



## TALLINN CITY COUNCIL

### RESOLUTION

Tallinn

2 December 2010 no. 276

Second Tallinn City aid package for city residents and entrepreneurs 2011–2012

Local Government Organisation Act § 3 and § 6, Tallinn Statutes § 4 (2), § 6 (1 (1) (3)) and § 6 (3) and (4) and based on the need to help Tallinn City residents, to promote the creation of new jobs by companies and to ensure the sustainable development of the city in 2011–2012

1. To confirm the attached second Tallinn City aid package for city residents and entrepreneurs 2011–2012
2. For the Tallinn City Government:
  - 2.1 to provide the necessary, and additional if necessary, resources for the implementation of the aid package planned for 2011 in the 2011 draft budget of City of Tallinn;
  - 2.2 to provide the necessary resources for the implementation of the aid package planned for 2012 in the 2012 draft budget of City of Tallinn;
  - 2.3 if necessary, to develop the legislation required for the implementation of the aid package;
  - 2.4 to publish the resolution in the newspaper which is used by the City of Tallinn to publish its official notices.
3. The resolution can be contested in the Tallinn Administrative Court (Pärnu Rd. 7, Tallinn 15082) within 30 days of the resolution being made public.

Toomas Vitsut  
Chairman of the Tallinn City Council

## **Second Tallinn City aid package for city residents and entrepreneurs 2011–2012**

In Estonia, the conjunction of the global economic crisis and end of the local real estate boom had a dramatic impact on both GDP and employment. Several thousand companies have gone bankrupt, tens of thousands of people have been laid off, and the economic condition of thousands of families has worsened. The limited solutions provided by the national government for increasing employment are insufficient, and therefore, the local governments must seriously deal the problem. It should be recognized that based on the seriousness of the situation, the local governments can also not provide quick solutions for the problem. At the same time, it is impossible to overestimate the long-term impact provided by aid packages for social coping and communal stability in the region, and ultimately for the prevention of irreversible social shocks. In the midterm, the reversal of the global economic crisis creates the preconditions for the development of business and thereby for the creation of new jobs. In the short term, it is important to respond flexibly and quickly to the extensive social problems that have developed, to alleviate their consequences and prevent the further escalation of problems.

The first Tallinn aid package, which the Tallinn City Council approved with resolution no. 71 dated 16 April 2009, has been productive. Almost 1,100 jobless people have found employment in the social jobs created in the city's businesses and sub-units; approximately 300 jobless people have been hired by private companies with the help of the aid; about 200 new jobs have been created with the help of subsidies for the acquisition of fixed assets; and almost 1,400 jobless people have found short-term employment in public jobs. Over 800 people participate in the clubs for the unemployed. The services for the needy, including shelters, social housing and free meals, has been significantly expanded. Debt counselling, psychological counselling and counselling related to labour laws have also been expanded. Over 3,600 people have received subsistence benefits and over 5,000 household members have been compensated for the increase in water fees. The Nõmme market was given a new appearance. The Creative Incubator was opened, which has been successful in every way. The detailed planning for the Suure-Sõjamäe Industrial Park has been established. The first Tallinn aid package has helped thousands of people to avoid the worst, to preserve social cohesion, and to hinder the continued decline of the already poor indicators for public health seen in human development reports.

There are a total of 53 measures in the second Tallinn aid package for city residents and entrepreneurs, and the combined impact of both short- and long-term measures have been taken into account. The short-term relief measures include the implementation of salary subsidies, the creation of social jobs in the city's structural units, social aid etc.; midterm measures include the creation of industrial parks and incubators, the implementation of business subsidies and youth programmes, etc. The focus of the aid package is the over 20,000 registered and over 40,000 actual unemployed, and especially the alleviation of the condition of the tens of thousand Tallinn residents who have been deprived of their income and their families. Some of the new courses of action in the second aid package is the establishment of a Tallinn employment office include cooperation with the organizers of the food bank, supplemental counselling and assistance for the unemployed, and the construction of the third stage of a new industrial park. Attention has been paid separately to creating job opportunities for disabled people. In addition, the fields of activity where social jobs are to be created will be diversified and the activities of the Student Brigade Foundation will be expanded.

The number of unregistered unemployed, i.e. the number of non-active and discouraged unemployed, continues to increase. Since April 2010, the Tallinn Department of the Unemployment Insurance Fund has removed over 3,000 registered unemployed from its rolls every month – half of them have found jobs, but the remainder have just been dropped from the rolls. At the same time, over 2,000 new unemployed are registered each month. Since the

economic experts do not predict any notable increase in employment in the near future, the City of Tallinn has prepared a second aid package for 2011 and 2012.

The planned funding for implementing the aid package includes 15,272,475 EUR (238,962,300 EEK) in 2011 and 10,817,834 EUR (169,262,300 EEK) in 2012.

## **Alleviation of unemployment**

### **1.1 The creation of social jobs in the companies and agencies belonging to the city**

Support for the creation of social jobs in companies and agencies belonging to the city will be continued and diversified. Social jobs are temporary jobs funded from the city budget, which are created for the employment of the jobless in a period when the average unemployment rate in Tallinn has been more than 5% for six consecutive calendar months.

