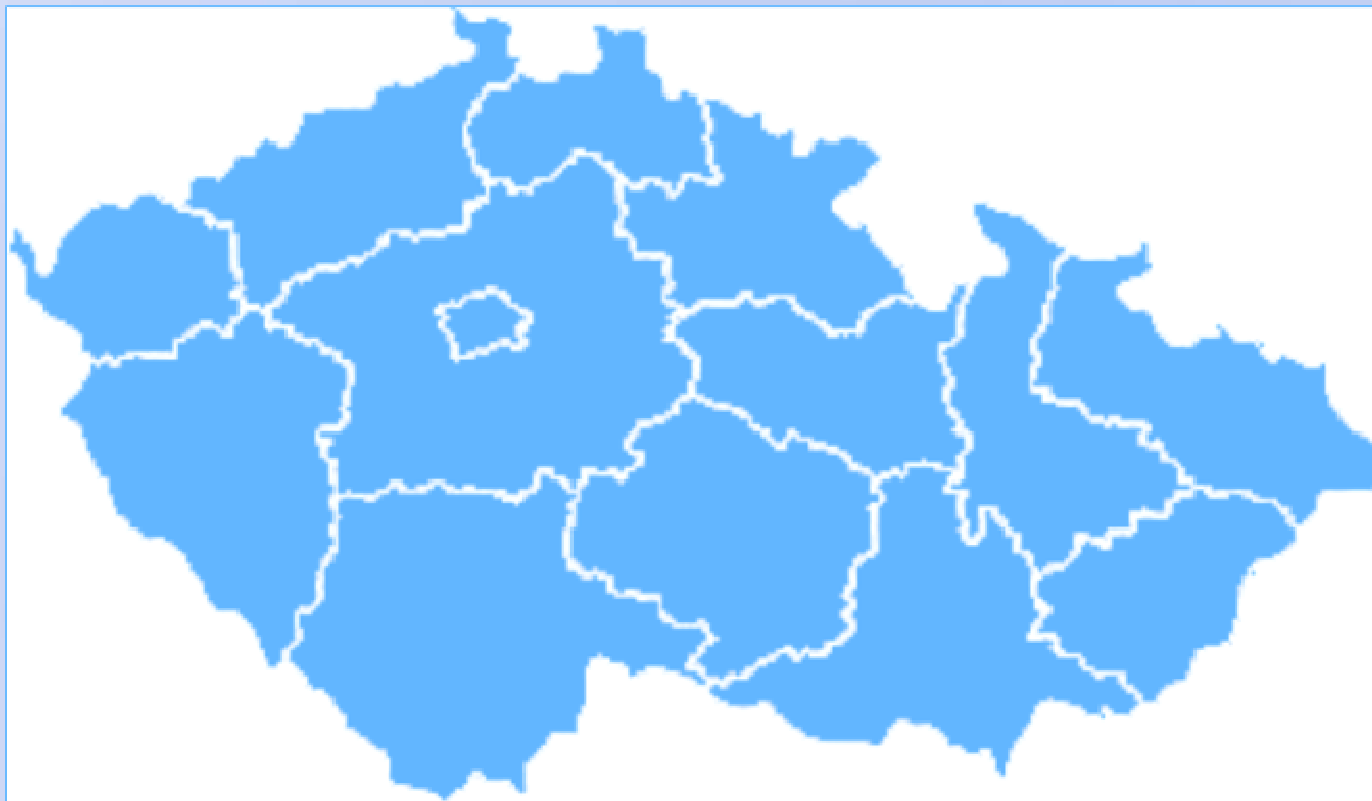




Czech Republic



EU2009.CZ



Statutory City of Kladno

Inhabitants – 69,906

Administrative district –

120,000 people

Cadastral area – 36.97 km²



www.mestokladno.cz



■ KLADNO



Partner cities



Vitry sur Seine – France – the Greater Paris area,
since 1966



Bellevue – USA, State of Washington – near Seattle,
since 1993



**Aachen – Germany, Federal State of North Rhine –
Westphalia**, since 2001 on an informal basis

Economic situation

The District of Kladno is agricultural–industrial by nature, with agriculture prevailing in the northeast part of the District and a rural type of settlement connected immediately to the Polabská Lowland.

