

Reaching Out: The Role of the Third Sector in Tackling Social Exclusion

ACEVO, 30th November 2006

Opening

- It is a real pleasure to be here today – thanks for inviting me to speak.
- The Third Sector is very important to this Government. This is why one of our rising stars has been appointed to represent you – Ed Miliband doing a great job.
- I know you have close relations with the new Office of Third Sector too.

ACEVO was established to provide a collective ‘voice’ for the sector’s leaders, and a more strategic approach to promoting the sector to policy makers and the general public. These are aspirations that ACEVO has clearly lived up to, but I believe you have another great asset too – the ability to evolve and adapt to meet the needs of an ever-changing society. You’re successful today as an organisation because you are still relevant; even though the social landscape of the country has changed a great deal in the years since you were founded.

In your adaptability you characterise the best of what the third sector can offer society.

According to your website, this is all done with ‘professionalism and passion’. It may be disconcerting to some of you to hear how similar this is to the mission statement of the civil service.

I can lay testament to the many achievements of ACEVO, and would like to pay tribute to Stephen Bubb, your chief executive. Stephen has engaged with us constructively on the Charities Bill and three action plans – and that’s just in the last six months. We don’t always agree, but the many vigorous discussions that he’s had with ministers and officials in my department have helped us produce policy that is more in touch with the needs of third sector organisations.

Why is this relationship so important to us? Because we know that third sector organisations have the potential to be more in touch with the needs of individuals and small communities. And at your best, third sector organisations are also good at predicting the social trends that shape society.

Government too is becoming increasingly effective in this, and I would argue that we can lead the way in detecting and acting on global trends in particular.

Context

One of the great joys about being appointed to this brief is that it takes me almost full circle to the beginning of my professional life.

In the 1970's, I was a social worker, community worker, and then college lecturer in the North East. Back then if you wanted to work across communities and have access to those in most need of support, there was little alternative to working with the state.

I learned a lot in those days. I learned how much one person can do to help the lives of people in most need. But I also learned the limitations of working in a large, monolithic organisation that was unable to offer holistic services or respond to the evolving needs of a society going through tremendous change.

I was also acutely aware that state organisations were not able to tailor support to the very specific needs of many of the people and families I was working with. We relied heavily on the abilities of frontline workers but failed to build an organisation around them that could best exploit their talent.

The welfare state, which was created to help people into work and ensure the equitable distribution of the state's resources, had become paternalistic in nature by the mid 1970's. With the best will in the world, we had arrived at a situation in which people were becoming dependent upon the state. Government had failed to tap into people's aspirations and to raise their self esteem.

It took another Labour government to tackle this problem, and we did so with our policy of 'rights and responsibilities'. At the same time as investing unprecedented resources into tackling poverty and disadvantage, we have sought ways to empower people to take back their future into their own hands and work in partnership with them. This is why the third sector has a growing role in this agenda as you have shown the ability to develop a new, more benevolent, relationship with excluded people.

The Argument

Society has changed a great deal in the 19 years since ACEVO was established, and it is a great complement that I see so many people here at your conference today. It is testament to the fact that ACEVO is able to move with the times and adapt to the changing social landscape.

And in many ways, this will be the theme of my speech here today – Change. More specifically how the state can keep apace of a fast-changing society and dispense its duties and services in a way that meets the needs of people today and into the future; striving to be equitable, yet flexible enough to reach those with complex and unique needs.

My argument is that only a combination of reformed public services, including a diverse set of providers from all three sectors, and empowered users can achieve this aim.

So today I want to talk about reform of our public services and the role of the third sector within this process. I also want to talk about our approach to tackling social exclusion, for two reasons:

1. Firstly, a reformed public service has to be one that is better than any previous one at delivering to the most excluded people in society.
2. And second, because the third sector has the potential to play a greater role in serving people with multiple and complex needs.

Public Service Reform

It's tough for an organisation to keep up in a rapidly evolving world. No one knows this more than you do. But if it's difficult for you in organisations ranging from a few employees to perhaps several thousand, imagine how it is for the state.

Since coming to power we have achieved a great deal. Our first priority in 1997 was to restore our universal services so they were fit for purpose in modern Britain. By doing this we stemmed the exodus into the private sector of people who had simply lost faith. Had this programme of investment not been carried out, I seriously doubt that universal provision would still exist in Britain today.

But we continue to battle for a more effective system of delivery that demonstrates their relevance to people's complex and fast-changing lives.

