-specific ways. In Finland, for example, there are special degree courses for those involved in property maintenance and estate management (in the entire housing sector, not only social housing) at different levels, including postgraduate. These degrees train more skilled workers for property management at different levels, and they are taught at a special education establishment (KIINKO – Real Estate Education), which receives government support.

Furthermore, the professional unions of the providers or affiliated bodies in the Netherlands are engaged in provision of sector-specific education and training ranging from law to accounting and communication with customers. The association of social housing providers in **Denmark** even provides educational programmes for residents in relation to tenant democracy. However, staff skills and qualifications in social housing are not regulated within the above-mentioned Danish quality tools.

There are two areas of quality framework which deserve special attention in the social housing sector: technical standards and landlord-tenant relationships.

Technical standards for buildings and dwellings

Technical standards for buildings and dwellings (including standards for energy efficiency) for new housing construction and renovation are covered in all countries on a general level. In some countries funding schemes lay down extra quality requirements. Technical and energy standards have always been an important element of supply-led housing promotion systems and in many systems the provision of "decent" and/or "healthy" housing, with specific requirements with respect to financing, goes back to the turn of the 20th century. Today, these schemes require higher energy performance levels in some countries than do the general building codes. In the new EU Building Directive there is even the proposal to introduce financial incentives to encourage energy efficiency in buildings, regardless whether these buildings serve for social housing purposes or not.

Nearly all countries set technical quality standards for buildings and dwellings as eligibility criteria for access to financial support.

Germany: Since the regional promotion schemes in Germany function as a framework regulation for social housing commitments they cover a wide range of requirements which

exceed technical standards related to single buildings and cover urban features such as location, integration within the residential area, size of buildings, barrier-free construction, no rooms under 10m^2, floor-plan flexibility for different/changing user groups, upper limits for living space (e.g. 47m^2 for 1-room apartments, 62m^2 for 2-room apartments), energy standards in compliance with standards defined by separate legislation.

Austria: The federal provinces are responsible for the housing promotion schemes. All of them have specific technical and energy requirements (e.g. non-acceptance of oil heating systems, standards for heating demand). Concerning the energy performance standards there is also quasi-national regulation via a contract between the federal provinces and the state, setting the standards for new construction of subsidised housing.

Czech Republic: The social housing programme introduced in 2009 had a special subsidy element for energy-saving solutions, and introduced incentives in the form of higher subsidies if certain energy-efficiency ratios were achieved as part of the refurbishment or new construction project.

Hungary: In the Hungarian social rental programme, 2000-2004, construction efficiency was one of the most important allocation criteria, which was measured by the amount invested per m^2 to build a standard quality social apartment. Through this condition the total programme costs could also be controlled.

Latvia: The National Development Plan specifies some housing-related issues which lay down quality principles such as energy efficiency, social cohesion, subsidiarity and the development of transparent state support.

Poland: The Social Housing Associations (TBS) have specific norms and higher energy requirements than the general rules governing new constructions. The technical requirements were generally enforced for new buildings in the new Member States as well.

Landlord – Tenant Relation; Quality of Letting as Service

This is a complex area addressing the security of tenancy: it includes the landlords' obligations regarding maintenance and repairs, the quality level of repairs and improvement, transparency of costs and calculation as well as care for the undisturbed use of dwellings; and the tenants' obligations to take care of defined parts of the building and rented apartments, as well as "social behaviour" and financial contributions. These matters usually come under civil law and in most countries are regulated in a general legal tenancy act. This also covers consumer protection where the consumer is regarded as the weaker party to a contract. In the context of social housing some parts of the general tenancy regulations are transferred to specific regulations, such as rent setting or specific rules concerning successions of tenancies. Two other areas are addressed, perhaps more implicitly, but they are not regulated in detail. One is the question of "social" management and concerns the rules governing tenant behaviour when living on a single estate and/or social relations within a neighbourhood, as well as dealing with special problematic residents; the other is the quality of the landlords' service concerning commitment to dealing with complaints, promptness of repairs, efforts made to solve conflicts between residents or residents and third parties. But it should also be noted that the landlords' quality of service is not totally independent of financial resources, which are an important element in the case of maintenance and repairs.

A higher degree of tenant participation might compensate to some extent for the lack of service standards in the landlord-tenant relationship. This relationship is of a certain quality in housing cooperatives where the cooperation of members is an intrinsic element of the system, and overcoming the traditional opposition between landlords and tenants has been one of the basic tasks of the cooperative housing movement. Of course the de-facto participation of members depends on both the "participation culture" in these organisations and on their size.

Examples:

To overcome the complexity of defining quality levels for these matters, in some countries new approaches have been developed for the social housing sector:

UK/England and Scotland: The framework created by the English Tenant Service Authority is discussed in detail in chapters 4.2 and 4.4 of this Section. This instrument comes closest to a quality framework regulation and is based on "co-regulation", i.e. a combination of legal obligations and self-regulation.

In Scotland a similar model has been designed but is still under discussion in Parliament.

France: A similar goal is pursued by the Convention d'Utilité Sociale (CUS 2009), under which providers are obliged to set up and present policies and programmes on the improvement of certain quality issues related to letting to the state and local authorities. Obligations related to tenant consultation are defined by the Solidarity and Urban Renewal Act (SRU, 2000). In contrast to England this model functions without a regulator. An additional recently introduced instrument is the voluntary commitment "Qualité 2010/15" (Service Action Plan) for the HLM-sector which is designed to improve service performance through regular satisfaction surveys amongst tenants, mechanisms for dialogue between tenants and providers, and ISO-certification by selected professionals (Habitat Qualité Service).

