



A Placemaking model for Malmö & the potential role for social investment

November 2013



The Social Life of Cities

This work is part of the Social Life of Cities collaborative: a partnership between Cisco, Social Life and the Young Foundation. Our aspiration is to work with cities to connect their strategies and programmers more firmly to the day to day experience of their residents.

With the City of Malmö we are developing a new placemaking model for their “million homes areas”, and exploring how this can be supported by new sources of finance. This work is relevant to all the places that are facing the problem of how to upgrade the mass housing of the 1960s and 1970s.

This builds on earlier work carried out by the Social Life team with the City of Malmö. Previous projects explored the city’s innovation story, and wellbeing and resilience in local areas.





We convened two TelePresences to discuss these issues.

The first TelePresence, September 26th 2013, **Placemaking for disadvantaged housing estates in Malmö**

Second TelePresence, October 3rd 2013, **New finance for regenerating Malmö**

Involving participants from Brussels, Chicago, Copenhagen, London, Luxembourg, New York, Seoul and Sydney

A Placemaking model for Malmö: *this report brings together the materials from the two TelePrsences*

- 1 What is placemaking?
- 2 Malmö's innovation story
- 3 Lindängen
- 4 The placemaking model
- 5 Financing placemaking
- 6 Meeting the need for investment
- 6 Our questions

Building on the best of what we know about making places thrive; and the best of what we know about innovation to meet social need in local areas.

What is placemaking?



“Placemaking” is a tool that helps us think differently about the needs of people and of places

“When you focus on place you do everything differently”

Project for Public Spaces, New York

Placemaking is...

A process for designing, creating and managing existing and new places so they become thriving communities that support wellbeing and quality of life.

Placemaking involves people who live & work in an area in creating and shaping plans and decisions. It draws on local strengths, potential & opportunities, *and* focuses on lived experience.

There is increasing interest in the US and Europe about “placemaking” but often this is defined as focusing on public spaces only.

Our definition of placemaking brings together all the different aspects that make places thrive, from public space, to housing, local retail, and how residents feel about their local areas.



1 Malmö's innovation story

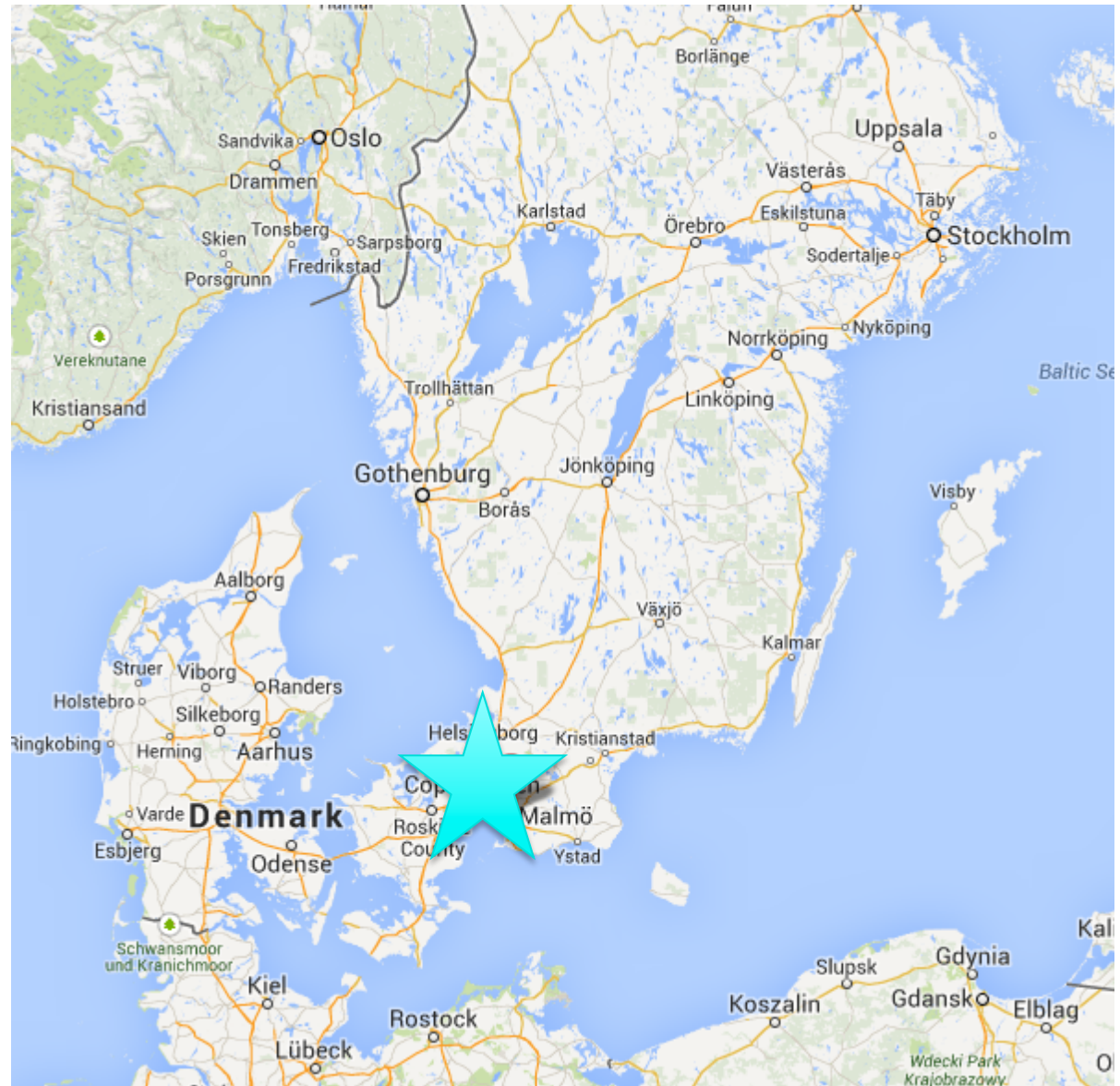
Malmö

A city with a population of over 300,000 people. Over 40% of the population are first or second generation immigrants.

The city has the highest child poverty level out of all Swedish municipalities.

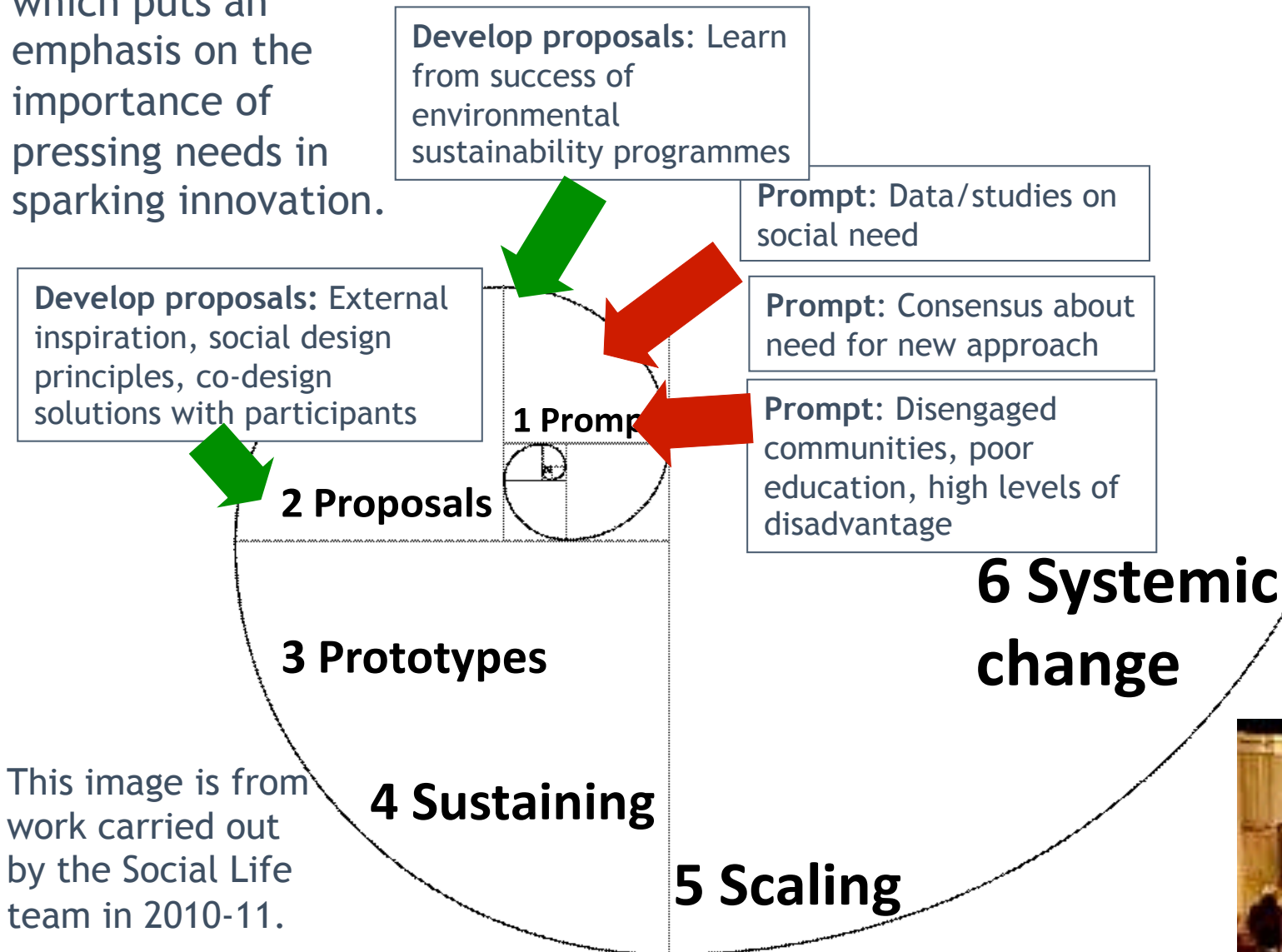
It also has lower employment rates and higher welfare dependency than most of Sweden.