In 2011 and 2012, a total of approximately 2,000 social jobs are planned for jobless Tallinn residents. The social jobs will be created in various spheres of city life – the maintenance and cleanup of the cityscape, social care, public transportation, etc.

Social jobs will continue to be offered at the Tallinn Bus Company and the Tallinn Tram and Trolley Bus Company, where people are employed cleaning the interiors of the vehicles, cleaning the tramlines, etc. Jobs as parking attendants and cemetery guards will continue to be provided, as well as landscaping and maintenance work (maintenance of city forests and parks, maintenance of green roadsides, cleaning of sidewalks and parking lots, maintenance of children's playgrounds) in the city-owned Tallinn Cemeteries and Kadriorg Park, and as social care workers (care of the aged, housekeeping help for the aged, assistance of people with mobility disabilities) in institutions administered by the Tallinn Social Welfare and Health Care Department. As one measure, groups of up to 10 workers will be formed in each city district, which will work doing daily landscaping and cleanup jobs, as well as repairing athletic fields and playgrounds, street furniture and other equipment.

The jobless people who are employed in social jobs must have been registered with the Unemployment Insurance Fund for at least one month and have been registered as Tallinn residents in the Population Register for at least a year. The unemployed are paid wages of 278.02 EUR per month (the minimum wage), to which are added social tax and unemployment tax. A fixed-term employment contract will be concluded with the workers for terms of six to twelve months. Up to 15% of the people working in social jobs will be offered the opportunity to continue working after 12 months.

in 2011            2 876 024 EUR

in 2012            2 876 024 EUR

### **1.2 Supporting the creation of social jobs in the private sector**

Support for the creation of social jobs with private-sector companies will continue while the average unemployment rate in Tallinn is more than 5%. As a new subsidy measure, the creation of jobs in the third sector is also being supported. In 2011 and 2012, the creation of approximately 500 jobs for Tallinn residents that have lost their jobs will be supported.

The city supports private companies with at least 15 permanent employees (the requirement is being eased, 20 permanent employees were required previously) and which wish to create 5 to 30 social jobs. The city supports nonprofit organizations and foundations with at least two permanent employees and which wish to create at least three social jobs.

The grant limit per worker is 278.02 EUR per month, to which are added social tax and unemployment tax. The subsidy comprises 2/3 of the eligible costs, with the minimum self-financing limit comprising 1/3 of eligible costs. The unemployed people for whom jobs are created must be registered with the Unemployment Insurance Fund and be registered in the Population Register as Tallinn residents for at least a year. A fixed-term employment contract will be concluded with the workers for terms of six to twelve months.

The City Government will present a draft resolution to the City Council in January 2011 in order to amend Tallinn City Council no.16 dated 14 May 2009 entitled "Procedure for Applying for Subsidies to Create Social Jobs and for Processing the Applications".

Subsidy measures totalling 958,675 EUR are being planned for both 2011 and 2012, including a maximum of 100,000 EUR to support the creation of social jobs in the third sector.

in 2011	958 675 EUR
in 2012	958 675 EUR

### **1.3 Promotion of grants for the creation of new jobs**

In 2009 and 2010, amendments were made Tallinn City Council resolution no. 51 dated 13 December 2007 entitled "Procedure for Applying for Grants to Create New Jobs and for Processing the Applications" in order to expand the target group for the grants as well as to increase the limits for the allocation of grants. Support for the creation of new jobs in the private sector will also continue under changed conditions in 2011 and 2012, if the unemployment rate in Tallinn exceeds 5%.

In 2011 and 2012, the city is ready to support the creation of approximately 100 new permanent jobs.

in 2011	191 735 EUR
in 2012	191 735 EUR

### **1.4 Reduction of rental prices for non-residential premises owned by the city in the case of companies that create new jobs**

In 2011 and 2012, the support of companies that have created new jobs will continue through the reduction of rental prices. Companies that lease non-residential premises from the city and have created or will create at least three new jobs after 1 January 2011 may apply for rent reductions of up to 20%. A new job is defined as an additional job that is created in the company and the creation of which increases the number of jobs in the company compared to the number of jobs that existed 12 months ago. The agreements signed with the workers that are hired for the new jobs must be without term. The workers that are hired for the new jobs being created must start work within two months of the rent discount coming into effect. The rent discount shall last until 31 December 2012. The rent discounts shall terminate if the company does not create the new jobs and sign employment agreements within two months of the rent discount coming into effect, or if, the number of jobs is reduced before 31 December 2012. If the company does not create any new jobs and does not conclude any employment agreements within two months of the rent discount coming into effect, the company shall refund the discounted amount to the city.

in 2011	95 867 EUR
in 2012	95 867 EUR

### **1.5 Reduction of the payments for the right of superficies in the case of companies that create new jobs**

In 2011 and 2012, the support of companies that have created new jobs will continue through the reduction of the payments for the right of superficies. Companies, to whose benefit the city has established a right of superficies for city and which have created or will create at least three new jobs after 1 January 2011, may apply for payment reductions of up to 20%. A new job is defined as an additional job that is created in the company and the creation of which increases the number of jobs in the company compared to the number of jobs that existed 12 months ago. The agreements signed with the workers that are hired for the new jobs must be without term. The workers that are hired for the new jobs being created must start work within two months of the payment discount coming into effect. The payment discount shall last until 31 December 2012. The payment discounts shall terminate if the company does not create the new jobs and sign employment agreements within two months of the payment discount coming into effect, or if, the number of jobs is reduced before 31 December 2012. The rent discounts shall terminate if the company does not create the new jobs and sign employment agreements within two months of the rent discount coming into effect, or if, the number of jobs is reduced before 31 December 2012.