Denmark: The position of tenants is a special one as tenants have majority representation on the boards of the housing providers and each estate has a board consisting of tenants only. Tenants' democracy is an intrinsic principle of the Danish system; it is based on the type of organisation (cooperatives and self-owned bodies with local background) and the local context of housing provision. Municipalities are involved at all levels. Tenants' democracy is a key feature of the system, regulated under the Tenants' Democracy Act of 1984. As a result, tenants have a lot of influence on the quality of the service provided.

Austria: An improvement of the position of tenants, which is often regarded as weak, is the involvement of certain NGOs in some processes, such as in the case of evictions. A non-governmental agency (FAWOS) works to reduce the number of evictions by cooperating with housing providers and local courts[144]. This is also an example of cooperation with social or local bodies to improve the situation of tenants.

In the landlord-tenant relationship, quality tools have not developed very much in the new EU Member States. Typically, tenants enjoy a privileged position because of the subsidies (they usually pay 20-50% of the market price) but landlords (usually local governments) cannot guarantee the level of services (the quality of the housing stock) because they are under constant fiscal pressure. However, from time to time the municipal companies check the

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[144] http://www.unhabitat.org/content.asp?cid=6707&catid=75&typeid=62&subMenuId=0.

quality of the rental units. However, rehabilitation and renovation are not carried out in response to systematic quality control but more in the basis of ad hoc decisions.

Tenant participation is very underdeveloped as well. This is partly due to the fact that the small public rental sector has become "residualised", which means that the tenants are more and more from low-income households with typically low education. Rent arrears are an important issue in the sector and leads to a lot of conflicts around eviction. Eviction procedures are defined by law but municipalities, for political reasons, try to decrease the number of evictions; in a lot of cases this causes public criticism. In this situation, quality instruments play a minor role in management, but public hearings are held regularly in most of the countries.

Poland: The situation is different in Poland, where new rental stock (TBS model) was developed. Tenants regularly have the opportunity to express their opinions in the framework of public hearings and consultations, and there are also regular meetings of TBS/cooperative leaders with tenants/members/stakeholders.

Czech Republic: Landlord-tenant contractual relations are regulated by the civil code. However, rent setting for contracts concluded before 1992 are regulated in a specific law, while rent setting in the case of new contracts and for newly-constructed subsidised housing is regulated according to new rules.

Slovenia: In the sphere of the landlord-tenant relationships, the Slovene Housing Act lays down important principles and rules, including the mission of municipal councils for the protection of tenants' rights, monitoring the conduct of owners of rental housing, provision of legal advice, passing proposals and initiatives to municipal authorities, dealing with violations in landlord-tenant relationships and preparing proposals for changing housing legislation. While some elements of these regulations are enforceable, particularly through housing inspection, many are not enforceable, and some also depend on court rulings on a case-by-case basis. However, the crucial question is again the implementation of these provisions; there is no information on the number of municipalities where these provisions have been implemented, and to what extent. For instance, the municipal councils for the protection of tenants' rights have only been set up in 6 out of 213 Slovenian municipalities.

4.5. Implementation of quality tools/frameworks

The core issues addressed in this chapter include the involvement of workers, users and other stakeholders in the implementation of the quality tools/frameworks, the existence of control mechanism to avoid any kind of abuse and the extent to which transparent advice and complaints procedures for users have been put in place. From the information available in respect to abuse it can be concluded that due to the specific nature of housing services the prevention of physical abuse is not dealt with within any of the quality tools/frameworks. Financial abuse of tenants is prevented by rent regulation.

The direct involvement of users has been put in place where their interests are affected most, i.e. in the area of renting and their relationship with the landlords, including rental costs. In reality the complaints procedures depend a good deal on the accuracy and strictness of the rental legislation: if there are clearly defined rent limitations, rents may be challenged in court; if they have been agreed upon without legal restrictions this is not possible. The allocation of dwellings can also be the subject of complaints procedures. Nevertheless, in many countries specific bodies have been set up to handle complaints, often parallel to "normal" court

procedures which are the first instance for complaints, especially in rental matters (e.g. violation of tenants' rights, rent level). Some of these bodies have been created for housing in general, others just for the social housing sector:

- Arbitration committees for rental affairs (Schlichtungsstelle, Austria)
- Local Tenants' Complaints Tribunals (Denmark) within the framework of tenants' democracy
- Elected "shop stewards" (representatives of tenants) as first stop in a chain of procedures in a claims process (Finland)
- Anti-discrimination institutions (Haute Autorité de Lutte contre les Discriminations, HALDE, France)
- Local allocation commissions (France)
- Ombudsman for tenants' complaints (UK/England); in addition new complaints procedures are to be implemented pursuant to the new regulatory framework.

4.6. Monitoring and evaluation of quality tools/frameworks

One of the aims of the mapping was to gather information and data concerning monitoring and evaluation of quality tools/frameworks on two levels: first, review mechanisms for the evaluation of the service itself integrated in the quality regulations and, second, evaluation and review of the quality tools/framework on the basis of independent research.

These instruments are either tools to guarantee monitoring of service providers which are not covered by general business legislation (like those established by public law in some countries) or tools which design specific monitoring for social housing providers or specific types of providers such as cooperatives. In the latter cases this specific audit and control is undertaken in addition to the general business audit[145]. The scope of the specific audit and control system is not a "cross-check" but covers a wider range of areas. Providers have to prove compliance with the non-profit regulation and cost efficiency for single business areas (new construction, major repairs, management of stock), for example. In the case of non-compliance with required principles and conduct the providers even may lose their authorisation and/or access to public funds. The authorising and supervising bodies are set up at different levels of public administration and constituted in different ways. Either it is the public authority itself or a body created by public law; monitoring itself is also conducted by private audit bodies (associations) or authorised individuals. It is noteworthy that the existence of specific providers with specific regulation does not necessarily imply that social housing is provided exclusively by such bodies.