Malmö has strong links to Denmark & Europe, and is connected to Denmark by the Øresund Bridge.



Malmö's innovation story

This uses the Young Foundation's innovation spiral, which puts an emphasis on the importance of pressing needs in sparking innovation.



Malmö is famous for innovative sustainable design, but also for urban problems



This image is from work carried out by the Social Life team in 2010-11.

Innovating in local areas

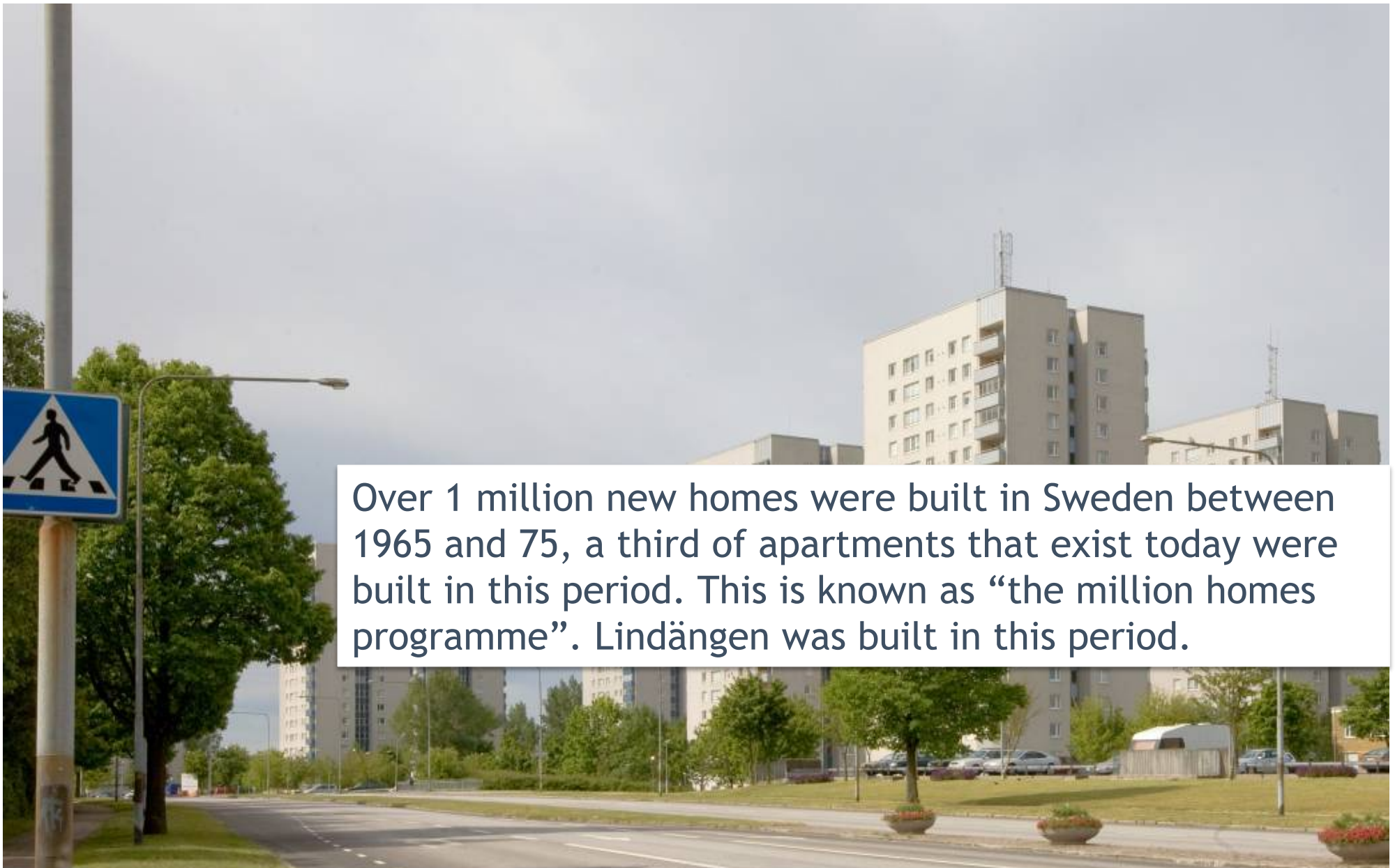
In Malmö there are five “area programmes”, which have been set up to focus on the parts of the city where social problems are concentrated. The Area Programmers’ aim is to create a socially sustainable Malmö, to nurture innovation and break down silos.

Priorities include work & economic growth; security; inclusion; better outcomes for children and adolescents; integration; and culture.

The area programmes work through investing in new programmes and developing new ways of working that help agencies to collaborate.



3 Lindängen



Over 1 million new homes were built in Sweden between 1965 and 75, a third of apartments that exist today were built in this period. This is known as “the million homes programme”. Lindängen was built in this period.

Lindängen

Lindängen is an area on the southern edges of the city. It has a population of 6,700. Most housing is in apartment blocks, and there are 2,600 apartments in total.

The area was created through the million homes programme, the first residents included Chilean refugees. Since then successive groups of refugees have made their home in the area.

