

Integrated Action Plan

Aarhus

May 2022

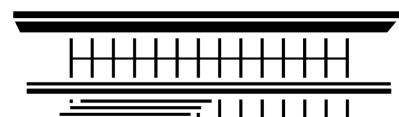
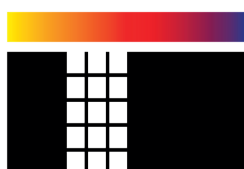


Social Affairs and Employment
Municipality of Aarhus

Sibdev Aarhus
May 2022



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Why

Aarhus is facing several challenges in the coming years, as demographic changes and tight financial constraints are challenging the welfare system. Maintaining and developing a social, economic, and sustainable welfare society requires all layers of society to rethink the way they collaborate in Aarhus. The municipality must create prosperity in collaboration with citizens, civic society, and investors.

We are curious about how we can work more closely with private investors to solve welfare challenges.

By participating in the URBACT program SIB, we created a framework for exploring this field.

With this rapport we gather some of our insights and experiences with working with social investment models

City Context

Aarhus is located in the western part of Denmark on the eastern shore of the Danish mainland Jutland and has a population of 277,086 inhabitants.

Aarhus was originally a Viking town called Aros. There are archeological findings that date back to the 700s. Aarhus has always been an important trading city and the city's location was strategically optimal.

In the 19th century, the port of Aarhus was massively developed and combined with industrialization, Aarhus became Denmark's second largest city.

In 1928 Aarhus University opened and Aarhus as a university city took shape. Today Aarhus has the country's largest concentration of students – about 55.000 students are studying here.

Demography

The population of the city is 277,086 inhabitants, but the municipality has a more significant number of population (349,873), as a fifth of the municipal population resides beyond city limits. The population of Aarhus is very young and highly educated compared to the national average, due to the high concentration of educational institutions.

The ethnic composition of the city is mostly Danish (83 %), but there are a high percentage of non-western (7.4 %) and western (4.6%) immigrants and descendants (4.9%).

Like many other European countries, Denmark bears an increasing financial “burden” of senior citizens, because of two contributing factors. The baby boom after World War II resulted in a rather large generation, which is now replaced by smaller generations, and people are living longer; thus, they spend a long time living on public finances. This is also the case in Aarhus. As of 2019, inhabitants aged 70 or more reached 35,736 (10.2% of the total population), which put some pressure on the public finances in the city.

The employment is distributed as follows:

- The key economic sector (regarding employment) are public administration, teaching, and health care (31%).
- Trade and infrastructure account for 25 % of all employed.
- Other key economic sectors in employment are industry, extraction of raw materials supply companies (13 % of all employed).
- Business services (11 % of all employed).
- The economy of the region is growing steadily; as of 2020, GDP per capita in Eastern Jutland reached DKK 356,000. The unemployment rate is 3.2 % (February 2022).

The Challenges we address with SIB

How do we help citizens with long-term and complex social problems? And how do we focus on prevention rather than treat them afterwards? We have chosen to address three complex problems with social investment models:

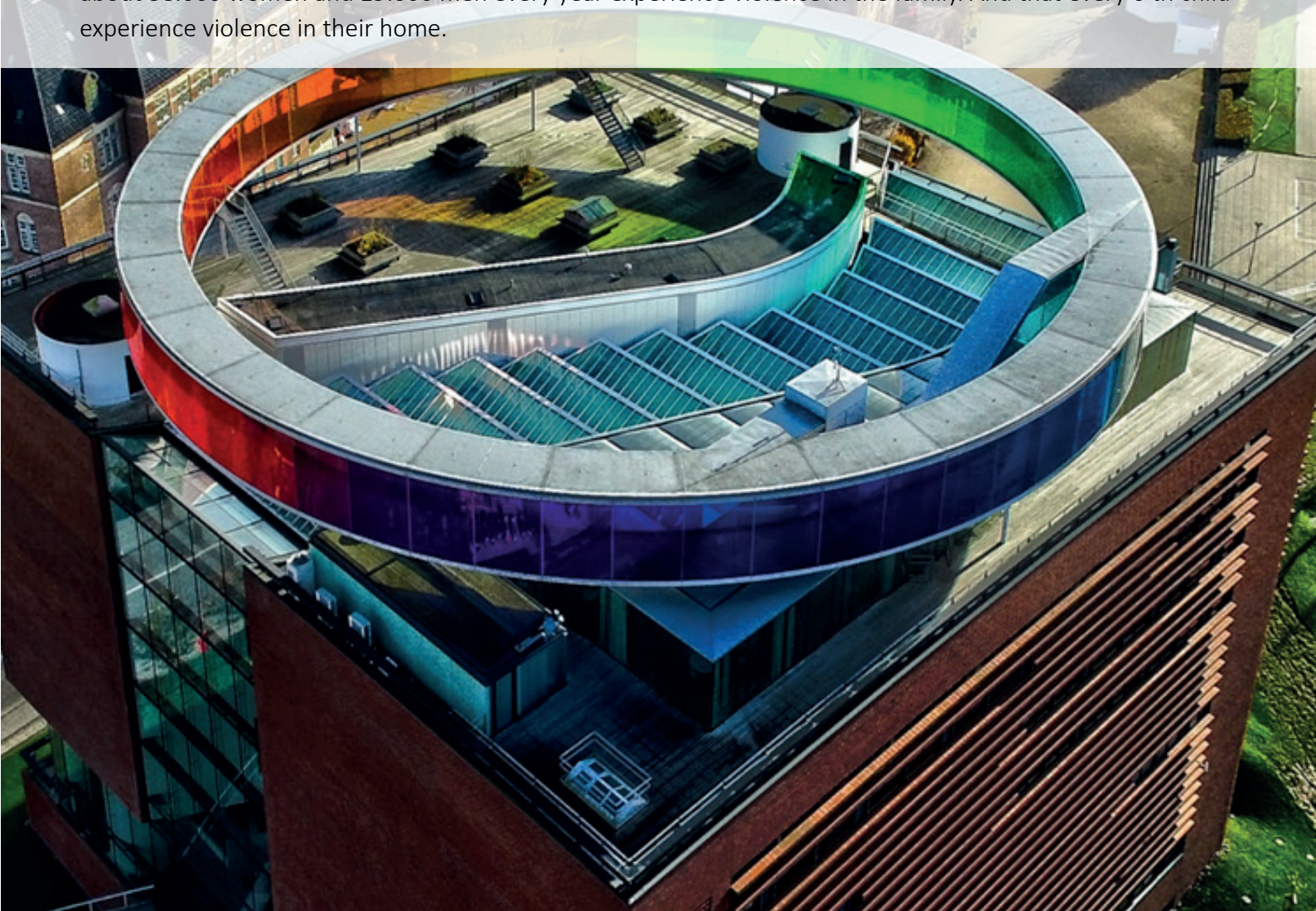
- Homelessness among young people (two programs).
- Too few vulnerable children complete their schooling.
- Violence in families.