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[145] Some of the providers are under triple control as in Austria. In addition to the general business audit there is the non-profit audit system (derived from the cooperatives' audit system with specific control of business conduct) plus, in the case of companies owned by a majority of public entities, a control mechanism through the public audit court.

The following examples will highlight the specific elements in evaluation/monitoring quality framework:

France: Under the general housing law (Housing and Construction Act), HLM-providers are monitored regularly by a special inter-ministerial body (*Mission Interministérielle d'Inspection du Logement Social*, MIILOS = Inter-Ministerial Commission of Social Housing Inspection) at national level. At regional level there are other bodies to audit different types of providers (public entities, private companies, cooperatives). Non-compliance with HLM-regulations may lead to authorisation being withdrawn.

Austria: A specific law for non-profit housing providers defines the regulation of the business area, the limitation of income and profits, an obligation to reinvest profit, a specific system of rent setting and an obligation to make permanent investments. In addition to the normal business audit there is also a regular audit with regard to compliance with specific legislation, economy and cost-effectiveness of different defined areas. The supervising body is established at the level of the federal provinces. In the case of non-compliance, these bodies decide on legally defined sanctions, including withdrawal of non-profit status and/or access to public funding. Parts of the audit reports have to be published.

Denmark: The non-profit providers have to be approved by the municipality. In the case of disagreement between the local housing estate board/general assembly of the estate residents and the board of the housing organisation, providers' budgets and accounts have to be approved by the municipalities. Regular reports at municipal level combined with dialogue meetings are also required.

Italy: Legally non-binding Social Reports are instruments used by public bodies and cooperatives to measure corporate social responsibility by reporting on the providers' activities in terms of economic efficiency and social and environmental impact. The reports are addressed to the regional authorities which are the supervising bodies for the providers.

Netherlands: The Aedes Code (of Conduct for housing organisations) contains mutual values and standards on the mission of social housing organisations, management and supervision procedure as a basis for monitoring.

United Kingdom/England: Within the system of the regulator for social housing there are different levels of monitoring: providers' have to report regularly to their residents, who have the opportunity to react in line with their involvement in the service improvement process. The regulator himself has monitoring powers: he may conduct surveys, inspections and inquiries whenever he suspects a provider is failing to meet the requirements of the regulatory framework (landlords' services and conduct/viability of providers). There is a registration (and de-registration) regime, recently transferred to the responsibility of the social housing regulator (TSA) for social housing providers. Audit procedures are integrated in the Housing and Regeneration Act 2008, conduct and financial viability standards are the subject of the recently implemented Regulatory Framework.

In Denmark tenants' general involvement and the supervising position of municipalities over providers constitute an element of permanent monitoring.

In addition to the above-mentioned monitoring systems, occasional research on quality on social housing has been done by different independent institutions (Austria, Denmark, Finland,

Norway, UK/England); in the Netherlands an ad-hoc commissions has reviewed the existing code of conduct.

Generally speaking in the new EU Member States, the monitoring and evaluation quality tools have not been developed yet. The main reason is that in the first decades after 1990 the structural reforms (including privatisation, the introduction the new basic laws) were the main focus of public administrations. From time to time the ministries responsible for housing, and especially social housing, commission studies related to the performance of the special programmes or the sector in general. In 2009, for example, the government of Hungary asked the State Audit Agency to evaluate the housing programmes, while private research companies (like the Metropolitan Research Institution) made several studies on the specific elements of the housing sector.

4.7. Conclusion

As outlined in the introductory remarks the quality tools/frameworks in the EU/EEA Member States studied here show different patterns related to the aim and function of their respective social housing sectors. Though the concept of social housing is interpreted differently in EU/EEA Member States, there are common criteria in respect of the above-defined areas/scope of the social housing service quality tools/framework.

Accessibility and sustainability of social housing services is a key question. There are regulations concerning the general availability of housing services such as "Housing Acts", "Housing Promotion Acts" and "Housing Plans". The quality of social housing services depends on certain strategic questions such as avoidance of segregation (mixed neighbourhood principle), rent setting policies, housing supply (availability), housing allowance strategies, and allocation strategies. The actual implementation of these elements of the quality frameworks/tools depends on which tier of government is responsible for social housing. Regular reporting on the efficiency and impact of social housing services is expected at all relevant levels of government because the budgetary pressure on governments needs justification of the use of public resources.

In the old EU/EEA Member States with long established social housing systems and a domination of provision of social housing by external housing providers (in addition to public provision), these strategic tools are on a very general level. They include the regulation of responsibilities for the provision of social housing as regards which level of public authorities is designated to provide the legislative framework and financial support and/or the entities entrusted[146] with provision of the service. Legally binding "Housing Plans" defining a certain amount or level of social housing have not been identified as a universal tool. It was only recently that in France, for example, such a commitment was defined in the new Solidarity and Urban Renewal Act (SRU, 2000). On the political level such commitments of course exist, but in this case the quality element is of less significance. Availability of social housing is regulated on the one hand via the financial support schemes and on the other by the providers who are the ones who decide whether or not to invest.

In the new EU Member States, social housing policy is in transition, and the governments are under pressure to introduce social housing policies which make housing accessible and

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[146] This term is used here irrespective of its compliance with the definition provided by EU-Regulation.

affordable for low-income households. Though fiscal pressure constrains the size of the programmes, there are several attempts to improve the housing situation of the poor. However, because of the large-scale privatisation the size of the social housing sector has been reduced, and the political strength of the stakeholders interested in the expansion of the sector is rather weak. Various models are available for the new EU Member States (municipal housing, non-profit housing, and home ownership programmes for low-income groups). In their strategy documents, governments commit themselves to the expansion of social housing, but the implementation of the programmes is delayed by the shortage of tax revenues.