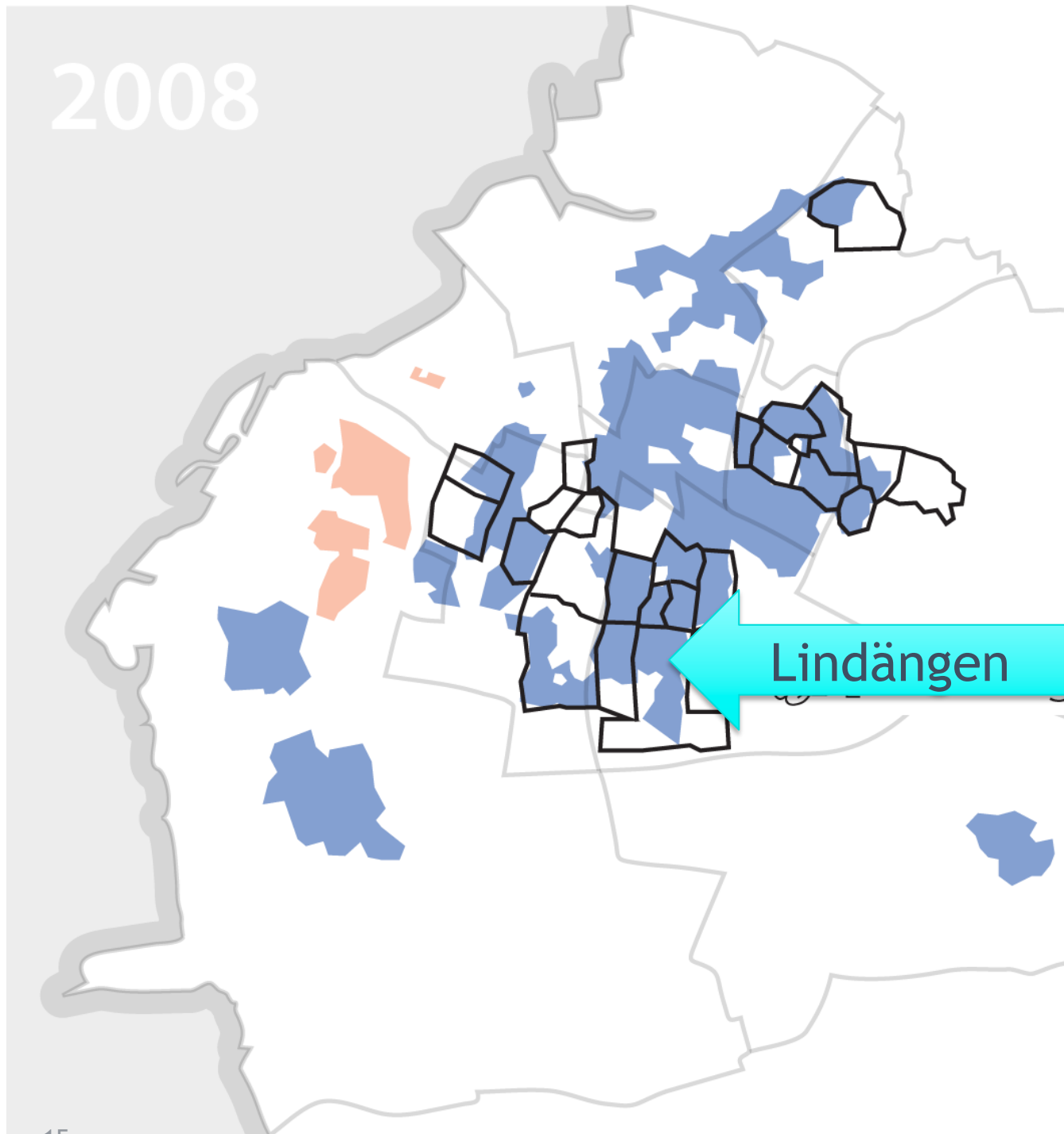
Lindängen is the focus of one of Malmö's Area Programmes.

Lindängen is mainly residential, it has several green areas and a run down shopping centre. People living in and working in the area report that it can feel very cut off from the centre of Malmö.

Three main property owners own housing in Lindängen: two big companies (Stena Fastigheter & Första AP-fonden, a pension fund) and a local company (Trianon).



2008



Areas dominated by housing built 1961-1975



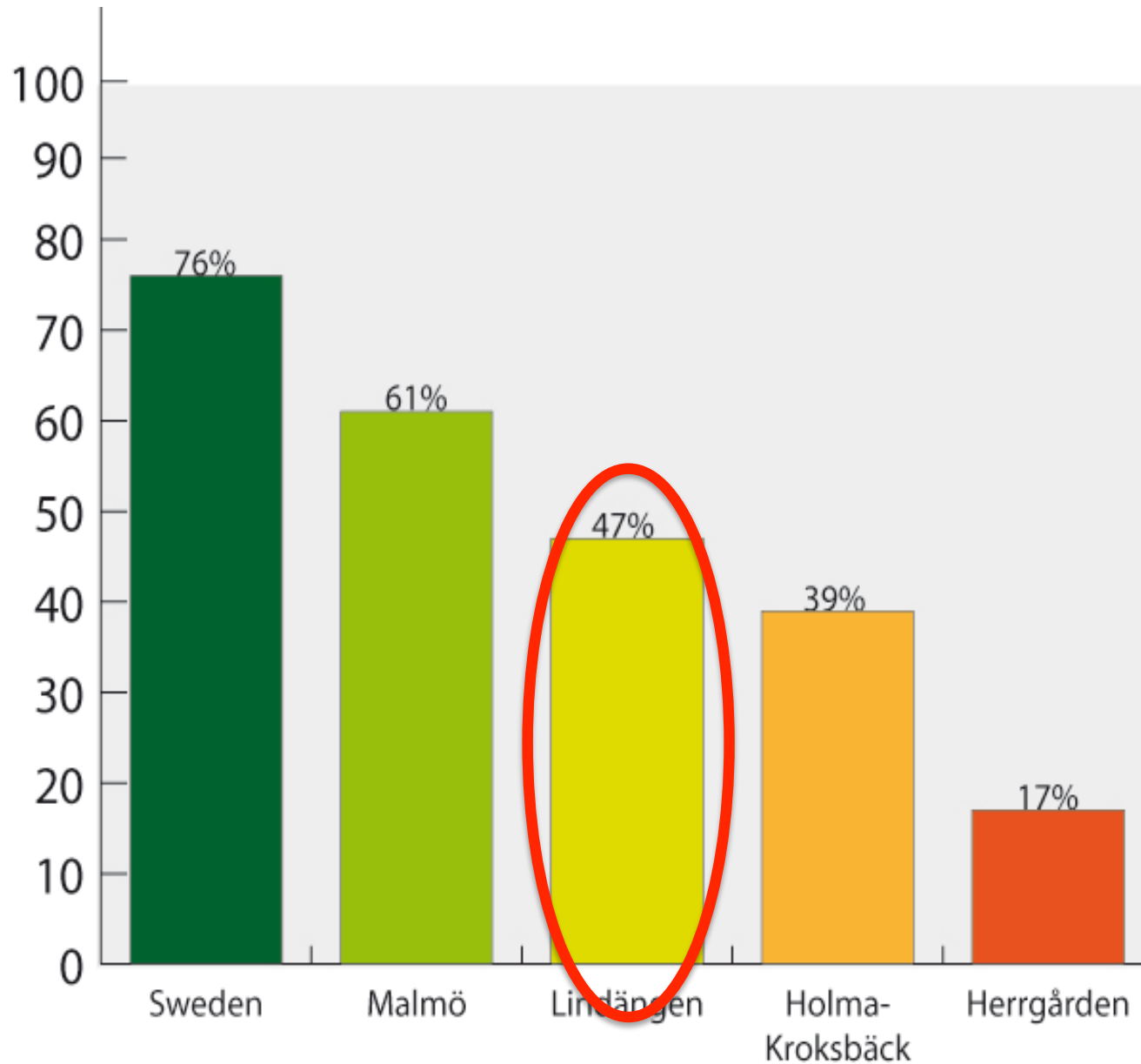
Areas dominated by inhabitants with low incomes born outside of Nordic/Western Europe