Industry is concentrated primarily in the district centre, Kladno. Following the metallurgy and steel giant's demise between 1996 and 1997 and the discontinuation of hard coal mining in the Kladno area as of 30 June 2002, the district's economy lost the sectors that had originally employed the greatest percentage of economically active citizens of Kladno and the adjacent municipalities. This led to a higher level of unemployment, a deterioration of social conditions for the inhabitants, and reduction of the overall quality of life.

Construction of the **Kladno-South industrial zone** was started in early 1998 at the southern edge of the city, in the area between Kladno and Velké Přítočno,. Its inception was led primarily by the intention to create new jobs for Kladno citizens and boost the region's development by bringing in investments, which required sufficient infrastructure.



■ **KLADNO**)



The Kladno–East industrial zone was where industry first started in Kladno more than 150 years ago. The original industry sectors are currently using between 10% and 25% of the area. Restructuring has been in progress since 1990 and new businesses are being located there.



The city of Kladno more than meets the requirements for the expected economic growth and development thanks to its close proximity to the capital city of Prague and the Ruzyně Airport as well as its connection to two western radial roads towards Karlovy Vary and Chomutov.



■ **KLADNO**)

Population

Kladno currently has 69,906 citizens. Its demographic development was not significantly influenced by the city's economic problems or geographic position in the 1990's or in the early 21st century.

As in 2007, the Kladno District's demographic development in 2008 has led to an increase in the population by way of natural replacement. This and the rather positive migration balance has increased the number of the Kladno District inhabitants by 1,512 people.

Unemployment rate

Viewed as the economic and social cornerstone of sustainable development, the desirable, large reduction of Kladno population's unemployment rate is linked primarily to:

- Increasing education and qualification of the citizens as part of the city's long-term cooperation with high schools and universities;
- Economic stabilisation of large corporations residing within the city's official limits;
- Increasing number of small and medium-sized enterprises residing in Kladno, which will produce high quality products with a high added value on a long-term basis.



Assistance in material need

- **Overview of the allowances paid**
- **Statistics of assessed and paid allowances and appeals**
- **Form of allowance payment**
- **Overview of the drawing on postage and savings**
- **Unemployment trend in Kladno District and its impact on the number of OSP clients**

- **Act No. 110/2006**, on Living and Subsistence Minimum
- **Act No. 111/2006**, on Assistance in Material Need

Quarterly overview of assistance in material need paid **from 1 Jan 2007 to 31 Dec 2008**; shown including social care allowances paid from 1 Jan 2007 to 30 Apr 2007, i.e. transition period.

Allowance/year	Q1	Q2	Q3	Q4	Total
Social care allowances for 2007 (Act No. 482/1991, on Social Needs)	CZK 14,984,886	CZK 537,941	-----	-----	CZK 15,522,824
AfL 2007	CZK 4,625,984	CZK 10,606,978	CZK 9,239,967	CZK 10,007,157	CZK 34,480,086
AfL 2008	CZK 7,413,653	CZK 6,845,389	CZK 6,281,902	CZK 5,629,997	CZK 26,170,941
SfH 2007	CZK 217,994	CZK 1,600,132	CZK 1,452,799	CZK 1,414,132	CZK 4,685,057
SfH 2008	CZK 1,266,321	CZK 1,029,120	CZK 1,002,074	CZK 896,009	CZK 4,193,524
EIA 2007	CZK 160,178	CZK 199,360	CZK 116,655	CZK 52,961	CZK 529,154
EIA 2008	CZK 144,948	CZK 161,458	CZK 143,303	CZK 102,590	CZK 552,299
Total for 2007:	CZK 19,989,042	CZK 12,944,411	CZK 10,809,421	CZK 10,007,157	CZK 53,750,031
Total for 2008:	CZK 8,824,922	CZK 8,035,967	CZK 7,427,279	CZK 6,628,596	CZK 30,916,764
Difference 2007 – 2008:	CZK 11,164,120	CZK 4,908,444	CZK 3,382,142	CZK 3,378,561	CZK 22,833,267

AfL – Allowance for living DnB – Supplement for housing EIA – Extraordinary immediate assistance

Overview of the total values of social care and assistance in material need allowances paid from 2006 to 2008