Another important area of quality tools is the regulations related to building standards of social housing. The UNECE (United Nations Economic Commission for Europe) guidelines and recommendations argue that the "standards of social housing should not be lower than the average housing standards in a country, to avoid stigmatisation and social segregation"[147]. The implementation of this principle is constrained by the scarce resources (tax revenues) and by the insufficient paying capacity of low-income households who cannot afford high standards. Moreover, implementation of the quality standards is typically related to new construction and much less to existing structures. This mapping study does not aim to provide the right answer to this policy dilemma but limits itself to raising the issue. Should quality regulation in social housing generally be "stricter" than in housing in general? Unlike elements which constitute an intrinsic part of social housing, such as allocation rules and social housing providers' governance, quality aspects of social housing are specific and not applicable to the whole housing sector. But as regards landlords' services, for instance, the question remains whether private sector tenants should be treated according to lower standards than those in the social sector. However, in some countries it is a fact that requirements on building quality (in new construction) and status of maintenance and (energy) retrofitting set higher standards for the social sector than in other sectors, and social providers are required to act more transparently than others.

It is one of the main relevant findings of this mapping that quality tools related to building standards seems to be present in all EU/EEA Member States, albeit not on the same level as regards "strictness" of regulation or social housing specificity. Nevertheless, there are legally binding regulations, and in the majority of the EU/EEA Member States studied these rules are stricter than the general building codes. As a result, in some countries it is the social housing sector which provides the highest energy effectiveness in contrast to the total housing stock or new construction.

The impact of these regulations on the quality of building structures in total varies of course amongst EU/EEA Member States. With respect to new construction it depends on the relevant activities in the social housing sector which accounts for 0-30% of new construction with a median value of less than 10% in the last few years[148]. The same is true for renovation activities, but in this area consistent and comparable data are not available. In reference to the new EU Building Directive with its task of setting out regulations and financial incentives to encourage new construction to be limited to 'nearly zero energy' buildings from 2020, it could be concluded that the social housing sector provides such incentives, although, as stated earlier, the Building Directive does not have any social implications. On the other hand there is the opinion that technical and energy requirements in the social housing sector have reached a

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[147] UN/ECE (2006) *Guidelines on social housing. Principles and examples*, Geneva, p. 91.

[148] See Bauer and Lugger (2010) *Housing Providers of CECODHAS Public Sector*, p. 43.

level where due to the high costs even the subsidised rents and maintenance cost of social housing are unaffordable for the low income people. In old EU/EEA Member States these requests come primarily from housing providers.

The building code is one of the most important quality tools for the new construction of social housing in new EU Member States. Although the construction industry and the developers are interested in increasing the technical level of construction, governments on the other hand are trying to control the cost of their social housing programme by limiting the size, cost per square meter, etc. However, local governments and NGOs active in the social sector have raised the problem that the technical standards are too high for very low income households, who cannot afford the cost of the maintenance (heating, electricity, water, etc.). They argue that for special programmes a lower standard should be allowed, which would be much higher than the present housing requirements but lower than the building standards. For example, the Roma housing programmes in the new EU Member States (in Hungary, Romania, Slovenia) face this problem.

Legally binding quality tools/frameworks for the business conduct and financial viability of housing providers also need to be identified. A source of this type of regulation is the specific auditing of cooperatives. In addition there is a wide range of legally non-binding self-commitments either at the level of professional unions and member organisations or with individual providers. The regulation and control of business conduct and performance becomes more significant in the context of the emergence of the real estate crisis in Europe. In many countries some for-profit providers got into trouble as the result of speculating, while the social sector proved to have much more stability.

Social housing providers are one of the most important stakeholders in the social housing systems and their practices, behaviour and attitudes have an enormous impact on how the quality of the services is defined. If a legal framework is in place (and provided it is consistent with the strategic aims of the sector), the proper enforcement of the rules guarantees the quality of the services. Typically, social housing providers have room for manoeuvring under the given legal framework, and their interests may be different from those of other stakeholders such as municipalities, central governments or NGOs committed to social issues. One example of this is the policy issue of mixed neighbourhoods. According to the UNECE document cited above, "social housing should be used to foster diversity and social cohesion in urban areas by spatial inclusion into larger housing areas. Social housing should therefore be placed among other residential buildings or even integrated into the same buildings." The implementation of this principle depends, amongst others, on the practices of social housing providers. However, according to other approaches, giving priority to mixed neighbourhoods may exclude the "very poor" from the sector, or lessen their chance to access social housing.

The relationship between (social) landlords and tenants, and letting services in the narrow sense, are also subject to quality regulation. The dominant form of social housing provision in Europe is the social rental sector, where the landlord-tenant relationship has the greatest influence on the quality of the service. In most EU/EEA countries there is general regulation in respect to this relationship, and their respective obligations and rights. Rent setting in social housing is partly regulated in specific legislation, either embedded in the financial support schemes or in those of specific providers.

The landlord-tenant relationship is one of the "classical" and also controversial spheres of housing provision, where the tenant is regarded as the weaker party to a contract. There are a wide range of regulations and institutions designed to control these matters and to establish procedures to ensure tenants' interests. Letting is a service of major importance, and not only for the social housing sector, but other than the legal regulations no clearly defined quality standards address such issues as promptness of reactions to customers' complaints, the necessary steps to be taken in the case of repairs, or problems of tenants with neighbours. The reason for this is without doubt that it is difficult to define such standards, not forgetting that a shortage of money, especially for repairs, help explain why the appropriate measures are not taken.