Lindängen

Source: Tapio Salonen
/City office Malmö



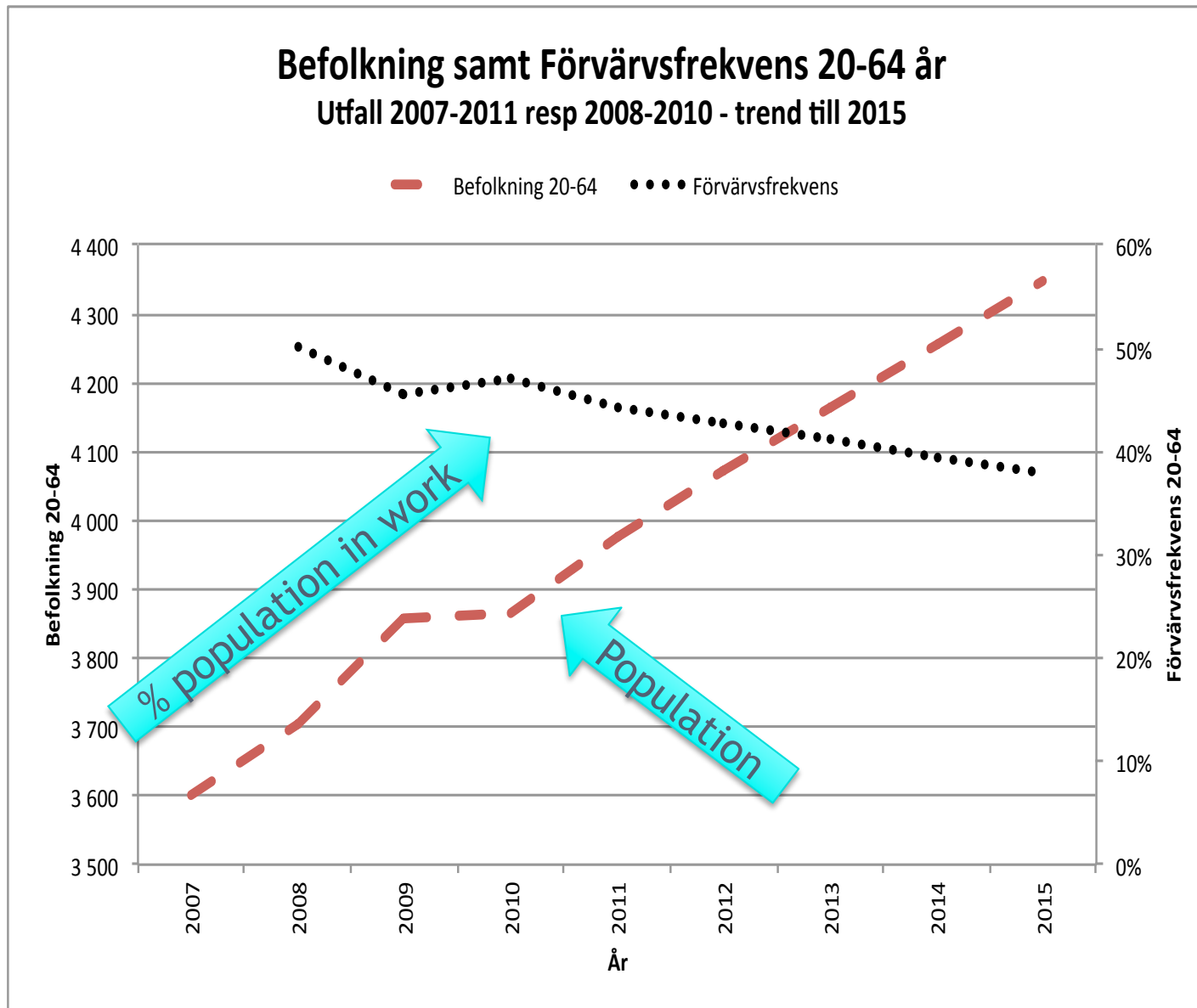
Lindängen: Employment (2009)



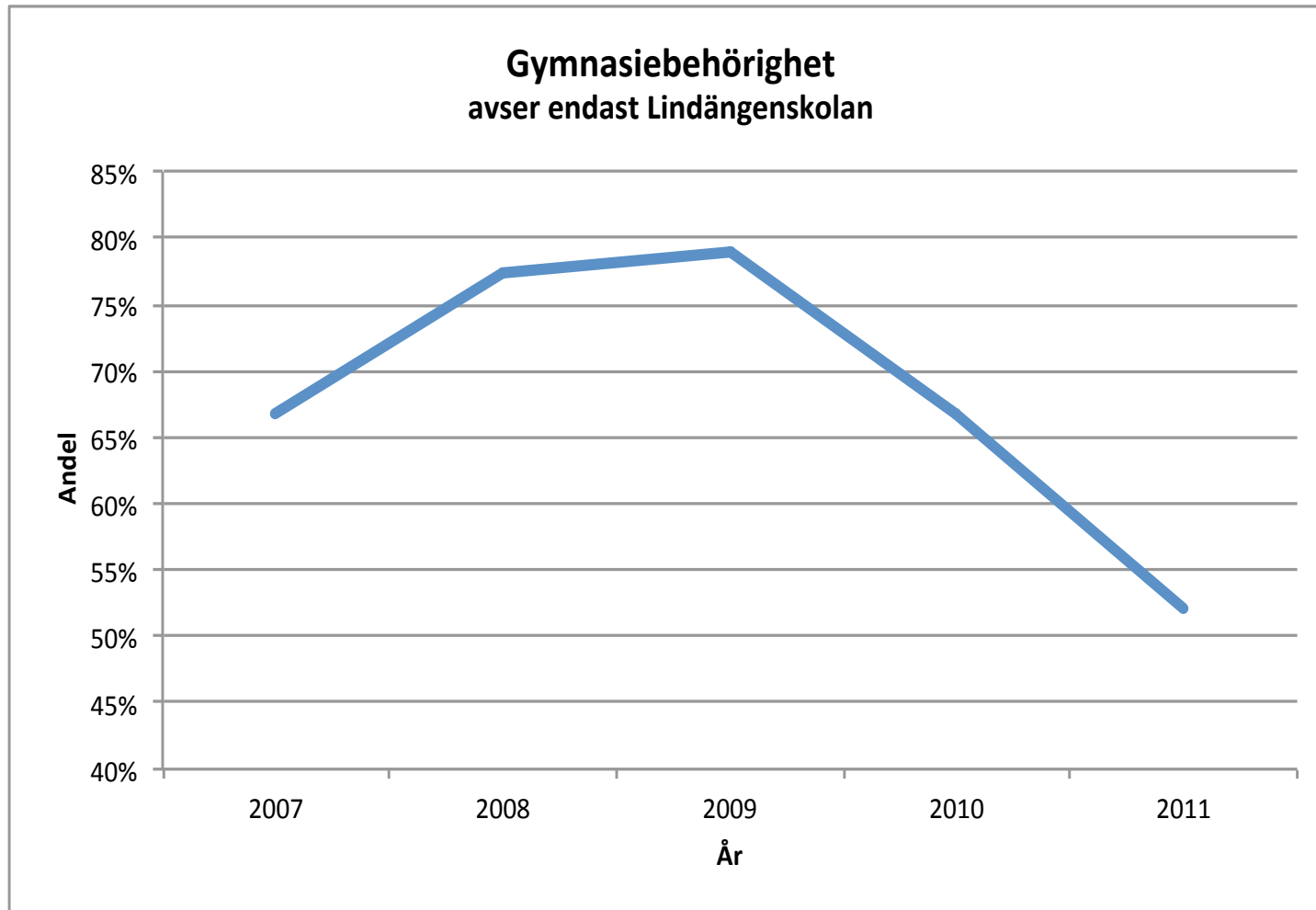
Employment rates are low compared to Sweden, or city wide, but not as low as in some parts of Malmö.

Lindängen: working age population, actual & trends until 2015

The proportion
of people in work
has declined,
and this trend is
predicted to
continue.



Lindängen: number of pupils leaving elementary school with qualifications 2007-2011



Education achievement has declined in spite of new investment. There has been some improvement in school results in the last year.



Lindängen: Change in numbers of people saying they feel unsafe outside in the evening 2003-2011



In Fosie, the borough that included Lindängen, people feel more unsafe than elsewhere in the City.

These are quotes from the Young Foundation's work in Lindängen in 2012, exploring local resilience and wellbeing

“Lindängen is like a family. Everyone is like a big family.”

“I have lived here for 35 years. I have never felt afraid of anything or anyone. I hear so much that is negative about the Lindängen. I am going to live here until I am carried out.”

“I have lived in Lindängen for 40 years. I have never been afraid and I am positive about it. This is a much more open area. The community spirit has improved. People stop and talk and it is a much friendlier place.”

“People are afraid of sticking out, they feel secure in their small world.”

“The library is a public space. The kinds of people who come to the library are excluded from society. The newcomers [to the area] focus on the library. ... The only human contact they have is with the library.”

Sources:

Rowing against the tide, making the case for community resilience, Lucia Caistor Arendar and Nina Mguni, Young Foundation 2012

Report on conceptual framework to measure social progress at the local level and case studies, Lucia Caistor Arendar and Nina Mguni 2013

<http://www.eframeproject.eu/fileadmin/Deliverables/Deliverable9.1.pdf>

Lindängen centrum citizens' dialogue 2012

This mapping exercise was carried out by the Lindängen area programme.

- ★ Like = Uppskattar
- ★ Dislike = Ogillar



STRENGTHS REPORTED BY WORKSHOP PARTICIPANTS

Openness

Good services: a progressive library, breakfast club, “School after school”, multi-ethnic health centre

Courage - “movement against violence” started by local couple

Campaign for Muslim fathers to spend more time with their children

Co-operation: municipality and NGOs working together

Council services now more integrated

Open air swimming pool and the amphitheatre.