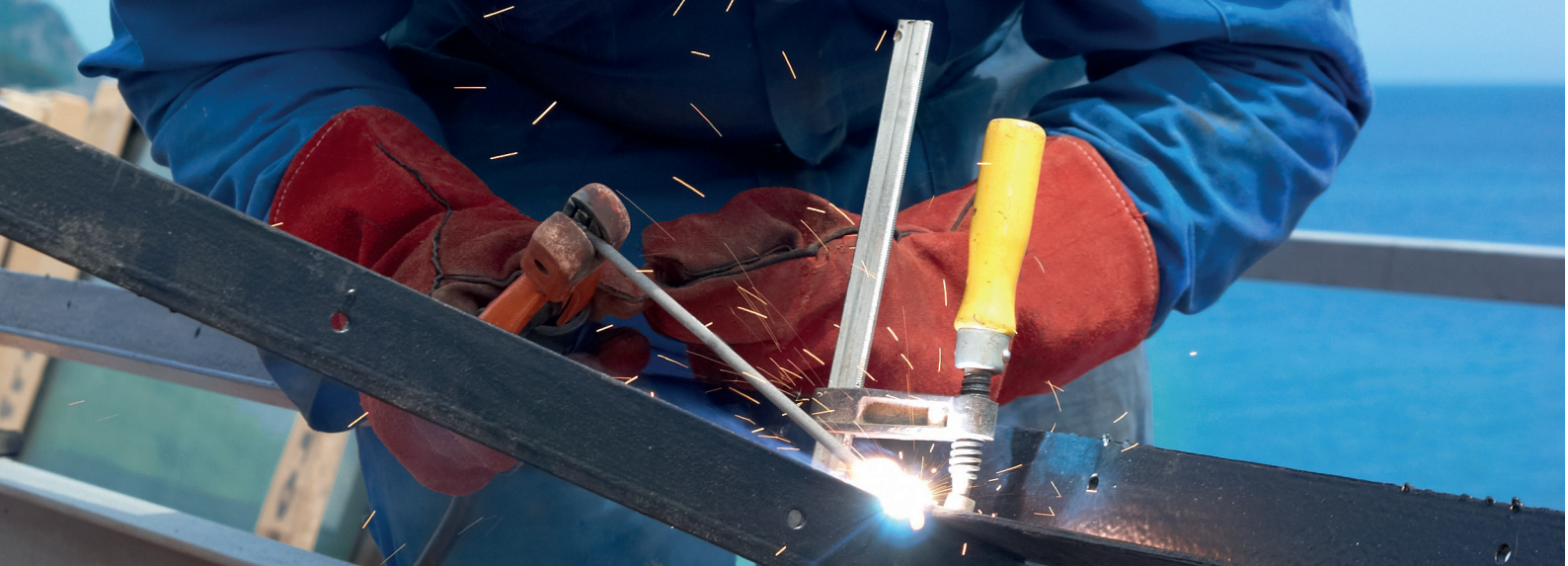
The first topic we address is the fact that the proportion of homeless people in Aarhus is the rising. Especially the young homeless people under 30 constitute a large proportion of the homeless in Aarhus. The city engages in a combined and coordinated effort across municipal, private, and voluntary services to reduce the number of homeless people. This topic will be addressed with two SIB

The second topic we address is that too many children don't complete an education. In Denmark, we have free and equal access to education, but children and young people do not always have equal opportunities to complete an education.

Vulnerable children and young persons in foster care are a marginalized group in the Danish education system- the group does not get through primary school to the same degree or is not able to complete a youth education. Research indicates that vulnerable children and young people should receive extra school-supportive activities that can strengthen their socio-emotional, cognitive and professional competencies if they are to succeed in completing an education.

The third topic we address is that too many experience violence in the family. It is estimated that in Denmark about 38.000 women and 19.000 men every year experience violence in the family. And that every 6 th child experience violence in their home.





Relevant Major Strategies and Plans

Company strategy

The employment policy of Aarhus entails a 'Company Strategy', which is the strategy that forms the basis for collaboration with companies.

Aarhus municipality cooperates closely with companies, for the benefit of both unemployed citizens and the companies. The collaboration means that the companies and the City of Aarhus have a robust partnership in terms of jobs, social responsibility, and growth. Aarhus Municipality's mission with the corporate strategy is to provide a qualified service to citizens, so the unemployed get a job as soon as possible and the companies get the employees they need.

Citizenship Policy

Furthermore, Aarhus has 'The Citizenship Policy'. The purpose of The Citizenship Policy is to set the framework and direction for active citizenship in Aarhus. The Citizenship Policy was developed by citizens, companies, associations, volunteers, employees, educational institutions, and politicians in Aarhus in 2014-2015. Over 700 citizens have participated in the formulation of citizenship policy, and the Aarhus City Council approved the Citizenship Policy in 2015. Citizenship is one of the Aarhus City Council's concrete goals for the development of Aarhus and a method to achieve the vision of making Aarhus a good city for all citizens.