in 2011	31 956 EUR
in 2012	31 956 EUR

### **1.6 The employment of jobless people in public jobs (cleanup and community placement work)**

Temporary employment in cleanup and community placement work will continue to be provided to jobless people. This provides a good opportunity for both the long-term unemployed and those who have become unemployed recently to get temporary work and earn 1.73–2.24 EUR per hour. The jobless will be employed in all city districts for cleanup work (maintenance of parks and green areas, cleaning of sidewalks, collection of trash, etc.). In 2009, a total of 805 people were employed. In 2011–2012 the city is ready to support the employment of approximately 2,000 jobless people in public jobs.

In 2011–2012, initiatives are expected from the city districts to expand the employment of the unemployed, e.g. in addition to the usual cleanup jobs, also closing up abandoned buildings to prevent their use by the homeless; tearing down sheds; cleaning up branches in park forests, etc.

in 2011	159 779 EUR
in 2012	159 779 EUR

### **1.7 Providing the unemployed with supplemental income**

Approximately half the registered unemployed do not receive unemployment insurance benefits, or even the meagre unemployment benefits. In January 2011, the City Government shall submit a draft resolution entitled “Proposal to the Government of the Republic for the Amendment of the Employment Services and Subsidies Act”, in which a proposal shall be made to amend § 6 (5 (3)) of the law (pertaining to the termination of unemployment registration in the case of a labour relationship based on the law of obligations, e.g. chopping wood based on an oral contract for services), § 26 (allowing for the payment of unemployment benefits if one’s income does not exceed the daily rate of the unemployment benefits by 31 times, i.e. 65.41 EUR, although in the case of a one-time earning that exceeds this, the payment of unemployment benefits will be terminated) and other relevant provisions and legislation.

This change would ensure that if the registered unemployed person’s monthly income does not exceed the daily rate of unemployment benefits by 31 times, he or she will not lose unemployment benefits, and if the monthly income does not exceed the monthly minimum wage, the person will not be removed from the rolls (i.e. he or she will not lose unemployment benefits, health insurance, etc) and the unemployed person will not have to undergo the process of being removed from the rolls and re-registering after every single work opportunity. This amendment would allow temporary work projects to be implemented (also ESF), which allow people to do odd jobs, and would also expand the opportunity for work (training) provided by Employment Training Centres.

### **1.8 Accelerating the creation of jobs through amendments in legislation**

In order to accelerate the employment of jobless people by businesses, the City Government shall prepare draft resolutions entitled “Proposal to the Government of the Republic for the Amendment of the Employment Services and Subsidies Act” and “Proposal to the Government of the Republic for the Amendment of the Social Welfare Act”, the goal of which is to differentiate social jobs in the law, to increase the amount of time allowed for participation in public jobs, to reduce the employer’s social tax burden when hiring a person who has been unemployed for a long time, etc.

### **1.9 Employment Training Centres**

An Employment Training Centre is located in the buildings at Alasi St. 4 and 6 in the city district of Northern Tallinn, where the long-term jobless are trained and counselled. A workshop for woodworking, metalworking and ceramics is located at Lina St. 5, where the unemployed can learn new manual skills and expand their possibilities for finding jobs. Due to the unstable funding of national programmes, the basic funding for Employment Training Centres must be provided by the city.

in 2011	22 369 EUR
in 2012	22 369 EUR

### **1.10 Brokering simple jobs through the Employment Training Centres**

Assuming that the Riigikogu amends Employment Services and Subsidies Act § 6 (5 (3)) (pertaining to the termination of unemployment registration in the case of a labour relationship based on the law of obligations) and § 26 (1) (allowing for the payment of unemployment benefits if one's income does not exceed the daily rate of the unemployment benefits by 31 times, i.e. 65.41 EUR), the Employment Training Centres can help unemployed private persons procure simple odd jobs, such as cleaning, chopping and piling firewood, snow removal, provision of moving services in cooperation with the city's Social Welfare Department, etc.

### **1.11 Creation of opportunities for the sale of items made by the unemployed**

Many jobless people know how to make various items, and in order to promote their manual activities and participation in the work process, the city's agencies and sub-units shall start to buy one quarter (25%) of their gift items from organizations that provide Employment Training Centres or work-support services to the long-term unemployed and disabled people, under the condition that the items are produced by these workers, who are less competitive. Sales outlets for these items shall be created in the tourist attractions owned by the City of Tallinn, such as the Tallinn Information Centre, City Museum ticket offices, etc.

in 2011	6 391 EUR
in 2012	6 391 EUR

### **1.12 Organization of clubs for the unemployed**

In 2009, within the framework of the Tallinn Peace in the Community Forum, two clubs for the unemployed were initiated. In 2010, a total of 26 clubs for the unemployed were organized (18 in the district administrations, four at the Tallinn Bus Company and four at the Tallinn Tram and Trolley Bus Company). The purpose is to prepare the unemployed and people working in social jobs for a successful job search process, to increase their motivation to compete on the job market and to increase self-confidence. In addition, the expectations of the job seekers and the demand made of the job seekers are ascertained, purely practical skills are strengthened and support for the development of the traditions of information exchange is provided along with psychological support.