Social Life's placemaking workshop February 2013

WEAKNESSES THAT EMERGED IN DISCUSSIONS

Weak NGOs

Barriers between different groups, few places for people from different backgrounds to meet

Stronger “bonding” than “bridging” social capital

Some immigrant families struggle to navigate Swedish systems

Education system seen failing non-Swedes

Some Muslim women are isolated

Despair, little trust in change, poor education, skills, low self-esteem

Lindängen poorly connected to Malmö

The placemaking model



How can we put people in the centre of placemaking in Lindängen?

We drew on what is known, and identified four key sources of evidence and expertise

Promise Neighbourhoods, US (2010 on)



KNIGHT



Knight Foundation, Soul of the Community, US (2010 on)

New Deal for Communities England (2000-10)



Four key learning points

1. We need to build the capacity of individuals - their wellbeing, resilience and capacity to act - as well as tackling deficits like unemployment and crime
2. How people feel about places - their attachment - is critical
3. We need to start from the assets that already exist in local communities - and take time to identify these
4. It is important to avoid silos and over rigid processes

Communities that Care



Communities that care, US & UK (early '90s on)



From our placemaking rapid review: *six principles for placemaking in Malmö*

Context: a detailed understanding of places is the starting point.

Not linear: innovation is neither smooth nor linear - we need to take account of the complexity of how people live and how systems work.

Start small and learn: prototype, use expert & user feedback before moving to scale, embed learning and review in delivery.

People centred: communities are experts of their environment.

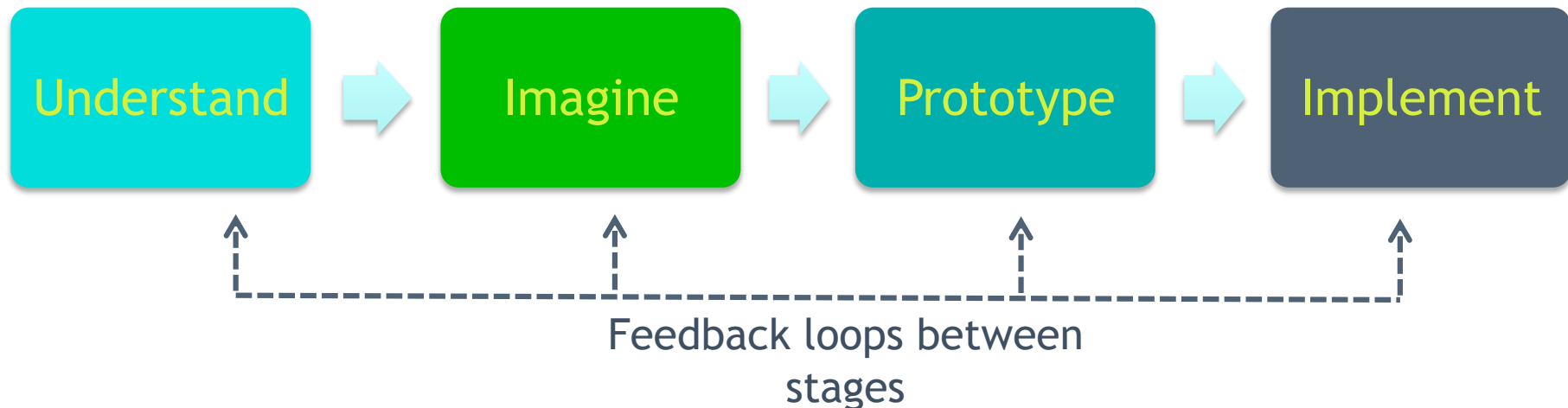
Asset based: success is most likely if it builds on the strengths and assets of a community as well as tackling problems and deficits.

Placekeeping: consider how will interventions be sustained in the long run from the outset.

What will be most effective to tackle Lindängen's multiple problems is unclear, and we do not know what will work best. We have therefore based our approach on an innovation model

A placemaking model for Malmö: *the starting point*

Ideation cycles



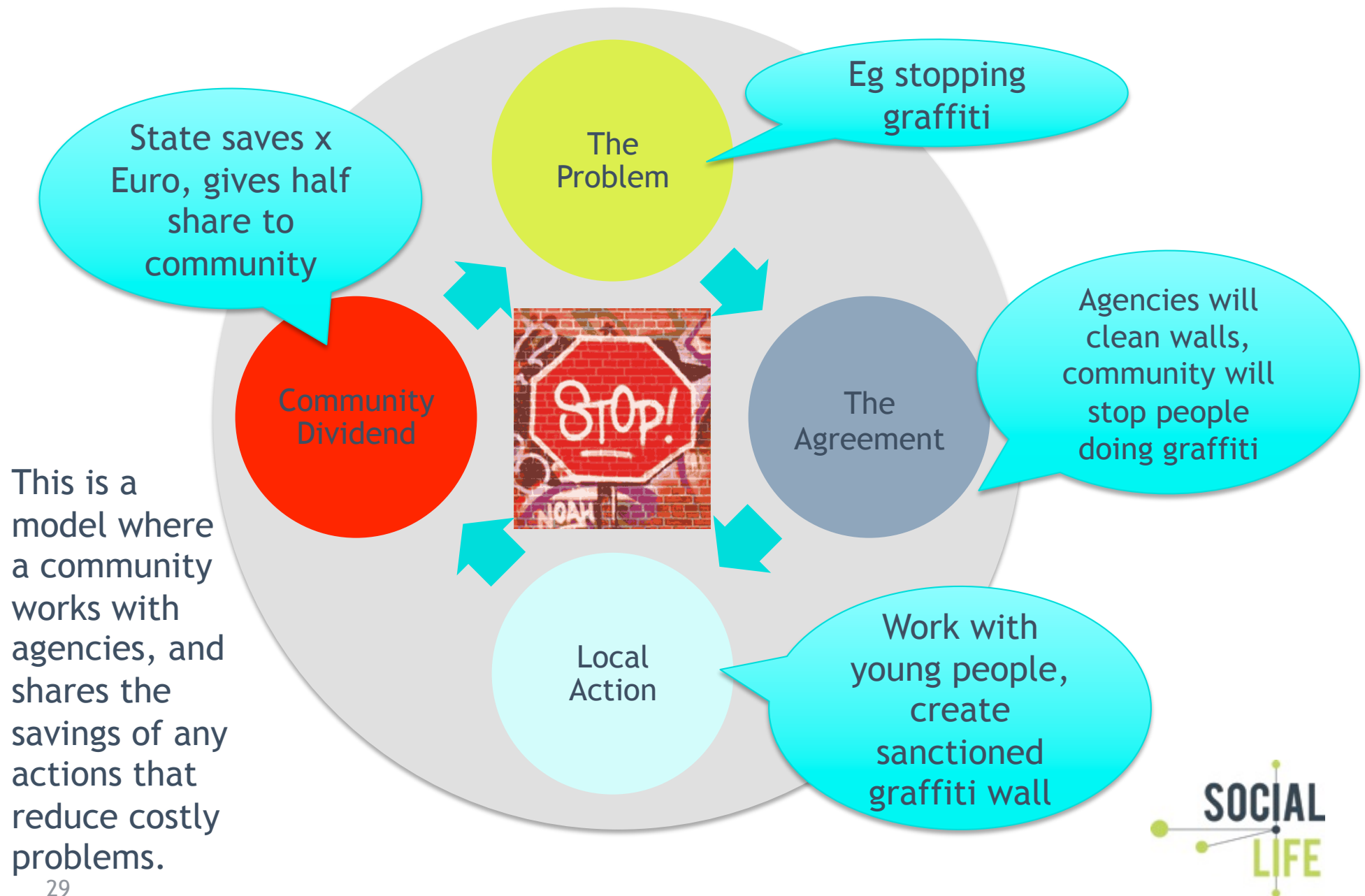
An incremental model based on what we know about how local areas innovate





Underpinned by community dividends to share the rewards with local people

How community dividends could work...