One way to compensate for the lack of definition and monitoring of quality standards for the letting services would be to increase tenant participation at all levels as, for instance, in Denmark where this principle is an intrinsic element of the social housing system, or via the compulsory or voluntary introduction of (regular) surveys of tenants' satisfaction. On the level of the single provider similar attempts have been embedded in certification practices.

In most of the countries studied, quality regulations are somewhat fragmented as they fall within different areas of the law: tenancy legislation comes under civil law, business conduct and auditing under commercial/civil law; building codes under technical environment law. Framework regulations covering more than one area exist in financial schemes for social housing as well as in regulations for non-profit provision/providers. A new kind of framework regulation on social housing was introduced recently in England under the name of "co-regulation" and Social Housing Regulator was set up in order, among other things, to develop a quality framework.

5. CROSS-SECTOR ANALYSIS

In this chapter we examine some of the cross-sector themes in respect of quality frameworks, tools and assurance mechanisms that have been set out in country reports across the four sectors – social housing, early childhood care and education, LTC for older people and public employment services. (Detailed definitions of these sectors are available in sector specific chapters). In particular we seek to identify areas of convergence and divergence in respect of quality. We begin by looking at how quality appears to be conceptualised across the four sectors, before examining the scope of quality frameworks and the extent to which they take account of the views of a range of stakeholders, most notably services users and social service workforces. We end with a brief analysis of approaches the evaluation of quality across the four sectors. A key challenge in this analysis is the heterogeneity in experiences within sectors across not only countries, but also regions within countries.

- *Conceptualisation of quality*

Despite the diversity of approaches to quality across the four sectors and their state of development and innovation, quality in the different tools and frameworks across the four sectors and in the countries covered in the mapping study is conceptualised according to different approaches:

Whereas some quality tools/frameworks put a focus on outcomes to be achieved, in many countries a **'structural' and 'process' based approach of quality** can be identified across the quality tools set up in all four sectors, with issues such as physical environment standards, health and safety concerns and the professional qualifications of the workforce. Process is concerned with the interaction between service users, the workforce delivering services and those responsible for providing (or funding) services. In this case key quality concerns may include the quality of the relationship, the enforcement of both the rights and responsibilities of different parties, the responsive to services to the needs or concerns of service users, as well as measure to improve or safeguard their experience of services received.

Another way that quality may be conceptualised, to a differing degree across all four sectors, is in terms of a **'rights and entitlements' based approach**. This may be concerned with issues such as respect for human dignity and fundamental rights, and non-discrimination in access to goods and services. Examples might include a focus in the social housing sector on procedures to foster equitable access to social housing, in the LTC sector it might be concerned with the prevention of the abuse of older people, in the early child care and education sector it might be concerned with the well-being and the development of the child while in the employment sector it might be about the equitable treatment of job seekers with special needs such as those with physical or mental health problems or single parents with young children. In this respect, quality concepts may be influenced by international principles and conventions, on issues such as child protection or prevention of elder abuse.

International **standards of quality management** (sometimes not sector specific but relevant to public services more generally), such as ISO standards and non-mandatory sector specific codes of practice may also be employed. This not only reflects a general trend towards improved quality management in public services, but it also reflects the changing nature of

service provision, with the public purse increasingly being a key funder of services contracted out to private not-for-profit and for-profit agents.

In addition to quality standards and instruments aimed at the whole population, there may be **specific quality frameworks and strategies in place for population sub-groups in some sectors**: for instance, concerned with meeting the needs of service users with physical or mental health needs, socially marginalised groups such as new migrant groups and ethnic minorities, those with limited incomes and access to private resources, or the long-term unemployed. Another objective may to improve the quality of a specific type of service, for instance the quality of LTC services for people with dementia.

- *Regulation of the role of agents*

In all four social service sectors the public sector seems increasingly to roll back from the direct provision of services. Quality measures have been concerned with regulating the activities of external agents, whether they may be landlords of social housing, private LTC or child care service providers, or a company contracted to provide specialist training and support to long-term unemployed jobseekers. All sectors may make use of accreditation or licensing regulations and public regulators may play a direct role in controlling/supervising the activities and the quality of services of these external agents. In some countries and sectors national audit and inspection bodies may play a key role in enforcing the regulation of standards, although in some countries and sectors there seem to be difficulties to manage quality control of external services.

- *Protection of users and fundamental human rights*

All four sectors are concerned with establishing user rights. In some countries quality frameworks and tools even refer explicitly to international conventions, such as the *United Nations Convention of the Rights of the Child*. However, reference to international human rights instruments is not done systematically across Europe in quality frameworks and tools for all types of services, although several international conventions dealing with non-discrimination rights include access to all types of social services. More generally, consumer protection legislation offers, to differing degrees across countries, some protection to users of social services.

- *Working conditions, professional skills and competences*

When looking at the scope of quality frameworks and tools in respect of working conditions, professional skills and competences, two key observations can be made. Across all four sectors there was relatively little emphasis on the working conditions of employees within quality frameworks and tools. In the case of social housing, ECEC systems and employment services, quality systems/frameworks in nearly all countries did not look at this issue. In contrast, there was some explicit focus on working conditions in the quality frameworks in several countries in the LTC sector.

- *Fragmentation in service organisation and provision*

How quality tools and frameworks in the four sectors are implemented across countries varies. Fragmentation in the organisation, funding and provision of services can be a challenge to the development and implementation of quality measures. This is most obvious in the case of LTC

and ECEC services. While these may be the responsibility of one sector alone, more often than not some funding and responsibility may rest with more than one government department. In the case of ECEC services this might be ministries of labour and/or health and/or education, depending if services are intended primarily to assist parent's access to the labour market, or aim the well-being and the education of the child. Equally funding and responsibility for LTC may rest with both health and social care services, which are often separated out across European countries. Even in respect of public employment services and social housing there may be a fragmentation in respect of funding and responsibility between national, regional and local government administration departments.