It is very important that the jobless have the opportunity to associate, read newspapers, and if necessary, use a computer. This allows them to overcome their isolation, to stay updated on what is happening in society and to receive specific information to help them find a job. For instance, in the clubs for the unemployed, they learn to prepare their CVs and use computers, and prepare for work interviews under the guidance of experienced psychologists. The members of the clubs for the unemployed as well as other jobless people have the opportunity to participate in free computer and language instruction, and other courses organized by the city.

in 2011	31 956 EUR
in 2012	31 956 EUR

### **1.13 Continuing programme for those who are successful at the clubs for the unemployed**

Those who have been most successful at the clubs for the unemployed organized by the city districts and public transportation companies have the opportunity to participate in a continuing programme (business training, counselling, incubation, etc.) that focuses primarily on creating one's own job.

in 2011	6 391 EUR
in 2012	6 391 EUR

### **1.14 Support for the activities of the City Centre Business Club for the Unemployed**

The City Centre Business Club for the Unemployed started its activities in January 2010 and it is the first self-help club for the unemployed that is directed at those jobless people that want to become entrepreneurs. The City Centre Business Club for the Unemployed helps to reduce unemployment, to preserve and create work habits and social relationships among the unemployed by promoting entrepreneurship and opportunities for the creation of new enterprises. At the club, help is provided to the unemployed, or those who may become unemployed, for finding new jobs

and starting their own businesses, including the acquisition of the necessary knowledge (legal and psychological counselling, as well as counselling related to social statistics, human resources and entrepreneurship, etc.), and identification of opportunities, grants and supporters. In 2011 and 2012 cooperation with the City Centre Business Club for the Unemployed will continue and the number of activities at the club will be increased.

in 2011            6 391 EUR  
in 2012            6 391 EUR

### **1.15 Creation of the Tallinn job office**

For the more effective organization of social employment, a job office will be created in the Enterprise Department, where two specialists will deal daily with directing people to social jobs, identifying new social jobs and coordinating social employment, as well as providing counselling when required. Information from various city agencies and companies will be collected in the job office, and if necessary, assistance provided in choosing suitable candidates. Monitoring will also be carried out and feedback provided. To support the job office's activities, a web solution will be developed for both job seekers and potential employers.

in 2011            95 867 EUR  
in 2012            95 867 EUR

### **1.16 Increasing the employment of disabled people**

When unemployment is very high, it is more difficult for disabled people to find suitable jobs. The city wishes to increase the employment of less competitive (including disabled) people and will create 16 jobs for them in city agencies. The jobs will be created in the Tallinn City Centre Administration and the Tallinn City Centre Social Centre (total of six jobs), at the Tallinn Central Library and Tallinn City Museum (total of four jobs), in the Mustamäe District Administration (three jobs) and Kristiine District Administration (three jobs).

in 2011            153 024 EUR  
in 2012            153 024 EUR

### **1.17 Employment training days in the form of communal volunteer activities**

Various city districts will organize communal volunteer activities for the unemployed, in the course of which the parks, green areas, sidewalks, and green areas outside of apartment buildings, etc. will be cleaned up. The jobless will be offered an opportunity to make a contribution to the maintenance of their city district, and thereby to restore their work habits. The city districts will provide the volunteers with the necessary tools and organize catering. In 2011 and 2012, employment training days in the form of communal volunteer activities, which are intended primarily for the unemployed, will be organized at least twice a year in each city district.

in 2011            12 782 EUR  
in 2012            12 782 EUR

### **1.18 Employment training for students**

This measure enables young people who are students to acquire the work experience that they will need in future job searches, since without work experience it is very hard for graduates to find jobs in today's job market. The city has developed the principles of employment training. Based thereon, the city's agencies are ready to double the number of trainees, i.e. based on demand, to provide 40-60 trainee places per year.

in 2011            12 782 EUR  
in 2012            12 782 EUR

### **1.19 Expansion of the activities of the Student Brigade Foundation**

The Student Brigade Foundation has been functioning as the organizer of summer work brigades for Tallinn's youth for almost eight years. Each year, the Student Brigade Foundation finds employment for 900 young people aged 13 to 18. Employment is found for students in various fields of activity, primarily doing cleanup and agricultural work. There are plans to expand the activities of the Student Brigade Foundation: to provide more activities for the young people within the framework of the brigade; as well as camps for children and young people (including

city camps) in order to provide activities for younger children and develop a new generation of brigade participants.