Period	Total allowances paid	Reduction in %
2006	CZK 117,774,236	-----
2007	CZK 53,750,031	↓ 54.4%
2008	CZK 30,916,764	↓ 42.5%

The overall decrease in the allowances paid between 2006 and 2008 amounts to 73.8%



Overview of the number of assistance in material need allowances assessed, their recognition for payment, and appeals against Social Care Department decisions

Period	Allowances assessed		Allowances paid		Appeals	
	2007	2008	2007	2008	2007	2008
January	63	1,342	15	1,153	-----	-----
February	714	1,290	425	1,113	2	1
March	1,652	1,227	1,211	1,036	3	1
April	1,737	1,186	1,557	1,039	13	1
May	1,789	1,139	1,560	968	9	-----
June	1,689	1,097	1,463	952	5	1
July	1,609	1,072	1,387	936	3	-----
August	1,577	1,027	1,357	897	4	1
September	1,488	1,040	1,287	858	-----	4
October	1,481	979	1,284	871	5	-----
November	1,431	963	1,237	853	5	-----
December	1,333	946	1,216	840	-----	1
TOTAL:	16,563	13,308	13,999	11,516	49	10

2007

- Social Care department (OSP) employees in charge of client agenda – **18**;
- Number of allowances assessed per employee – **920**;
- Number of allowances paid per employee – **778**;
- Appeals lodged via the authority for assistance in material need – **49**, or **0.3%** of the total number of allowances assessed.

The year 2007 shows a clear continued reduction of the number of OSP clients – 2,166 clients in January 2007 as opposed to 1,333 on record in December.