Where to start innovating in placemaking? Some possibilities:

- Activating public spaces: focus on the shopping centre
- Build on strong services that are working across divides: library, GPs, extended school
- Build on assets and strengths: identify and recognise local networks
- Exploit international links with the Arab world amongst many Muslim communities
- Use physical investment to create jobs.



Across Malmö, €65,000 investment is needed per home to meet physical and environmental standards, and to fund a full programme of social renewal.

The City of Malmö has set up its “Regeneration Dialogue” programme, a new approach to regeneration and investment.

€110m investment is needed for the properties identified as falling within the remit of the Regeneration Dialogue in Lindängen.

The costs of disadvantage in Lindängen

Direct costs for each unemployed adult: €75,000 each year

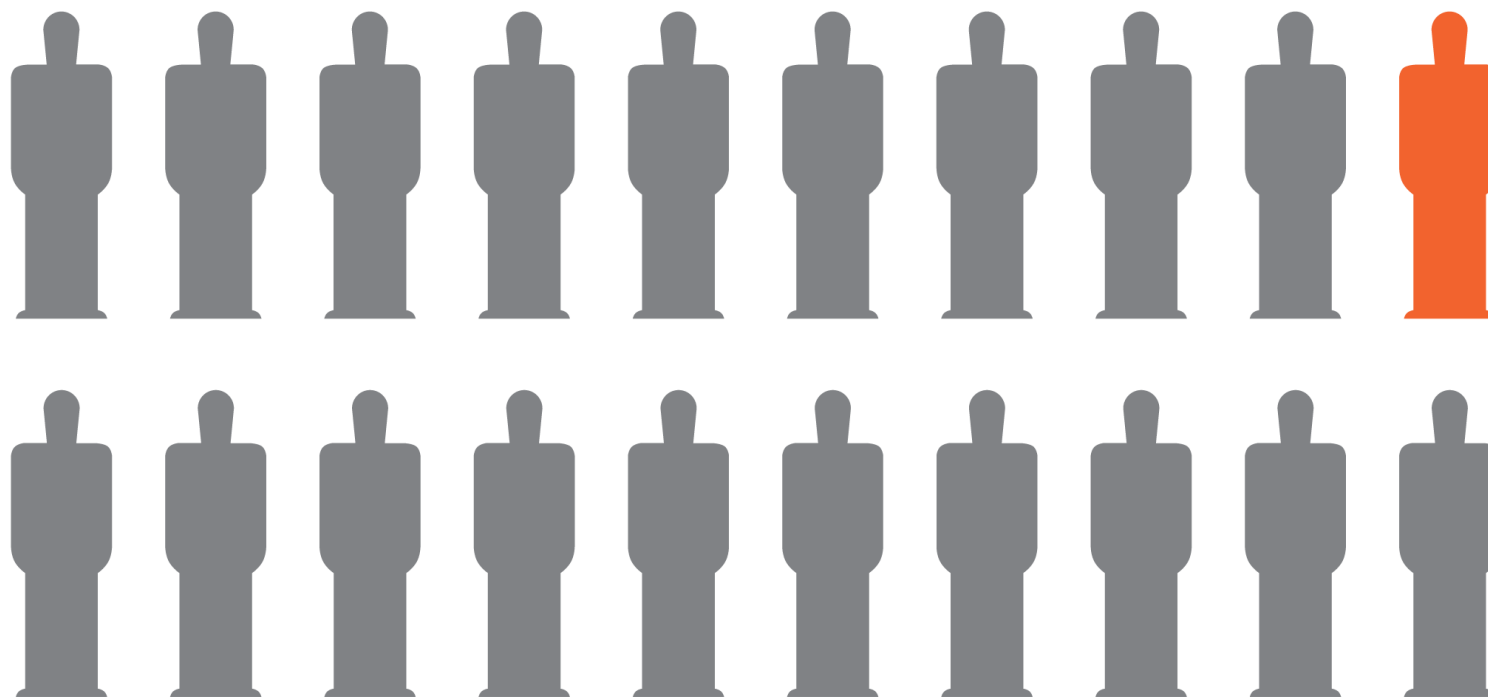
Total income support paid by city (2012): €110 million

350 unemployed (2009) \approx €26 million/year, €130 million/five years

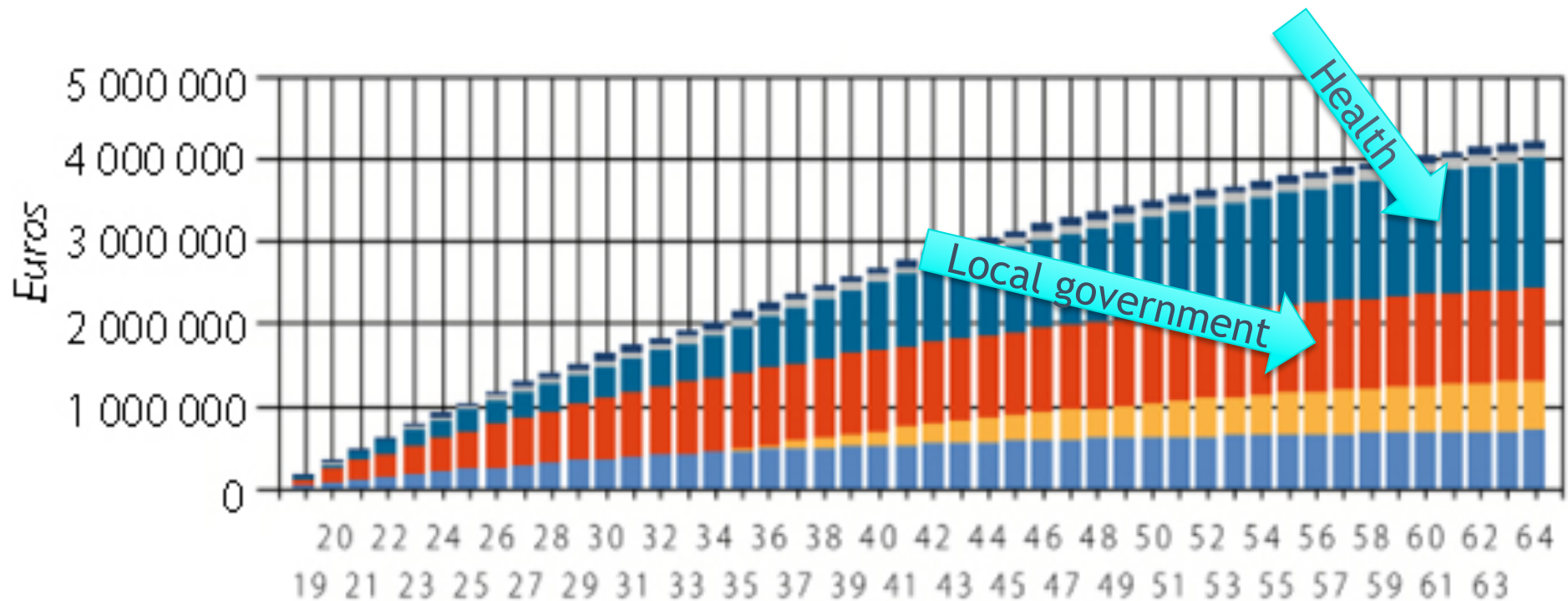
Two Swedish economists, Ingvar Nilsson and Anders Wadeskog have worked with the city and have estimated the costs of social exclusion in Lindängen.



Nilsson & Wadeskog estimate that a reduction in the costs of social exclusion, equivalent to the €60m needed to comprehensively regenerate Lindängen (without sharp increases in rent), could be generated if 138 people currently dependant on welfare become fully employed for eight years, and stop having any need for support from the state.