An important consequence of this fragmentation in the organisation and responsibility of services may be that different quality frameworks/ standards may apply, or different quality tools may be used, for the same social service in one country. The fragmentation of social service provision may also have implications for the sustainability of services, particularly with further personalisation of services in the case of ECEC, LTC and employment services where service users may for instance be able to choose how to spend public funds on services that best meet their needs. In countries with a reliance on the for-profit sector, sustainability can become an issue because of market volatility. Where demand for services and profit margin decline, private sector providers may simply withdraw from the market.

Even in countries where national legislation regulates quality frameworks, fragmentation in service provision may have adverse consequences for their clarity, comprehensiveness and coherence. This is most visible in the case of LTC and ECEC services. This may mean that legislation and quality assurance frameworks do not cover all LTC services provided, and/or quality frameworks, standards and rights of redress and complaint may differ significantly simply on the basis of whether a LTC service is funded by the health or social care sectors. It may also be the case that legislation on inspection bodies and procedures equally does not cover all LTC services provided.

- *Limits in use of easily measurable and quantifiable quality indicators*

While use is made of some easily quantifiable indicators within quality frameworks in all four sectors, e.g. proportion of workforce meeting specific licensing and qualification requirements or staff to user ratio, or length of time between contact with public employment services and obtaining employment, there remains a reliance on a range of subjective indicators of quality that are difficult to compare across regions within the same country, let alone across countries or across sectors.

While legislation and regulations may point to benchmarks and indicators of quality, the subjective nature of some of these indicators is a fundamental limit. This remains the case even in a sector such as LTC where inspection and monitoring regimes are frequently mentioned as regulatory mechanisms used in facilitating the implementation of frameworks and standards. In the case of outcomes-based indicators, there may also be debate about the appropriateness and validity of indicators, e.g. in respect of the outcomes of LTC services. In other cases indicators may be easily quantifiable but perhaps of little value, for instance in the United Kingdom contracts with external service providers in the employment sector had including targets in respect of job retention at 13 weeks; this however was not a good indicator of long-term job retention and was eventually replaced by a job retention target measure at 26 weeks.

- *Limits in penalties for failure to implement binding legislation*

Both financial and non-financial penalties need to be in place to help with service delivery and high quality standards. An alternative to legislation would be to build such penalties into the contracts of economic agents delivering services; something that has been done in respect of LTC and public employment services in some countries. Service agreements for public sector bodies could also stipulate penalties for failure to attain and/or maintain quality standards.

- *The involvement of users, workers and other groups in the definition, implementation, evaluation and development of quality frameworks and tools*

No one clear pattern emerges across the four sectors as to how quality frameworks have involved different partners, most notably service users, in their development, implementation and evaluation. Some countries in each sector provide a number of different mechanisms for partner involvement but in other processes are more sporadic. The involvement of different partners also varies in relation to each of the elements of definition, implementation, development, evaluation and ongoing monitoring of services. In the case of service user involvement, LTC and ECEC can stand out in the sense that these are the two sectors where direct service user involvement in service development and quality assurance is vulnerable to being limited. Democratisation and community participation in services is possible where services are locally based and organised (e.g. Northern Italy, Nordic countries) but seems more difficult if services are centralised, or alternatively very fragmented.

- *Independent evaluation of quality tools and frameworks*

When it comes to independent evaluation of quality frameworks, again the picture is mixed. Independent evaluation, research or monitoring of quality frameworks and standards in all four sectors is sporadic at best. In other countries there may be ad hoc activities or a reliance on (sometimes mandatory) self-evaluation by service providers. Examples of research on quality frameworks and systems in different sectors intended to inform development of future service and/or quality framework can be identified. Countries with a consistent strong culture of performance assessment and evaluation across sectors include the Netherlands, Norway and the United Kingdom. It also appears to be the case that such an approach is rather particularly weak in many of the countries that have joined the EU since 2004.

ANNEXES

A. Key Definitions and Concepts

The following list of key concepts and definitions were provided to national experts in the context of the data collection to facilitate the understanding of the type of data that was searched for at national and regional level. These key concepts and definitions also refer to the concepts used in the core text of the study on social services. The concepts and definitions are not necessarily comprehensive from a legal point of view. As far as possible, the present list is based on existing documents (e.g. European Commission's FAQ documents on public procurement and state aids rules applicable to SGI and SSGI).

The key concepts are listed according to the three main sections of the study on social services.

Concepts relevant for defining the scope of the study on social services

Social services / Social services of general interest (SSGI)	There is no common definition of social services across EU countries.
	The European Commission, in its 2006 communication on social services of general interest (COM (2006) 177), has identified **two main categories of social services**:
	– statutory and complementary social security schemes, organised in various ways (mutual or occupational organisations), covering the main risks of life, such as those linked to health, ageing, occupational accidents, unemployment, retirement and disability;
	– other essential services provided directly to the person. These services that play a preventive and social cohesion role consist of customised assistance to facilitate social inclusion and safeguard fundamental rights.
	They comprise, first of all, assistance for persons faced by personal challenges or crises (such as debt, unemployment, drug addition or family breakdown).
	Secondly, they include activities to ensure that the persons concerned are able to completely reintegrate into society (rehabilitation, language training for immigrants) and, in particular, the labour market (occupational training and reintegration). These services complement and support the role of families in caring for the youngest and oldest members of society in particular.
	Thirdly, these services include activities to integrate persons with long-term health or disability problems.
	Fourthly, they also include social housing, providing housing for

disadvantaged citizens or socially less advantaged groups.