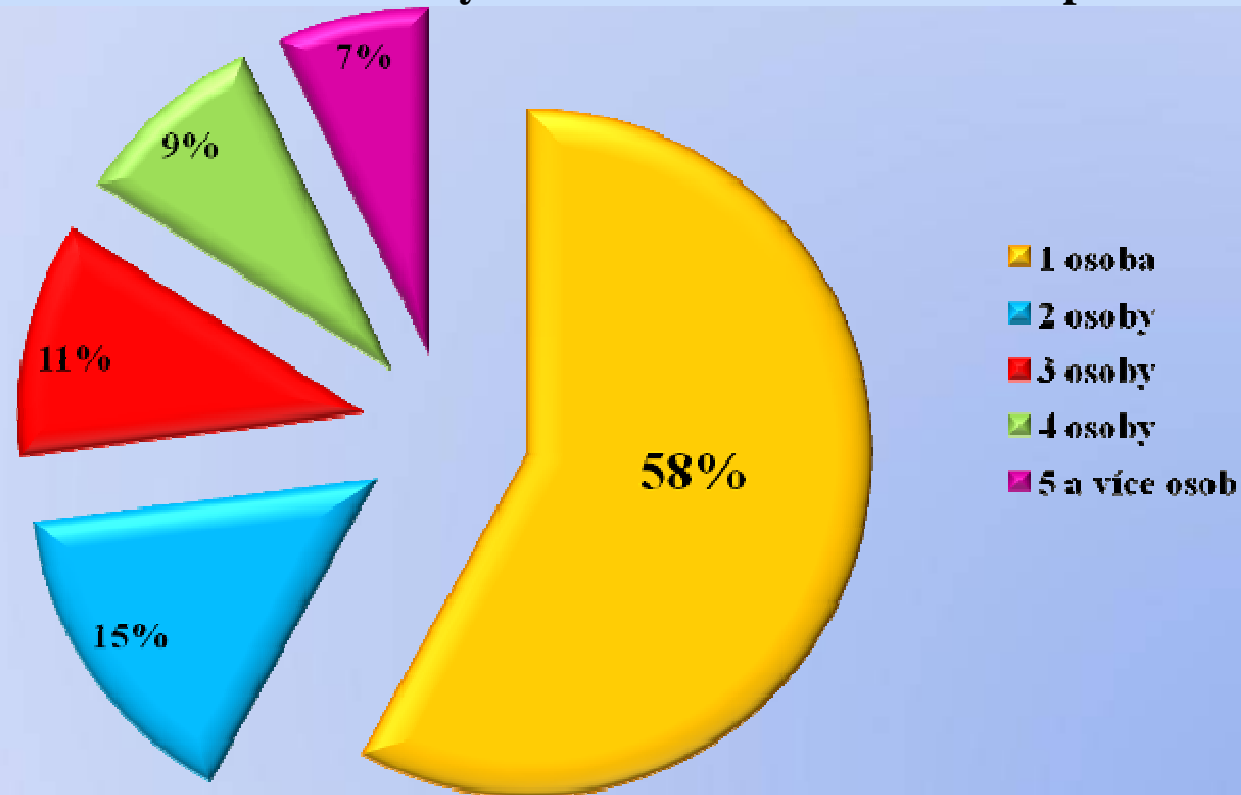
2008

- Social Care department (OSP) employees in charge of client agenda – **16**;
- Number of allowances assessed per employee – **732**;
- Number of allowances paid per employee – **718**;
- Appeals lodged via the authority for assistance in material need – **10**, or **0.1%** of the total number of allowances assessed.

The decrease in the number of clients continues for 2008 – OSP recorded a total of 1,342 clients in January 2008 as opposed to 946 clients in December 2008. This resulted in a lower number of the allowances assessed and calculated.

The range of persons assessed collectively is defined by Act No. 110/2006 on Living and Subsistence Minimum, as amended: parents and dependant children; married couples; parents and minors who are not dependant; parents and adult children where the children use a home together with the parents and are not assessed collectively together with other persons; and other persons using a home together except for persons who declare in writing that they do not live together and do not pay the costs of their needs together.