Average direct costs for unemployment in Lindängen divided between agencies

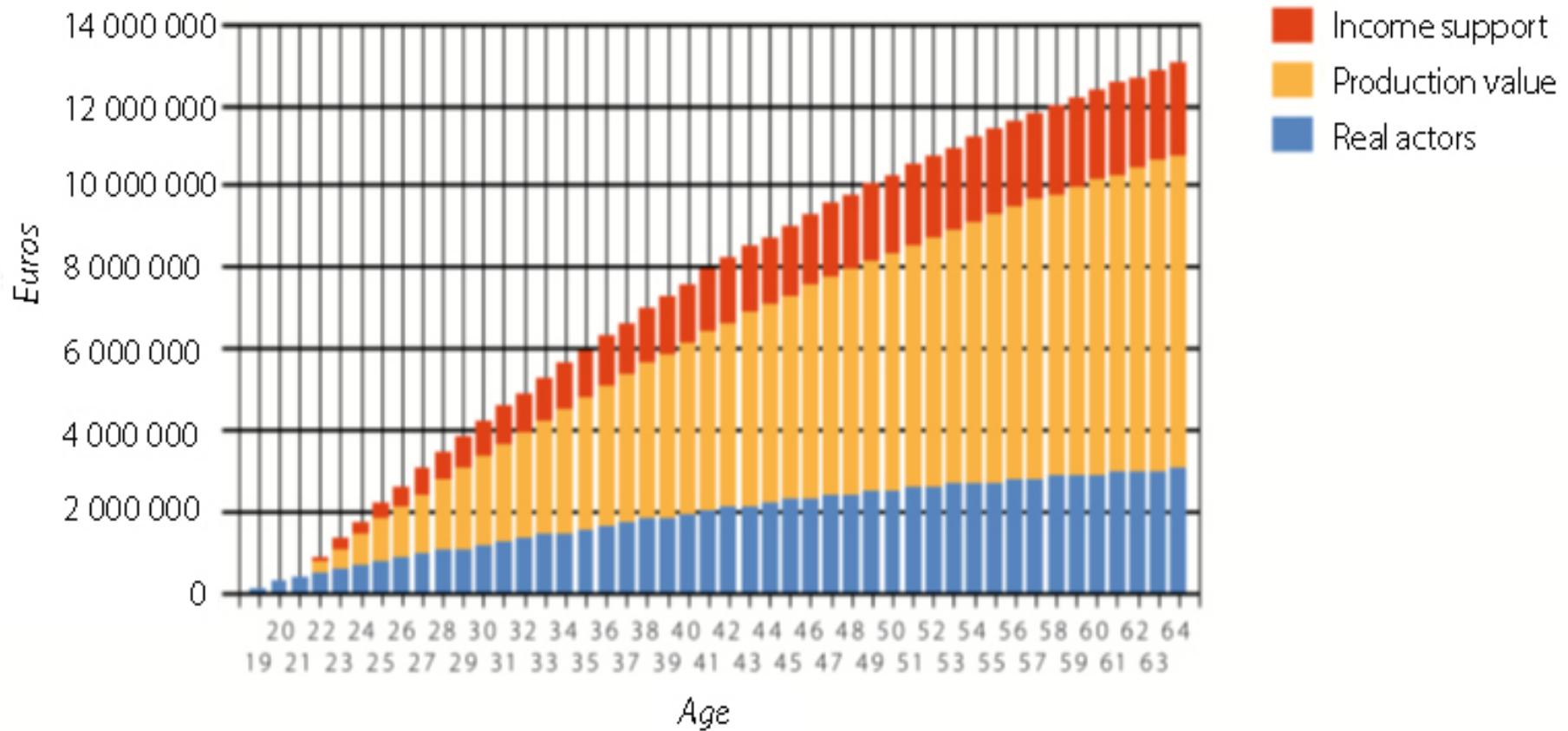


Source: Ing

- Others
- Judicial system
- Health service
- City of Malmö
- National insurance agency
- Public employment service



Costs of unemployment



Source: Ingvar Nilsson

What does the City of Malmö want?

Less than half of the costs - €50m - of the programme to holistically regenerate Lindängen can be funded through rent increases - the public sector cannot fill the remaining gap.

The city wants more investment overall for deprived areas, to fund regeneration and avoid sharp rent increases.

The city also wants to be able mainstream a new approach, to move away from the current situation where holistic regeneration can only be funded through short term initiatives.

And to develop new structures that break down silos and rigid ways of working and enable agencies to work together more effectively and creatively.



The global picture of costs and savings ignores many complex issues that need to be considered before developing a complex social investment proposition.

It is necessary to identify the high cost individuals/families, the points where improvements in how services are delivered could reduce costs, then analyse use of services to find the key intervention points where costs of failure can be released.

Some questions to start a discussion about the potential of social investment

Who are the potential investors?

Who is the target of a new programme?

How to measure impact?

How to invest in innovation?

... how can savings be cashed?

... how can savings be shared?



1 Who are the potential investors?

Institutions: Scandinavian insurance companies, pension fund managers and equity investors who are looking at broadening their base eg SBP (Norwegian owned pension fund), Skandia, Swedbank

Public sector City of Malmö: regional health trust and national employment agencies, other national actors

Property owners: including landlords in Lindängen

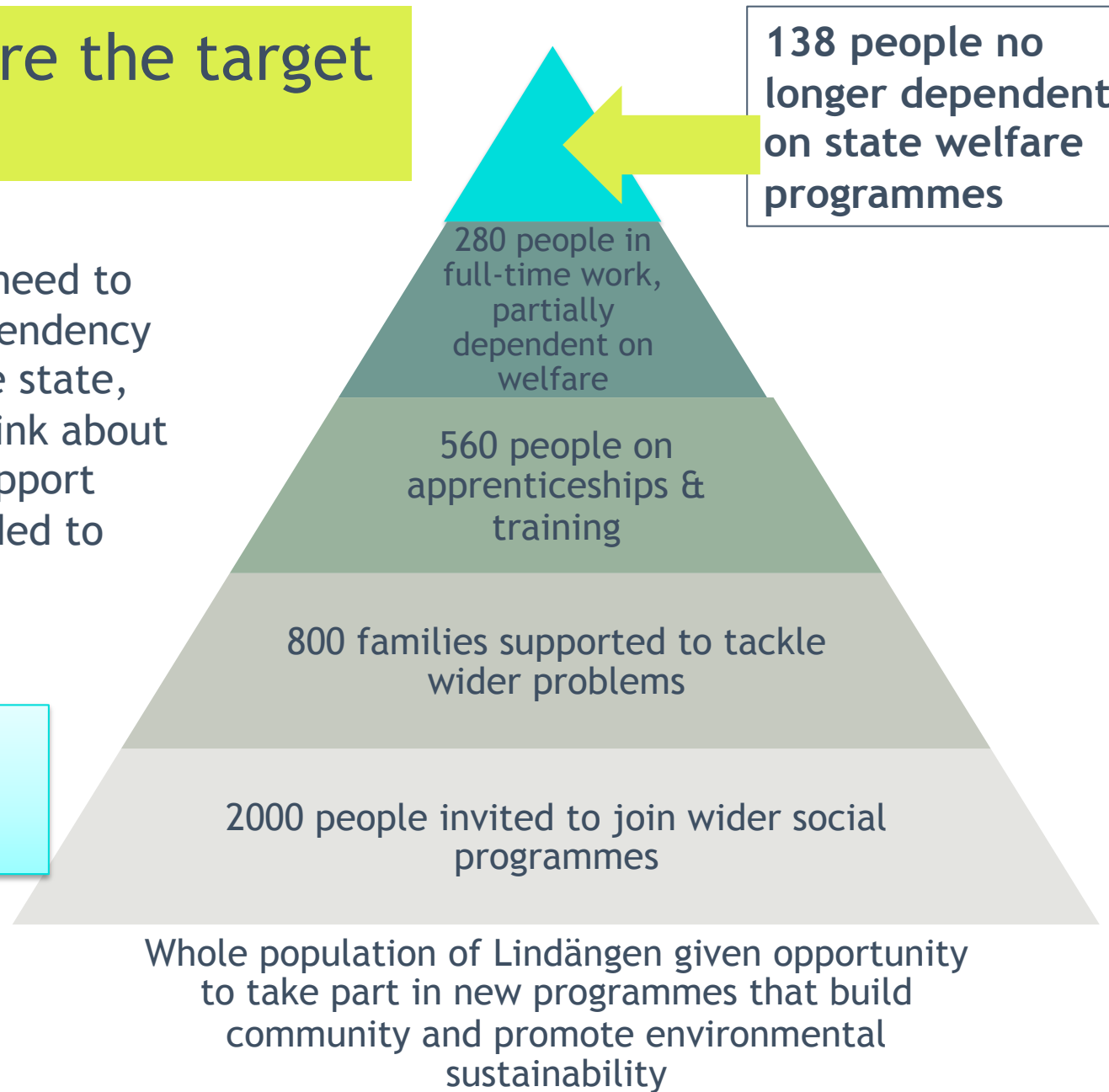
Crowdfunding: drawing on Malmö's own resources, including those of its high net worth individuals.