Certain services can obviously include all of these four dimensions.

Source:
http://ec.europa.eu/employment_social/social_protection/docs/com_2006_1 77_en.pdf

Social services can be defined by public authorities as being services of general interest, i.e. services that public authorities subject to specific <u>public service obligations (PSO)</u> by virtue of a general interest criterion. <u>Services of general interest (SGI)</u>, including **social services of general interest (SSGI)** can be <u>economic</u> or <u>non-economic</u>. The fact for a social service of being a <u>service of general economic interest (SGEI)</u> has legal implications: Article 106 (2) TFUE (ex Article 86 (2) ECT) provides that "undertakings entrusted with the operation of services of general economic interest […] shall be subject to the rules contained in this Treaty, in particular to the rules on competition, insofar as the application of such rules does not obstruct the performance […] of the particular tasks assigned to them". Non economic SSGI are not subject to EU rules.

Long-term care services	A range of social care services (including services provided within the health care sector) for persons who require help with basic activities of daily living over an extended period of time (See OECD (2005) LTC for older people).
	Given that the need for LTC is most prevalent among older people who are at the greater risk of long-standing chronic conditions causing physical or mental disability, in the context of the present SSGI study, we will mainly focus on LTC for older people whilst always making sure that we highlight issues where they related to other client groups (LTC is also provided to people with physical or mental disabilities, and other individuals that need support in carrying out their daily living activities).
Childcare services	Childcare and early education up to school age (0-6) The term refers to all services providing care and education for children, regardless of auspices, funding, delivery, program philosophy and content. Information covered by section 3 of the Data compilation tool (on existing frameworks and tools concerning service quality) should be provided also on informal care.
Employment services	All employment services which have been entrusted by public authorities with an explicit or implicit '<u>mission of general interest</u>' for different user groups such as: unemployed job-seekers, inactive persons, employed job-seekers and employers.
	The core focus should be on '<u>individualised</u>' intermediation services to support (or 'activate') unemployed or inactive jobseekers to find and maintain employment.

	A 'mission of general interest' is a mission entrusted by a public authority to a service provider in order to meet certain public interest objectives. Public service obligations (PSO) are imposed in order to ensure that these public interest objectives are met.
	'Individualised' refers to a personal service dimension (e.g. career guidance, counselling, active placement and post placement support...) as opposed to more generic provisions such as standardised training programmes.
Social Housing	Provision of housing at below market price to a target group of disadvantaged people or socially less advantaged groups as well as to certain categories of key workers. The target group as well as the exact modalities of application of the system are defined by the public authorities. Social housing providers can also provide other related services to the target group.

Concepts relevant to section 1 on regulatory frameworks applicable to social services

Direct provision	Situation where a service is provided by a public authority itself using its internal resources.
"In house" provision of social services	Situation where a public authority provides a service itself, albeit acting through a legally independent entity. In this case the public authority and the legally independent entity are effectively regarded as one.
	Several conditions have to be fulfilled to consider a social service provision as "in house":
	– the public authority, individually or together with other public authorities, exercises over the legally independent entity a control which is similar to that which it exercises over its own departments and
	– the legally independent entity carries out the essential part of its activities with the controlling public authority/ies.
	The participation, even as a minority, of a private undertaking in the capital of a company in which the public authority is itself a participant prevents the "in house" criterion from being met.
	Source: http://ec.europa.eu/services_general_interest/docs/sec_2007_1514_en.pdf
Outsourced or externalised service	Situation where the service is not provided by a public authority (directly or through an "in house" entity) but by external providers. See question 1.4 (a) for a description of the modalities of externalisation and other types of

provision	relations between public authorities and service providers.

Public procurement procedure (for the provision of social services)	Open tendering (or awarding) procedure launched by a public authority for the purchase of a social service. When public authorities decide to entrust the provision of a social service to third parties by way of a public contract, and if certain thresholds are met, they are in principle under the obligation to follow the rules set out in Directive 2004/18 EC ("PP Directive"). "Public contracts" are contracts for pecuniary interest concluded in writing between one or more economic operators and one or more contracting authorities and having as their object the provision of social services. According to the case-law of the European Court of Justice the principles of transparency, equal treatment and non-discrimination require an adequate publicity of the public authority's intention to conclude a public contract (even when the thresholds of the PP Directive are not met) or a concession.
Non-profit provider	Institutions or organisations created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gains for the units that establish, control or finance them.
(Service) Concessions	Situation where a public authority decides not to provide a social service itself, but to entrust an external service provider with the provision of such service through a contract according to which the external service provider bears the risks involved in establishing and exploiting the service. It is a contract of the same type as a public contract except for the fact that the consideration for the provision of services consists either solely in the right to exploit the service or in this right together with payment.
Mission of general interest	Mission entrusted by a public authority to a service provider in order to meet certain public interest objectives. Public service obligations (PSO) are imposed in order to ensure that these public interest objectives are met.
Public service obligations (PSO)	The term "public service obligations" refers to specific requirements that are imposed by public authorities on the provider of the service in order to ensure that certain public interest objectives are met (mission of general interest), for instance, in the matter of air, rail and road transport and energy. These obligations can be applied at Community, national or regional level.
Act of entrustment	The act of entrustment is the official act(s) which entrust(s) a service provider to carry out a service of general economic interest and spell(s) out