Persons assessed collectively on record of Social Care Department

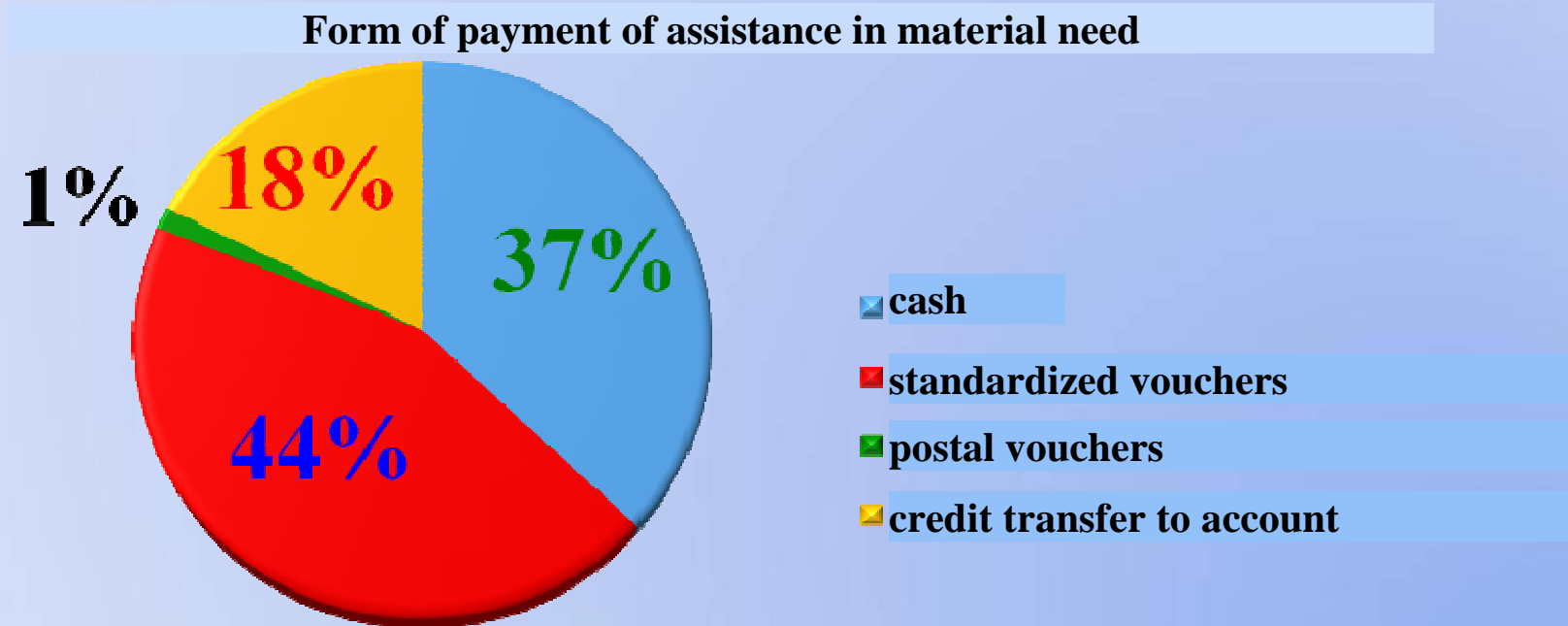


The allowance payer defines **the method of payment of the assistance in material need** while taking into consideration the ability and possibilities of the person in material need to manage and use the allowance for its intended purpose.

The form of the payment of assistance in material need:

- **cash** - **credit transfer to account** - **postal voucher** (only where justified)
- **standardised voucher**

From October 2007, social care proceeded with the payment of assistance in material need (allowance for living) using standardized vouchers; every client is viewed individually and there are various criteria for defining the ratio of standardized vouchers and cash.



Ratio of cash to standardised vouchers

Period	Number of allowances paid in CZK	Amount of allowances paid in CZK	Number of allowances paid in vouchers	Amount of allowances paid in vouchers	Voucher payments in %
Oct 2007	991	2,888,621	827	1,744,000	60.4%
Nov 2007	968	2,930,527	802	1,679,000	57.3%
Dec 2007	942	2,720,916	755	1,593,500	58.6%
Jan 2008	888	2,576,747	700	1,448,350	56.2%
Feb 2008	866	2,456,172	669	1,386,550	56.5%
Mar 2008	811	2,380,734	645	1,315,900	55.3%
Apr 2008	813	2,395,016	631	1,296,650	54.1%
May 2008	771	2,292,057	592	1,234,650	53.9%
Jun 2008	744	2,158,316	572	1,184,000	54.9%
Jul 2008	728	2,188,617	568	1,175,700	53.7%
Aug 2008	704	2,050,451	560	1,150,750	56.1%
Sep 2008	675	2,042,834	538	1,094,850	53.4%
Oct 2008	685	2,026,540	536	1,091,100	53.8%
Nov 2008	678	1,987,095	536	1,102,950	55.5%
Dec 2008	666	1,616,362	542	1,114,500	69.0%
Total	11,930	34,711,005	9,473	19,612,450	56.5%