2 Who are the target group?

If 138 people need to stop their dependency on the welfare state, we need to think about what wider support would be needed to achieve this.

NOTE: all the figures are *hypothetical*



3 How can we measure success?

How can we measure success?

Hard outcomes & outputs: numbers in work, training places, participation rates.



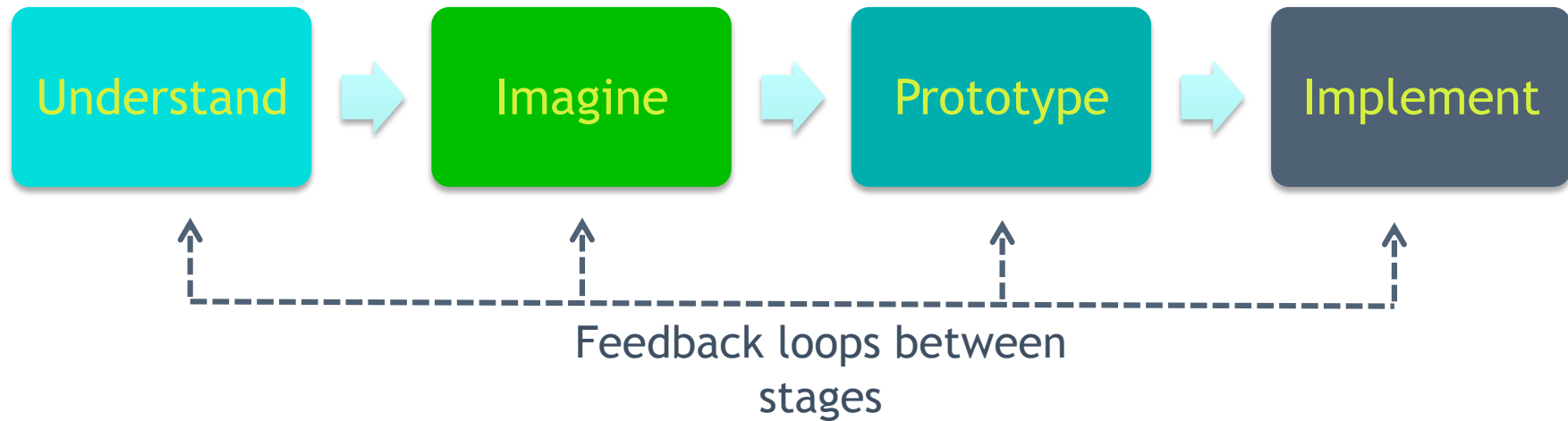
138 people no longer dependent on state welfare programmes

Soft outcomes & outputs: confidence, resilience, sense of purpose, trust, community capacity and cohesion.

Is it possible to build a model with such complex multiple outcomes?
Is a focus on a particular group - eg schools - more realistic? Or on green energy?

4 Investing in innovation?

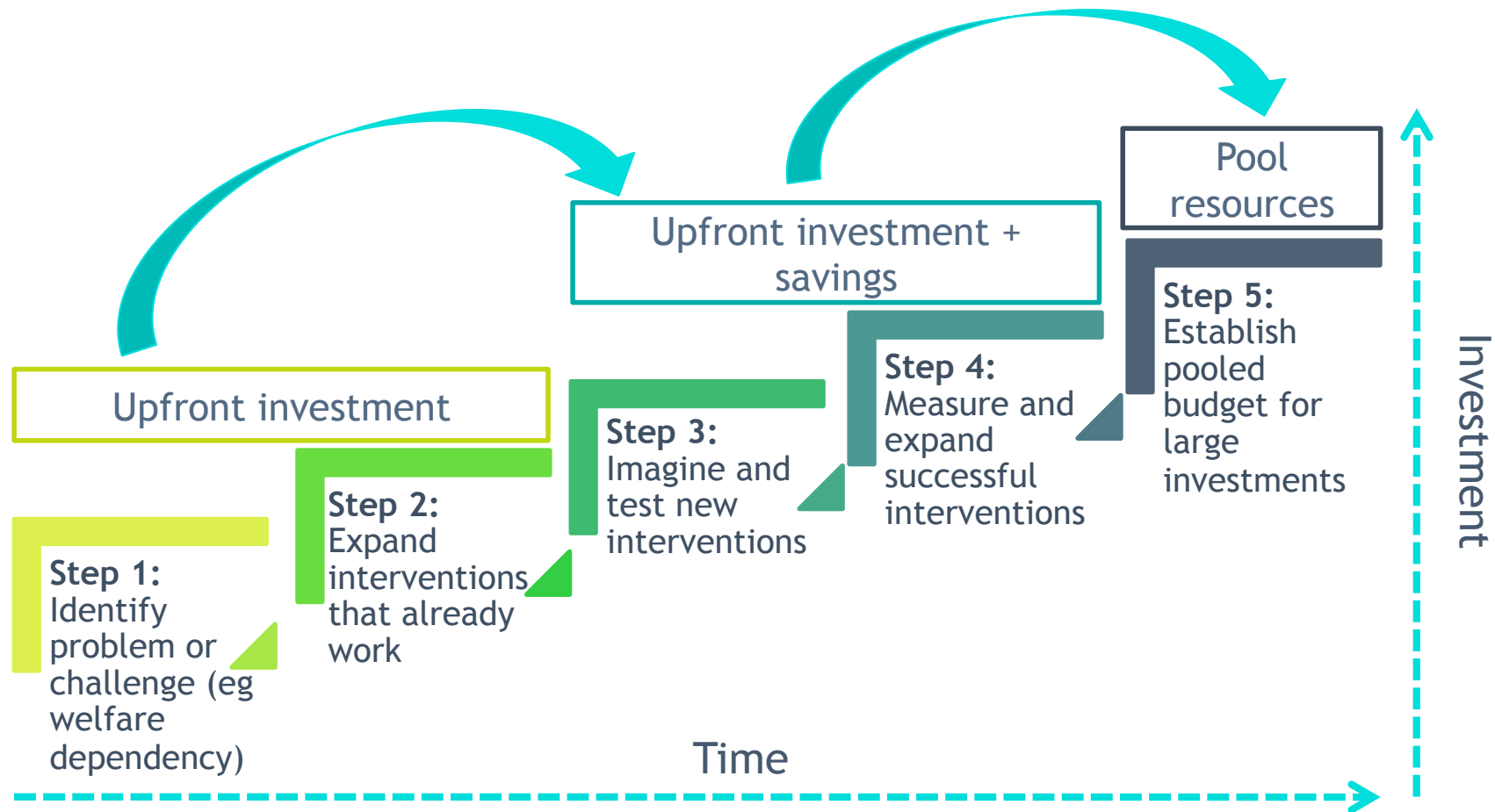
Ideation cycles



How can a new investment fund be developed to support innovations that will not have an evidence base, or track record?

5 Investing in innovation?

One investment model



This is an incremental investment model that grows over time. There is a need for some initial investment, which generates savings. These are reinvested, alongside additional new resources. The investment pot grows as savings accrue, and as agencies learn about what works.



Possibilities for using new sources of finance

- #1 New programmes and initiatives, supported by social investment (acting as traditional investors or providing working capital)
- #2 Payment by results with up front costs funded through social investment
- #3 Social impact bond/pay for success bond
- #4 Creation of new innovation fund to support new programme of action, part funded by public sector & social investors?

Our questions



Can we apply the methods of social innovation to placemaking?

If we are bringing in new sources of finance: what should be the balance between small and large scale projects; starting simple or starting with ambition and complexity?

More placemaking questions ...

How do we build wellbeing and resilience?

How do we generate connections across different groups, especially between people from immigrant backgrounds and long-standing residents?

How do we activate the public spaces?

How do we seek out and build on local assets?

How do we overcome resistance to change within local bureaucracies?

More finance questions ...

Is small and incremental the best strategy to engage new forms of investment, or is starting at scale better?

Is a SIB/Pay for Success model over ambitious, or could the complexity and difficulty starting this be outweighed by real benefits in the long term?

What is the best place to start to begin this new approach?



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