Masterplan homeless

The plan is oriented toward the challenge with the large number of young homeless in the City of Aarhus. It got adopted by the City Council Spring 2019. The goal of the Masterplan for the Homeless Area is to prevent homeless. Concretely, the City Council has defined an objective to halve the number of young homeless over a five-year period: From 172 in 2019 to 86 in 2024.

Experience with Social investment bonds

Aarhus is currently working on Social Impact Bonds from several angles and with several supporting initiatives as well as actual Social Impact Bonds.

The City has been working with investment models for many years- especially in the area of employment. The work of documenting and calculating effects is therefore not new. But it is new for us to work with repayment and private funding.

A close-up photograph of a man's face, focusing on his nose and a thick, dark beard. The man has light-colored hair, and the background is a soft, out-of-focus light color.

The Social Investment Fund is a local municipal fund in Aarhus. The fund is supported by an external council Rådet for sociale investeringer (Council of Social Investments), appointed by the city council for the period 2020-2024.

40 mio. kroner (5,38 mio. Euros) is allocated for its investments during the period.

The aims are to identify and start up social initiatives which contribute to positive changes for citizens and reduce municipality expenses. This will be done in cooperation with both civic society organizations and private investors.

The ambition is to convert ideas into new initiatives and provide external funding from investors. The new initiatives must complement the existing social initiatives in Aarhus Municipality. The initiatives are meant to be based on evidence and well-established methods.

On a smaller scale there is room for more innovative and less established solutions. The external council can decide whether there is basis for establishing social initiatives.

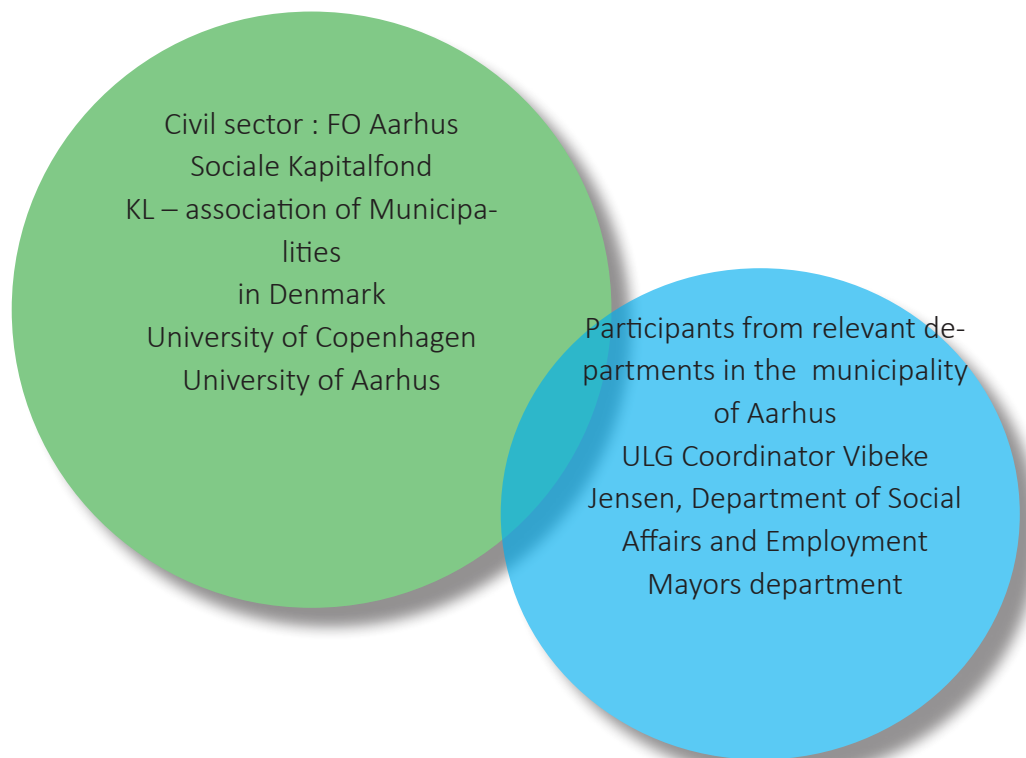
The social initiatives will be financed through the SIB-model: The finance will come from external investors or funds, that will fully or partly take the financial risk in return for being paid if the objectives are achieved.