A total of 1,500 to 2,000 children and young people participate in the camps organized by the Student Brigade.

in 2011 127 823 EUR

in 2012 159 779 EUR

## **2. Subsidies and social assistance**

### **2.1 Compensation for cost-sharing in long-term nursing care**

As of 1 January 2010, the state established a cost-sharing fee for long-term inpatient nursing care in hospitals (15% of the maximum price for inpatient long-term nursing care, i.e. approximately 0.64 EUR per day), which is not affordable for people who are having difficulty coping. Such people comprise about 10% of those being treated and their inpatient time total approximately 10 thousand days. As of 1 January 2011, the cost-sharing fees established by the government will be compensated for people who are having difficulty coping and who have resided in Tallinn for at least one year according to the Population Register.

in 2011 47 934 EUR

in 2012 47 934 EUR

### **2.2 The right to free travel in Tallinn public transportation for the children of families that receive subsistence benefits**

In the first quarter of 2010, the families in Tallinn that receive subsistence benefits included 518 preschool children and 642 students. As of 2011, free travel on Tallinn's busses, trams and trolley-busses will be provided to the school-aged children of the families that receive subsistence benefits who have resided in Tallinn for at least one year according to the Population Register.

in 2011 47 934 EUR

in 2012 47 934 EUR

### **2.3 The compensation to the kindergartens of the parents' portion of kindergarten fees for children that receive subsistence benefits**

Families that receive subsistence benefits have difficulties paying for various services, including paying kindergarten fees, which is why, upon an application, the parent is exempted from paying the kindergarten fees and the city compensates the lost income to the city's kindergartens. The city will continue providing exemptions from kindergarten place fees and compensating the lost income to the city's kindergartens, for the children of the families that receive subsistence benefits who have resided in Tallinn for at least one year according to the Population Register.

in 2011 51 129 EUR

in 2012 51 129 EUR

### **2.4 Back-to-school subsidies for families that receive subsistence benefits**

The City of Tallinn has been helping families to cover the costs related to the start of the school year. The city will continue to paying back-to-school subsidies to the children of the families that receive subsistence benefits who have resided in Tallinn for at least one year according to the Population Register.

in 2011 25 565 EUR

in 2012 25 565 EUR

### **2.5 Provision of a hot meal once a day for the children that attend a children's day care centre**

Every day approximately 100 children attend the city's six day care centres. Considering the financial difficulties of families with children, it is necessary to enable more children to attend day care centres and to ensure them a free meal once a day. Within the framework of this measure, it is possible to provide meals to an additional 60 children.

in 2011 127 823 EUR

in 2012 127 823 EUR

## **2.6 Free school lunches for children acquiring basic educations in Tallinn schools**

The City of Tallinn guarantees free school lunches to children acquiring their basic education in Tallinn schools. The cost of a school lunch has been established as 1.15 EUR, of which the state provides approximately 0.73 EUR, and the difference, i.e. 0.42 EUR per basic school pupil, is covered from the budget of the City of Tallinn. Compensating the difference in the cost of the school lunches costs the City of Tallinn an estimated 1.7 million EUR per year.

in 2011 1 725 615 EUR

in 2012 1 725 615 EUR

## **2.7 Expansion of the “Caring Official” programme**

The “Caring Official” programme was started in the spring of 2009, in the course of which Tallinn city employees regularly collect clothing and footwear to help the least privileged and homeless. In addition, there are plans to collect kitchen and household items and furniture. There are also plans to collect toys and other children’s necessities for families with children.

The “Caring Official” programme will be expanded by involving other organisations and private companies, in order to promote increased solidarity between people and to provide greater support for the people that are least privileged.

in 2011 9 587 EUR

in 2012 9 587 EUR

## **2.8 The activities of the food bank and support for its expansion**

As of March 2010, the Estonian Netherlands Charity Foundation has been active in the Northern Tallinn district distributing usable food from warehouses and stores, which will otherwise be discarded, to people in need of assistance through the social welfare department of the city district. In 2011 and 2012, the cooperation between the city and the foundation will be expanded in order to also make the food bank service available in other city districts. The City of Tallinn supports the project by assisting in finding and providing the required warehouse space.

in 2011 25 565 EUR

in 2012 25 565 EUR

## **2.9 European Union food aid for people in need of assistance**

People in need of assistance can get free European Union food aid through the social welfare departments of the city districts. The city ensures the year-round availability of food aid, by helping to find the necessary warehouses and partially cover the costs.

in 2011 3 196 EUR

in 2012 3 196 EUR

## **2.10 Increasing the number of places in homeless shelters and the opening of new shelters**

In the cold-weather period at the turn of the 2009/2010 year, there were three homeless shelters in Tallinn: Alasi St. 8, Kopli St. 79 and Männiku Rd. 92. Since the closure of the shelter at Männiku Rd. 92, an additional 40 beds have been made available for accommodations at Akadeemia Rd. 48 during the cold period from November to May, for a total of 6.5 months.

in 2011 68 577 EUR

in 2012 68 577 EUR

## **2.11 Proposal of the City of Tallinn to the Government of the Republic to amend the rate for subsistence benefits and its calculation**

The rate for subsistence benefits was last increased approximately three years ago. At the same time, the inflation rate has started to increase and it is clear that the rate for subsistence benefits is too low. The City of Tallinn has repeated proposed to the Government of the Republic that the level be increased from 1,000 EEK to 1,200 EEK, but unfortunately, this has yet to be done. Therefore, the city is approaching the Government of the Republic in order to once more explain the need to increase the rate of subsistence benefits. In addition to increasing the rate of the

subsidies, the City of Tallinn is proposing that monthly childcare fees not be included as income when the determining subsistence benefits and that the coefficient of 0.8 not be applied starting with the second family member.