	the mission of general interest, its scope and the general conditions of its performance.
	– It must be one or more official acts that carry legal force in national law.
	– It must create an obligation for the operator or operators to provide the relevant services; as a result of this obligation the operator cannot refuse to provide the services requested by the citizen. An act that allows operators who meet certain criteria to pursue an economic activity is not an act of entrustment (For example: the authorisation to open a nursery or a home for the elderly is not an act of entrustment)
	– It is compatible with the autonomy and freedom of initiative enjoyed by many providers in the social field. It is flexible enough to correspond to the public authority's decision to approve and finance the providers' proposals.
	– Member States are free to determine the form of the legal act they wish to use. A "standard" act of entrustment is not required. Acts of entrustment can take different forms, (e. g concession contract and tender documents, ministerial program contracts; ministerial instructions; laws; yearly or pluriannual performance contracts; legislative decrees and any kind of regulatory and municipality acts and decisions).
	– A broad definition of the mission of general interest is possible when it is difficult to specify the services concerned.
	The existence of an act of entrustment is a condition to benefit from the SGEI package.
Means test	A test involving the checking of a person's income to determine whether he/she qualifies for financial or social aid from a government.
Cross-border provision	Service provision by an operator which is not established in the Member State where the service is provided.
Public-Private Partnerships (PPP)	The term public-private partnership (PPP) is not defined at Community level. In general, the term refers to forms of cooperation between public authorities and the world of business which aim to ensure the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service. Source: http://ec.europa.eu/internal_market/publicprocurement/ppp_en.htm http://ec.europa.eu/services_general_interest/docs/sec_2007_1514_en.pdf
SGEI Package also called	Package adopted by the Commission in 2005 with the aim of increasing legal certainty for the financing of SGEI. It is composed notably by

Altmark, Monti, or Monti Kroes Package (State aid)	the Commission Decision of 28 November 2005 on the application of Article 86 (2) of the Treaty (today Article 106(2)) to State aid in the form of public service compensation granted to undertaking entrusted with the operation of services of general economic interest, and by the Community Framework for State aid in the form of public service compensation, OJ C 397, 29.11.2005.
	The conditions to benefit from the package are:
	1. an act of entrustment;
	2. the definition of parameters for cost compensation;
	3. the absence of overcompensation (and the existence of mechanisms aimed at preventing overcompensation)
	The Decision, in its art. 2 a), establishes some thresholds below which there is no need to notify to the Commission aid in the form of public service compensation (aid inferior to €30million, turnover inferior to €100 million). Public service compensation above the threshold should be notified to the Commission which will analyse it on the basis of the Framework, which is also part of the package. According to art. 2 b), the thresholds mentioned above do not apply to public service compensation granted to hospitals and social housing undertakings.

Concepts relevant to section 2 on types of service providers

Private service providers	Providers which are **not** public authorities or other bodies governed by public law. Private service providers can be non-profit of for-profit providers.
	A "body governed by public law" means anybody:
	(a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
	(b) having legal personality; and
	(c) financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

Non-profit provider	Institutions or organisations created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gains for the units that establish, control or finance them.
Services of general interest (SGI):	Services that public authorities classify as being of general interest and therefore subject to specific public service obligations (PSO) by virtue of a general interest criterion. Services of general interest can be economic or non-economic. If they are not of an economic nature, they are not subject to EU rules. The term "public service obligations" refers to specific requirements that are imposed by public authorities on the provider of the service in order to ensure that certain public interest objectives are met (mission of general interest), for instance, in the matter of air, rail and road transport and energy. These obligations can be applied at Community, national or regional level.
Services of general economic interest (SGEI)	Services of general interest of an economic nature (economic activity). An economic activity is any activity consisting in offering goods and/or services on a given market is an economic activity. In this context, the fact that the activity concerned may be qualified as "social" is not relevant. Source: http://ec.europa.eu/services_general_interest/interest_en.htm http://ec.europa.eu/employment_social/social_protection/docs/com_2006_177_en.pdf The term "Services of General Economic Interest" is used in Articles 14 TFUE (ex-16 ECT) and 106(2) (ex-86(2) ECT). It is not defined in the Treaty or in secondary legislation. However, in Community practice there is broad agreement that the term refers to services of an economic nature which the Member States or the Community subject to specific public service obligations by virtue of a general interest criterion. The concept of services of general economic interest covers in particular certain services provided by the big network industries such as transport, postal services, energy and communications as well as social services of an economic nature. The SGEI concept has legal implications: Article 106 (2) of the Treaty provides that "undertakings entrusted with the operation of services of general economic interest […] shall be subject to the rules contained in this Treaty, in particular to the rules on competition, insofar as the application of such rules does not obstruct the performance […] of the particular tasks assigned to them".
Non economic services of general	Services of general interest of a non-economic nature (non economic activity).

interest:	Two relevant categories of activities have been determined to be non-economic: Activities linked to the exercise of State prerogatives by the State itself or by authorities functioning within the limits of their public authority, do not constitute economic activities for the purposes of competition rules. In this context, it is irrelevant whether the State is acting directly through a body forming part of the State administration or by way of a body on which it has conferred special or exclusive rights; Certain activities of a purely social nature. Source: http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0725:FIN:EN:PDF
"Pure" commercial activities	Economic activities which are not considered as being of general interest.

Concepts relevant to section 3 on quality tools/frameworks

Quality tool	Any initiative (regulatory or non-regulatory) which aims to ensure quality of certain aspects of the social service and therefore might co-exist with other quality tools which are targeted on different aspects of service delivery.
Quality frameworks	Any coherent regulation which regulates quality of a given social service in a consistent and comprehensive way.
Methodology-cal approach	It refers to the process used to develop the quality framework/tool. In some cases, it might be a process of guideline development based on research and practice; in other cases it may be a process of parliamentary debate, public consultation etc; in other cases still it might be voluntary consensus building arrangements between service providers impulsed by the public authority.

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C. COUNTRY PROFILES