The Investment Fund is involved as initiator and co-investor of all of the below described SIBs that have so far been developed.

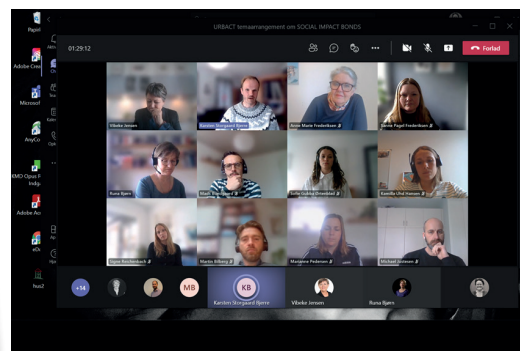
In the future the aim is to expand the stakeholder circle around the Social Impact Bonds of Aarhus to even more public and civil partners. Especially we wish to invite private capital to the investor circle, but we also want to establish a closer cooperation with other public agencies so SIBs with a more complete model of repayment can be reached.

The process – our ULG

The ULG in Aarhus is composed of a small core team and a larger circle. Participants in the inner core work with all the daily tasks in the project – but also with the broader strategic questions. Participants in the green circle participate on ad hoc level, which means that they are invited to more significant events and are included when their perspectives are useful. With this organization, the city secures an agile inner team but also creates a broader forum for engaging stakeholders- where many organizations and departments can be involved. The core consists of participants from relevant departments and the Municipality of Aarhus.



The ULG Coordinator is Vibeke Jensen Head of Employment Department. Mrs. Jensen has a Master in Political Science, and she has a PhD in philosophy. She has several years of experience within strategic leadership, public planning and economy. Mrs. Jensen has a shared leadership for 4,650 employees. She has a vast experience in designing, evaluating, and monitoring integrated social services, including the investment prototypes elaborated by Aarhus (which have many elements of Outcome-Based Contracting). Because of her knowledge in the field of employment Mrs. Jensen is often called upon as an expert in national matters. Having worked with a wide variety of stakeholders, she is the ideal candidate for the role of ULG Coordinator.

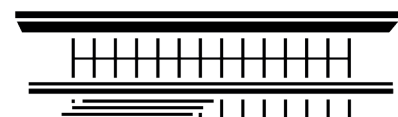
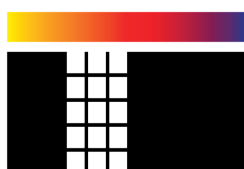


Objectives and Indicators

Below you find examples of some of the indicators for the three programs we invest in.

Indicators leading to repayment of investment: Housing First with employment focus			
Objective/Indicator	Definition	Target Value	Source of information
Housing situation	The Citizen has a stable housing situation – meaning that he/she has not used a homeless shelter for more than 5 days the past 6 months	85 % of citizens achieve the goal at follow up every 6 months	Municipal data on homeless shelter enrollment
Employment situation	The citizen is either enrolled in education or employed for more than 25 % of the past 6 months.	Increasing over time from 10 % achieving either of the two goals after 6 months to 45 % achieving either after 36 months	National data on employment provided by central register – 3-4 months delayed
Degree of self-efficacy	The citizen experiences general well-being, increased desire and increased ability to master their own life.	60 % of the citizens has a better score at follow up every 6 months compares to the latest score.	Own data provided in collaboration between the citizens and the case managers.