### **2.12 Proposal of the City of Tallinn to the Government of the Republic to reduce the VAT on food products sold to the end consumer from 20% to 9%.**

The increase of the VAT on 1 July 2009 from 18% to 20% has significantly impacted the ability of families to cope, including the cost of their food basket. In order to equalize increasingly expensive housing expenses, it is necessary to reduce the VAT rate on food products, similarly to many European Union countries. The reduction of the VAT rate applied to food products sold to end consumers would help to reduce the price of food products and thereby alleviate social problems to some extent.

The City of Tallinn will submit a proposal to the Government of the Republic to amend VAT Act § 15 (2) as of 1 July 2011, and thereby supplement the list of goods and services that are subject to 9% VAT by adding goods sold to the end consumer, with the goal of reducing the VAT on food products sold to end consumers from 20% to 9%.

### **2.13 The allocation of additional resources to soup kitchens that provide free meals to people in need of assistance**

The 2010 city budget allocates 100,341 EUR for providing free meals to people in need of assistance. Soup kitchen services are provided in three soup kitchens located at Laevastiku St. 1a, Sepa St. 6, Eha St. 8 and at the homeless shelter at Kopli St. 79. There is also a plan to continue the provision of free meals to people in need of assistance in the Lasnamäe district at Pae St. 19. Based on the increase in the number of people in need of assistance during the last few years, the amount in the city budget for the provision of soup kitchen services has increased by 57,520 EUR compared to 2008. Previously, free meals were provided to people in need of assistance three times a week, but as of February 2009, they were fed every day. On average, 200 people in need of assistance are fed every day.

in 2011	80 529 EUR
in 2012	80 529 EUR

### **2.14 Increasing the number of beds intended for people without health insurance**

Both inpatient and outpatient care is being provided to people without health insurance at the department for people without health insurance at the East-Tallinn Central Hospital's Long-Term Nursing Care Clinic, located at Magasini St. 34. General medical assistance is also provided by family doctors to patients they previously cared for, who have lost their insurance coverage. Considering the increased number of these people caused by high unemployment, the number of beds for this purpose at the East-Tallinn Central Hospital was increased to 25 in 2009.

In 2011 and 2012, the provision of inpatient treatment in the increased number of beds and general medical care will continue for people without health insurance that are registered as Tallinn residents in the Population Register.

in 2011	345 123 EUR
in 2012	345 123 EUR

### **2.15 Social housing units and substitute family homes**

In 2009, two social housing units were opened, which are intended for housing people that have run into hard times. There are a total of 120 places in the social housing units, of which 50 are located in the unit at Paljassaare Rd. 35 and 70 at the unit located at Kauge St. 4.

There is a great need for social housing services, which is why the city is planning to establish two new social housing units and six substitute family homes. In 2011, investments will be made to reconstruct the social housing unit at Männiku Rd. 92, for the establishment of four family homes, and 2012, for the establishment of a social housing unit at Varre St. 7 and two family homes.

in 2011	2 604 400 EUR
in 2012	1 076 912 EUR

## **2.16 Support for hobby and sports activities of children from families that have coping difficulties**

In order to ensure that families, which have encountered difficulties and receive subsistence benefits, can allow their children to continue participating in hobby and sports activities, the city pays them subsidies. People who are registered as Tallinn residents in the Population Register and whose net family income per family member is less than the established minimum wage for the first family member and 80% of the established minimum wage for the other family members has the right to apply for the partial compensation of the costs related to the hobby and sports activities of their children.

in 2011	146 997 EUR
in 2012	146 997 EUR

## **2.17 Free dental care for people that have coping difficulties**

Since dental care is relatively expensive and is unavailable to many during a period of economic decline, the city plans to institute a support measure to cover the dental care costs of people with coping difficulties, and who are registered as Tallinn residents in the Population Register. Free dental care will be provided to people whose net family income for the three consecutive months before the submission of the application is less than the established net minimum wage for the first family member and 80% of the established net minimum wage for the other family members and who have been continually registered as unemployed for at least one year with the Unemployment Insurance Fund. The corresponding decision will be made by the city district's social welfare department and the service will be provided by the Tallinn Dental Centre Foundation.

Up to 191.73 EUR per person per calendar year is provided for the provision of the service.

in 2011	319 558 EUR
in 2012	319 558 EUR

## **3. Counselling people who have encountered difficulties.**

### **3.1 Labour law counselling and preparation of relevant legal documents**

Based on the continued high level of unemployment and the increased number of new jobless people, the City Government will continue to provide labour law counselling in the City Government Service Bureau at Vabaduse väljak 7. Despite the decrease in massive layoffs, the number of people who require advice and assistance has not declined. People who participate in job counselling have the opportunity to get free legal aid for preparing documents, applications and court actions.

in 2011	57 520 EUR
in 2012	57 520 EUR

### **3.2 Tallinn's employment and entrepreneurship fair entitled "Tallinn Is Working"; information days, publications and informational materials for the unemployed**

Since 2009, the private sector no longer organizes any job fairs, which is why the city first organized the "Tallinn Is Working" employment and entrepreneurship fair on 10 September 2009, which was attended by approximately 10,000 people. In 2011 and 2012 the "Tallinn Is Working" fair will continue to be organized, with the goal of sharing information with governmental agencies and nonprofits and advising people on issues related to labour laws, employment and entrepreneurship. Business participate that offer jobs at the fair.