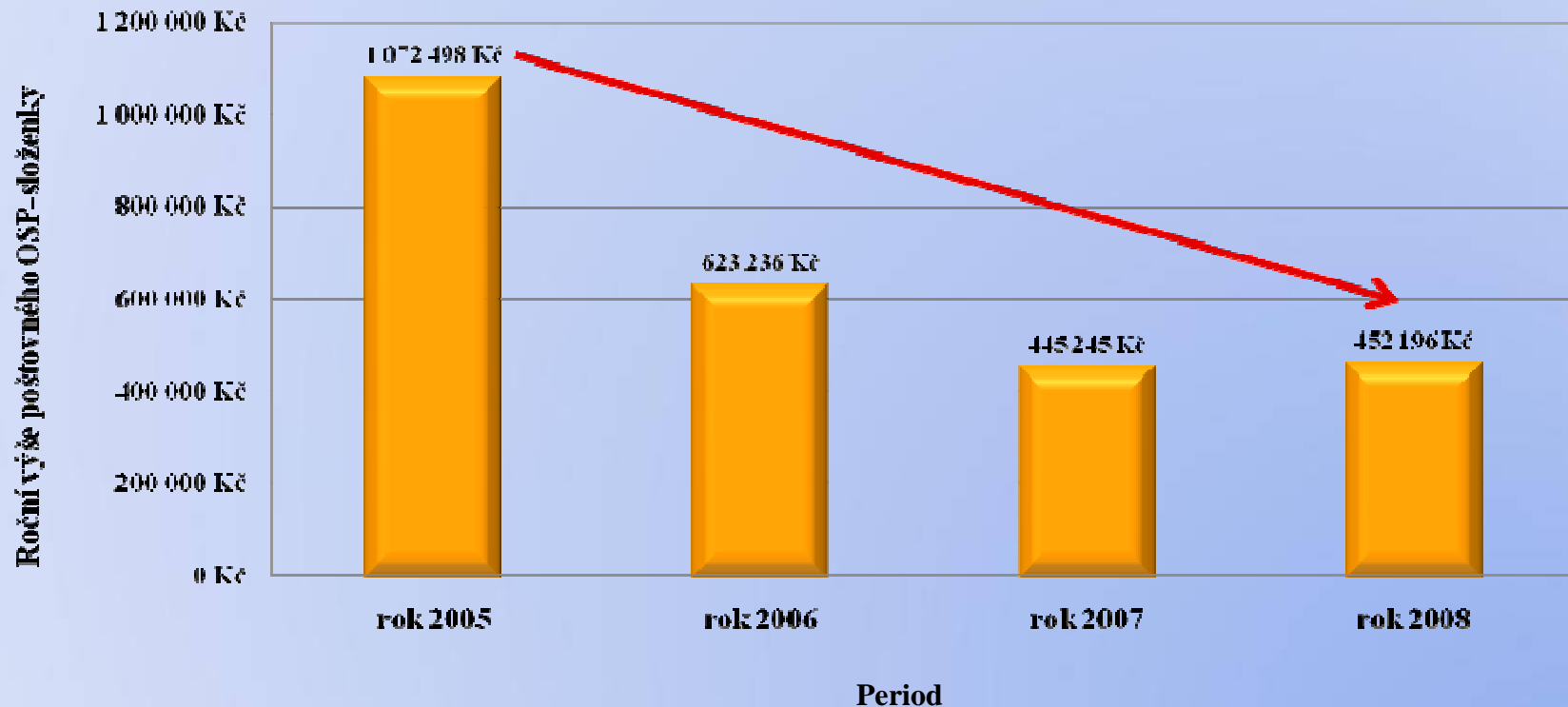
The Social Care Dept. of Kladno MA defined the ratio as **30% cash** and **70% vouchers**, which applies if the client does not receive unemployment allowances, requalification allowances, **does not work, or does not show other signs of attempting to improve their income on their own**; at the same time, each client is assessed individually.

Period	Average amount of AfL in CZK	Average amount in vouchers per AfL	% of voucher amount per AfL
October 2007	2,915	2,109	72.4%
November 2007	3,027	2,094	69.2%
December 2007	2,889	2,111	73.1%
January 2008	2,902	2,069	71.3%
February 2008	2,836	2,073	73.1%
March 2008	2,936	2,040	69.5%
April 2008	2,946	2,055	69.8%
May 2008	2,973	2,086	70.2%
June 2008	2,901	2,070	71.4%
July 2008	3,006	2,070	68.9%
August 2008	2,913	2,055	70.6%
September 2008	3,026	2,035	67.3%
October 2008	2,959	2,036	68.8%
November 2008	2,931	2,058	70.2%
December 2008	2,427	2,056	84.7%

OSP mail costs – postal orders

A cash office started to operate directly in the OSP building in mid-2005; this allowed for social care allowance payments in cash, and as a result the **costs associated with postal orders decreased significantly** in the year. Since 2007, the law has given the authority for assistance in material need the power to define the form of the payment, and so the trend of cost reduction has continued.