Indicators leading to repayment of investment: Housing First for the most vulnerable youth – ACT-method			
Objective/Indicator	Definition	Target value	Source of information
Housing situation	The Citizen has a stable housing situation – meaning that he/she has not used a homeless shelter for more than 5 days the past 6 months	80 % of citizens achieve the goal at follow up every 6 months	Municipal data on homeless shelter enrollment
Employment situation	The citizen is either enrolled in education or employed for more than 25 % of the past 6 months.	Increasing over time from 0 % achieving either of the two goals after 6 months to 40 % achieving either after 48 months	National data on employment provided by central register – 3-4 months delayed
Degree of self-efficacy	The citizen experiences general well-being, increased desire and increased ability to master their own life.	60 % of the citizens has a better score at follow up every 6 months compares to the latest score.	Own data provided in collaboration between the citizens and the case managers.



Indicators leading to repayment of investment: “Learn for your life” (selected indicators)			
<i>Specific objectives</i>	<i>Definition</i>	<i>Target Value</i>	<i>Source of information</i>
Pass 9th grade	Participants pass 9th grade in the Danish school system no later than 6 years after participation	69 % of participants pass	Municipal data from school department
Enroll in youth education system	Participants are enrolled in the Danish youth education system no later than 9 years after participation	52 % of participants enroll	Data from national registries of education.

Indicators leading to repayment of investment: “Dialogue against violence” (selected indicators)			
<i>Specific objectives</i>	<i>Definition</i>	<i>Target Value</i>	<i>Source of information</i>
Absence of domestic abuse	No violence in past year	61%	Questionnaire involving the abused individual(s) in the family
No use of municipal shelters and crisis centers	No use	85%	Municipal data

Actions and activities

Preventing homelessness

Action 1: intensive employment initiative toward young homelessness

Active owner: Aarhus Municipality

Short description: The project is aimed at offering young homeless citizens housing, employment-oriented and social support. The methods are a combination of the Housing-first-approach and job-first-approach.

The target group consists of approximately 45 citizens over 3 years. The target group is characterized by homelessness, and challenges with mental illness, abuse or similar. They must be considered to be in the target group to receive an effort based on the CTI method. The target group is citizens who are expected to be able to maintain a home in a long-term perspective.

The goal is that the participants are self-supported three months after starting in the project.

The intervention is based two approaches:

- Housing-first-approach: secure housing and the amount of social support needed to sustain that home. The young person will be offered housing by the municipality.
- Job-first-approach: We help the citizen with finding a job. In the first instance the “job” will often be some sort of mentorship program in a company. Jobs is seen as an effective social effort. The citizen will get a business consultant as well as a business mentor and will be supported in the transmission from unemployment to the labor market. If possible, 2-3 young people in the project are associated with the same company, so that in addition to the workplace community, they also achieve network with other young people in the same situation.

Stakeholders:

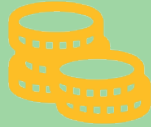
- Municipality of Aarhus
- Den Sociale Investeringsfond (DSI) – The Social Investment Fund
- “Hjem til Alle-Alliancen” - an umbrella organization existing of municipalities and civil society organizations which work to stop homelessness among young people

Finances and resources:

The investment capital totals over the 3 years around DKK 8.9 million kroner. It is equally covered by the Social Investment Fund and the Council for Social Investments in Aarhus Municipality.

It will cover social-oriented and job-oriented employees, mentors in companies, administrative, a minor overhead to cover administrative costs and network-oriented sub-efforts.

A repayment model is developed, which addresses the repayment of the investors after four years.



Economic outcome

- Reduction in cost of operating homeless shelters
- Reduced unemployment benefits
- (Proxy measure for) reduced costs stemming from reduction in crime, psychiatric treatment, long term social costs



Housing First

- Ordinary scattered housing and on-going support
- Alternative to “staircase systems” and “treatment first”
- Deinstitutionalization and normalization
- Personcentered support
- Housing, support and employment



Input

- Allocation of affordable and realistic housing
- Necessary support to sustain day-to-day life.
- Psychiatric support
- Substance abuse treatment
- Employment (training)



Social outcome

- Maintaining own home and a stable base (off the street)
- Increasing chance of creating and maintaining attachment to a workplace or education system
- Better well-being /” mastering your own life”

Action 2: Initiatives for very vulnerable young homelessness

Active owner: Aarhus Municipality

Short description:

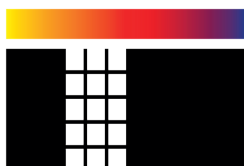
The target group is characterized by having a chaotic lifestyle, for example because of mental illness and / or abuse. The potential target group includes young people who are street sleepers or hostel users as well as young people who have lost contact with the municipal system in general.