In 2010, the organization of regular information days for the unemployed was initiated, which turned out to be very necessary, and therefore, they will continue to be organized in 2011 and 2012. Information days focus on topical issues for the unemployed, such as "Where to begin when you are unemployed?" "What do the long-term unemployed need?" "Legal issues for the unemployed" etc. A total of 1,500 participants are planned for 2011 and 2012.

in 2011	191 735 EUR
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### **3.3 Expansion of debt counselling services**

Based on the economic situation of the last few years, people have increasingly encountered problems for which they need debt counselling in order to cope. In order to better serve the residents of the Lasnamäe and Kristiine districts, two debt counsellor positions were created at the Tallinn Social Work Centre, for the Kristiine and Lasnamäe service area.

in 2011	19 174 EUR
in 2012	19 174 EUR

### **3.4 Increasing the volume of legal counselling services for least privileged people.**

The city needs to ensure legal aid to least privileged people, because they often cannot pay for the legal aid necessary to preserve their quality of life. In order to ascertaining the person's situation, the high-quality case-based service can also include the preparation of written legal documents, continuing counselling and application for state legal aid. The legal aid service is specific and assumes specialized competence. There is a great need for free high-quality legal aid, which is why the allocation of additional resources is justified.

in 2011	9 587 EUR
in 2012	9 587 EUR

### **3.5 Psychological counselling for families**

The City of Tallinn counsels families that have encountered difficulties, by assigning child protection specialists from the district administrations' social welfare departments to provide counselling. The service includes counselling for children and other family members. The psychological counselling takes place at the youth counselling centre of the City Centre Children's Clinic of the Tallinn Children's Hospital Foundation that is located at Ravi St. 27 and the Tallinn Family Centre at Asula St. 11.

in 2011	146 997 EUR
in 2012	146 997 EUR

### **3.6 Crisis counselling for people that have encountered difficulties**

The goal of crisis counselling for people that have encountered difficulties is to provide Tallinn city residents free short-term psychological help in order to preserve or restore their mental health and ability to work. The service is provided at Pärnu Rd. 9a. The crisis hotline (631 4300) is answered from 8 pm to 7 am by volunteer phone counsellors from the nonprofit Eluliin.

in 2011	121 113 EUR
in 2012	121 113 EUR

### **3.7 Reducing the cost-sharing of children's camps for disabled children**

It is important for the parents of children with disabilities to find resources for sending their children to summer camp. The cost-sharing fee for one day at a children's camp is 5.11 EUR. It is often difficult for families in difficult financial conditions to find money for the cost-sharing fees. For children with several children, paying for 10 days at a camp is even more difficult.

Estimates indicate that at least 150 disabled children participate in various summer camps. Considering the fact that the average length of a stay at summer camp is 10 days, and a reduction of the cost-sharing fee that would average 1.92 EUR per day, the additional funding that would be necessary per summer is 2,876.02 EUR.

in 2011	2 876 EUR
in 2012	2 876 EUR

## **4. Reduction of housing costs**

### **4.1 Compensating the heating price increase to least privileged residents**

As of the 2009 heating period, the least privileged households in the City of Tallinn have had the possibility of applying for the compensation of heating price increases.

In order to determine the amount of the subsidy, the maximum residential area is calculated based on the socially justified standard for living space approved by the Government of the Republic (i.e.

18 m<sup>2</sup> for one resident and an additional 15 m<sup>2</sup> for each family member; in the case of pensioners living alone, up to 51 m<sup>2</sup>).

If the average net monthly income of a household member is less than the net minimum wage established by the Government of the Republic of (currently the minimal monthly wage is 278.02 EUR of which the net wage is 249.83 EUR) during the first half of the heating period (October-December) and the second half of the heating period (January-April), an application can be made to the social welfare department of the city district for compensation by the city for the heating price increase, assuming that the household members are registered as residents of Tallinn in the Population Register.

From 1 February to 30 April, 7,328 household members received compensation for the price increase in the first half of the 2009/2010 heating period for a total of 179 thousand EUR; in the second half of the 2009/2010 heating period, the price increases were compensated to 7,265 household members for a total of 262 thousand EUR.

in 2011	447 382 EUR
in 2012	447 382 EUR

#### **4.2 Continuation of the “Façade Fix-up” project**

The “Façade Fix-up” project is the procedure for providing city support to housing associations that increase the energy conservation of Tallinn’s apartment buildings, which regulates the extent of the necessary self-financing needed to help the housing associations get renovation loans under favourable conditions.