Overview of postage costs consumption 2005/2008, postal cheques



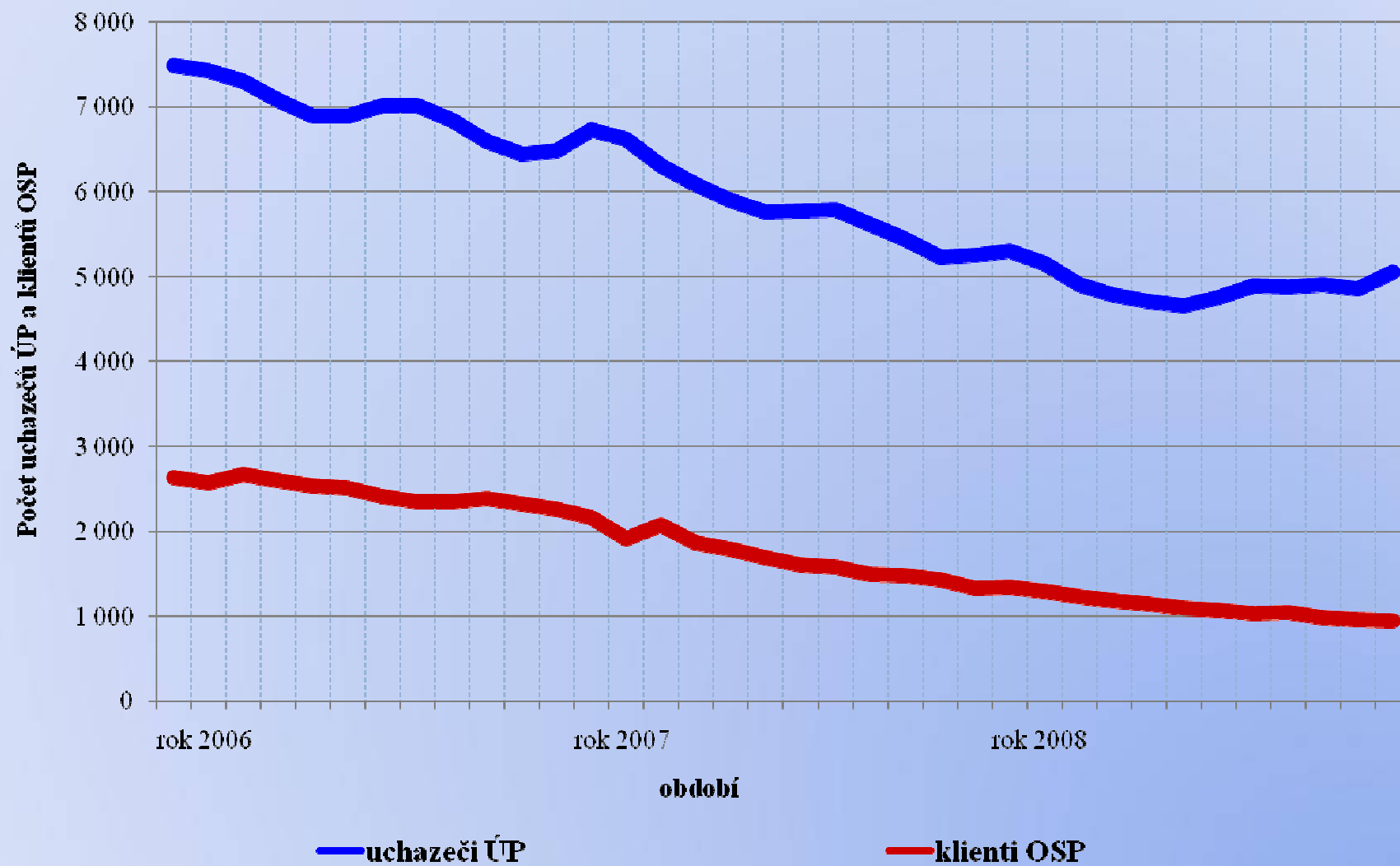
OSP mail costs – postal orders and envelopes

The reduction of Social Care department total postage cost 2005-2008



The reduction of OSP's total postage costs between 2005 and 2008 amounts to **49.5%**

Unemployment rate trend in Kladno District and its impact on the number of OSP clients from 2006 to 2008



- The individual years show that the OSP client curve does not fully correspond to the Labour Office's job applicants curve.

- The trend of OSP client records does not show high fluctuations, which indicates that those clients have been in OSP records for a long time without any attempt to resolve their situation in life – most of those clients are persons considered, for the purposes of assessment of their entitlement to the allowance, to be homeless, with most of them residing at nám. Starosty Pavla 44, Kladno; the allowance amount is CZK 2,905.

- Development of the curve for the first quarter with respect to the number of OSP clients can only be seen in 2007; the number of applicants at the LO does not show the same trend – it is apparent that this shows the impact of the new Act on Social Care Allowances – i.e. the Act on Assistance in Material Need, and the related change to the range of persons assessed collectively.

- From January 2007 when Act No. **111/2006**, on Assistance in Material Need took effect,

the number of OSP clients has decreased from 2,166 to 946,

which means a reduction by 56.3%.



The end.

THANK YOU.