This target group are young people characterized by a behavior that means that they cannot live in a home. At the same time, they have a special need for a quick and intensive effort, so that they do not "strand" in a vulnerable waiting position.

The target group receives a Housing First-approach effort centered on the evidence-based support method Assertive Community Treatment (ACT). The ACT method has previously been primarily used in relation to adult homeless people, which is why an adapted and flexible effort must be developed that matches the needs of young people. While the young people receive the ACT-like effort, they live in their own temporary homes.

The investment project is based on a setup where a small number of young people in the target group receive a Housing First-based effort based on the evidence-based support method Assertive Community Treatment (ACT). The ACT method has previously been primarily used in relation to adult homeless people, which is why an adapted and flexible model must be developed that matches the needs of young people. In parallel with the ACT program the young person is introduced to education and job.

After the effort has been completed, the goal is for the young person to be able to live in their own permanent home. The Housing First approach follows the support into the home, so that it is ensured that a stable foundation is created for the young person's further progress in life.



Stakeholders:

- Bikubenfonden
- Aarhus Municipality
- The social investment fond
- “Hjem til Alle-Alliancen” - an umbrella organization for municipalities and civic society organizations which work to stop homelessness among young people

Finances and resources:

22,5 mio. Kroner (3 mio. Euros) will be invested over 3 years.

A repayment model has been made. The model ensures repayment to the investor group over a maximum of 5 years.

The project is oriented toward vulnerable people with complex social issues, which means there is a significant risk connected to the initiatives and investments, which is why the project is ideal to be invested in through the SIB-model. If the project achieved the expected success rate, the investor will be repaid over a 4-year period with half-year follow-ups with a set of specified goals. For the most vulnerable group the investor will be repaid over a 5-year-period with follow-ups with specific goals every half year.

Action 3: Learn for life

Action owner: Aarhus Municipality

Short description:

The purpose of the SIBs is to finance the learning program “Learn for Life” in order to support the learning of vulnerable and children in foster care through a long-term and holistic effort, so that the children achieve increased self-esteem, academic successes and a strengthened affiliation with the Danish education system, especially primary school.

The program will give children in foster care the opportunity to get a Leaving Certificate of Primary and Lower Secondary School and prepare them for further education. This will happen through the following three initiatives:

- Learning camps – the children learn Danish, mathematics, personal and social competences
- Volunteer mentors
- Bridge-building – connecting the program with school and home

Stakeholders:

- Municipality of Aarhus
- Social investment fond
- “Lær for livet” – NGO

Finances and resources:

The program will run from 2022 to 2033. 17.900.000 kroner will be invested.

A very detailed set of indicators has been developed which sets the framework for the repayment to investors.

Action 4 Preventing violence in families

Action owner: Municipality of Aarhus

Short description:

Dialogue Against Violence's goal is to stop violence in family relationships and prevent future violence, as well as to reduce the harmful effects and possible trauma of the victim and children.

The target group for the effort is all members of families with violence, ie both perpetrators of violence, victims of violence and their children. In this way, the effort differs from other efforts that only offer help to the victim of violence or children in families with violence.

The project will be delivered by Dialogue Against Violence, which on behalf of the partnership, and with the relevant involvement of the partnership, will take overall responsibility for the realization of the project's success goals.

Stakeholders:

- Municipality of Aarhus
- Social Investment fund
- Dialogue Against Violence (NGO)

Finances and resources:

The Social Investment Fund contributes with 300,000 Kroner, (40,293 euros) and relevant employee resources.