The project provides support for activities related to increasing the energy conservation of residences, in order to ensure a healthy interior climate in the apartments and to significantly reduce the buildings’ maintenance costs during the winter. The “Façade Fix-up” project helps to improve the exterior appearance of the residences and promote the residents’ feeling of home and social relations.

in 2011	639 116 EUR
in 2012	639 116 EUR

### **5. Support for entrepreneurship**

#### **5.1 Information day to introduce the city’s support measures for beginner and small entrepreneurs**

Regular information days, seminars and training programmes for beginner and small entrepreneurs will be organized in 2011 and 2012. Daily entrepreneurial counselling is available at the Business Information Office. The Mentor’s Club focuses, among other things, on training for entering export markets. In the fall, the traditional Tallinn Entrepreneurship Day is organized.

in 2011	89 476 EUR
in 2012	89 476 EUR

#### **5.2 Monetary business support measures**

In 2011 and 2012, the City of Tallinn will provide entrepreneurs the support of a practical training instructor, trade fair grants, patent grants and support for the development of clusters. The city’s support measures are directed at the creation of new jobs and improving the competitiveness of companies.

in 2011	153 388 EUR
in 2012	153 388 EUR

#### **5.3 The establishment of a new industrial park on Suur-Sõjamäe St.**

The City of Tallinn has created two industrial parks for manufacturing companies, where the technical infrastructure has been developed, and where the majority of the real estate has been sold or rights of superficies has been established. In 2010, the City Government established the detailed planning for the establishment of a third, 6.4-hectare industrial park at Suur-Sõjamäe St. 29b. The construction of the technical infrastructure has been started and by spring 2011, a modern

industrial park with infrastructure will be completed. There are 16 lots sized 2,500 to 5,100 m<sup>2</sup> in the Suur-Sõjamäe Industrial Park, which will enable industrial enterprises operating in Estonia to expand or establish new industrial enterprises. The completion of the industrial park will help to create approximately 1,200 new jobs.

in 2011            1 278 233 EUR

#### **5.4 Increasing the entrepreneurial ability of young people**

In order to increase the entrepreneurial ability of young people, various forms of cooperation have been initiated with the third sector and Tallinn's institutions of higher education.

The city's enterprise consultants regularly speak at the institutions of higher education. Meetings between upper secondary school students and businesspeople are also organized, in order to share business experiences with those who are still students. To date, the greatest attention has been paid to career counselling in the schools in cooperation with professional associations and social partners. A youth conference is organized within the framework of Tallinn Entrepreneurship Day. Support is provided for increasing the entrepreneurial ability of young people through the following events: competitions entitled the "Management Brain" and "Marketing Brain", a management conference entitled "Management Path", a business plan competition entitled "Pursuit", a robot building competition entitled "Robotex" and participation in a booth at the Teeviit Youth Information Fair along with professional associations.

in 2011            7 989 EUR

in 2012            7 989 EUR

#### **5.5 Continuing the city's large investments to preserve jobs in the private sector**

The city's investments preserve existing jobs and help to create new ones. In 2011 the construction of new infrastructure projects shall be started, which will be partially financed by resources from European Structural Funds. The largest project is the construction of the Ülemiste intersection, the total cost of which is approximately 1 billion EEK, and which will directly or indirectly create jobs for 500-700 people. The start of the reconstruction of the Linnahall Auditorium and the city's new administrative building is planned for 2011-2012.

#### **5.6 Opening new municipal markets**

Markets provide city residents with the opportunity to buy the freshest local food products, mostly directly from the producers, and also allow smaller producers to market smaller volumes than are required by the large retail chains. Markets also provide jobless people with the opportunity to sell garden and forest produce that they have gathered or grown. There are plans to complete the construction of the Lasnamäe Market (including a market building) in 2011 and to build a new market in Mustamäe in the Kännu Kukk area. The creation of a heating fuel market in Northern Tallinn depends on the financing of the Employment Training Centre from the resources of the European Social Fund and the corresponding national programmes.

in 2011            1 680 876 EUR

in 2012            191 735 EUR

### **6. Consumer protection**

#### **6.1 Organization of information days and seminars for consumers**

In connection with the economic recession, the need for informed and educated consumers has increased significantly, in order for them to know their rights and stand up for them. A programme was started in 2009, the framework of which includes the organization of information days and seminars by the City of Tallinn. The main topics are social benefits, issues related to housing and waste management, the rights of consumers when buying goods and services, etc. In 2010, an all-city Consumer Rights Day was organized for the second time, the goal of which was to provide people with useful advice to help find solutions in today's complicated economic situation. When choosing the topics for the Consumer Rights Day, the questions that people have asked of the Consumer Protection Service of the Enterprise Department have been taken into consideration. The consumers have recognized the necessity and usefulness of such a day, and therefore, we will continue to organize similar days in 2011 and 2012.

Information related to consumer rights is also published on the Tallinn website under the heading “The Consumer”. Information folders are compiled on the more important topics.

in 2011 7 669 EUR

in 2012 7 669 EUR

## **6.2 Consumer counselling**

Advice is provided to consumers on weekdays by phone and at the Consumer Information Desk in the City Government Service Bureau on the following issues: purchase of food and manufactured products; ordering services; provision of utility services (heating, water supply and sewerage services); initial debt counselling; and the calculation of apartment management costs and accessory leasing expenses. Traders are advised about the requirements for the labelling and the sale of goods and services. Answers to consumer questions that are of interest to the general public will continue to be answered in the newspapers *Pealinn* and *Stolitsa*. In addition, information and explanations will be published regarding amendments to legislation related to consumers and traders. In the column, the answers are provided by consumer protection specialists from the Enterprise Department that have long-term experience in resolving consumer problems.

Toomas Vitsut  
Chairman of the Tallinn City Council