Aarhus Municipality and the Council for Social Investments in Aarhus Municipality contribute financially with 100.000 Kroner (13,431 euros), and in addition make facilities available for holding workshops and other meetings as well as relevant employee resources for the preparation of the project's deliveries.

The Social Capital Fund Management contributes in the form of time spent preparing the project's deliveries. Dialogue Against Violence contributes with daily project management and is primarily responsible for preparing the project's deliveries. The Social Investment Fund contributed 300,000 Kroner, (40,293 euros) and relevant employee resources for the early stages of the preparation.

Aarhus Municipality and the Council for Social Investments in Aarhus Municipality contributed financially with 100.000 Kroner (13,431 euros), and in addition made facilities available for holding workshops and other meetings as well as relevant employee resources for the preparation of the project's deliveries.

The final SIB is comprised of a 5 million kr. (0.8 million euros) investment – evenly split between the Council of Social Investments and the national Social Investment Fund.



Our next SIB?

Small Scale Action as our next SIB?

As a part of the SIB project we were able to make a „Small scale action“. We chose to make an experiment which in the long run can become a SIB, if the experiment gives good results.

Ovartaci House – creating art as a way to better health and employment

What was the idea/concept tested?

The overall idea of this project was to create a community that connects the concepts of culture, health, and employment in the work with challenged young people.

The project connects the experiences of three different actors in working with people with mental vulnerabilities in one place. The idea is that the connection of the three actors will create synergy effects which will greatly benefit the young people's development. The three actors are:

- Museum Ovartaci is located in "Kulturhus Bunkeren" and is housing one of Europe's biggest collections of l'Art Brut. The Museum also employs challenged young people and provides them with job experience and sustainable relations
- FO Aarhus (NGO) who are experienced in helping challenged young people get employed
- Aarhus Municipality

These three actors are joint in a new partnership in the new Community Center on Oluf Palmes Allé in Aarhus. In the Community center there will be a lot of cultural events, developed in collaboration with vulnerable youngsters. Things like poetry readings, small exhibitions and so on.

Our goal is that young people with mental challenges will participate in this work and develop towards greater well-being and self-confidence. Supervisors and social workers from the Job center work in the Community House and create connections to future job and education for the target group.

It is our perception that young people who suffer from issues like educational challenges, social or health problems can achieve personal development through work with art and culture. It is therefore relevant to create a space where young people can get the help, they need in a creative environment. The goal of this project is to create the best possible environment for young people's social development.



Risk analysis

Social investment models are one of several tools that can be used to solve complex challenges. In order to get an overview of the tool's advantages and disadvantages, we have developed the following swot analysis:

Strengths	Weaknesses
<ul style="list-style-type: none">• Finance initiatives that municipality otherwise cannot afford• Focus on preventing• Private funds take the risk if the program doesn't have the expected effect• Longterm investment• All partners have an incentive to succeed• Strong methodical setup	<ul style="list-style-type: none">• Limited experience and evidence in the social field (in Denmark)• Resource intensive to prepare the investment• Requires a comprehensive evaluation setup to follow the cash flows• Difficult to estimate the financial effect of well-being, less loneliness, increased participation in local community
Opportunities	Threats
<ul style="list-style-type: none">• Sharpens focus on the effect rather than on the performance• The investors participation in the projects can provide access to new disciplines and inspiration• Political focus on development of methods to strengthen social innovation through investment	<ul style="list-style-type: none">• The investors often want to have a big influence for example, be part of a steering group• Discussion on whether it is appropriate for the welfare efforts to be financed by private investors in the long term



Our learnings

With our participation in the URBACT program we have been on a fantastic journey with other European cities, where we have received a number of valuable learnings.

- High quality learning from top universities about SIB
- It has provided a common language in the field of social work and economy
- Hands on experiences from other cities about SIB
- Insights from other cities in Europe about cross sector work co creating and co-financing