We have introduced contestable markets in a number of key areas, and this has increased the diversity of providers from across the sectors and also the choice available to service users. It is now commonplace for a charity or voluntary sector organisation to compete openly with a private company or statutory service, and this is to be welcomed. It is the job of government to create a genuinely level playing field, so that the organisation best equipped to deliver the highest quality of services is ultimately selected.

This, obviously, means we must have an exemplary commissioning process in every local authority. We have made good progress in this, and many of you will already have a good relationship with your local authority and commissioners. But I am well aware that we must go much further to ensure that commissioners across the country are fully aware of exactly what the third sector is capable of delivering.

Not long ago I mentioned commissioning in another speech I gave to a third sector audience, and about an hour after I returned to the office the following e-mail came to me from the chief executive of a small charity:

“In my experience, the culture in local government is so different from that in central government. There seems to be political will to change things for the better and involve the Voluntary and Charitable Sector but at local level I can’t even get commissioners to return my calls, let alone set up contracts and negotiate on full cost recovery. Commissioners recognise the good work we do but are more concerned with justifying and bolstering their own, often failing, services, than entering into negotiations with us. So we continue with spot purchase and limited success in full cost recovery.”

I know many commissioners and local authorities are building extremely strong and productive relationships with third sector providers, but this is not yet universal and we have some way to go.

I wanted to read that e-mail today to demonstrate that we do hear your concerns, indeed we share your frustration - nobody is more committed than I to seeing progress in this area. There are times when we get things wrong in central and local government, but I assure you that there is a genuine desire in both to get it right for the users and providers of our public services.

In my Department you have an advocate within government that seeks to empower you as organisations. In cases like the one I just mentioned, I would like to see further powers available for you to challenge local authorities and contest bad commissioning wherever you find it.

Over a million people are treated by the NHS every day. Each of these people has different demands and different expectations. The service on offer must somehow complement a vast array of lifestyles and livelihoods. It is no longer a citizen's job to fit in with our prescribed way of delivering a service; it is our job to create a range of services that engage people as individuals.

The next frontier on our reform programme will be to personalise our services to a much greater degree. And people who think this agenda is about only serving middle-class people with a hectic social life are wrong. Because people who are poor, badly educated, or have mental health problems require the most highly tailored services of all.

In my job as Minister for Social Exclusion I have been focussing our policy agenda towards these people. Their needs are complex and multiple, and their aspirations are buried deep down and are impossible to reach with universal services in the way they are configured today.

In September I released the Social Exclusion Action Plan – a rattling good read - which outlines our approach. A sharp focus on the most vulnerable. Early intervention wherever possible. And evidenced-based policy delivery, building on the experience we have built up together.

It is plain to see that third sector organisations have a potentially revolutionary role to play in our renewed drive to tackle social exclusion. I have been on many, many visits to third sector organisations all over the country and have seen first hand the kind of individually tailored, holistic, service that the state is usually ill-equipped to provide.

- Mention Sunderland Home Care

Third Sector Action Plan

Getting commissioning right is essential if we are to secure a truly diverse market for delivering public services and ensure the very best outcomes for service users.

This is why I am delighted to announce that next week we will be releasing the third action plan from my department in four months, the Third Sector Public Service Delivery Action Plan. I'm not able to discuss this in too much detail before its release; but I can tell you it will contain specific measures for improving the standard of commissioning for third sector providers and a new policy initiative to educate commissioners in the unique qualities that your organisations bring to the table. I look forward to saying more about this once the plan has been released.

But of course not all is for government to do. We're committed to full cost recovery for you – but conversely you need to make even more effort to ensure your initial bids take full account of all your costs and this is a challenge to you as chief executives. In addition you must rise to the challenge that faces every

organisation in every sector – and that is to recruit a workforce that is more reflective of society as a whole.

Over the last decade, the government has invested heavily in our public services, and introduced tax credits and the minimum wage to harness the aspirations of those at the lower end of the income scale. Through these measures and our universal services, we have achieved a great deal – making unprecedented progress in lifting people out of poverty, most notably children and pensioners.

If you'll forgive me making party political point, David Cameron got a great deal of credit for accepting the concept of 'relative poverty' last week, but not only have we accepted the concept for decades, we've had policies in place for almost ten years now to tackle it – this is one more party he's turned up to very late indeed. It is with pride that I can say the poorest have benefited most from this government, with the incomes of the poorest two-fifths increasing faster than those in the top half – contrast that to the 1980s when income inequality increased dramatically.

The Future

So why do we proceed with such energy on our programme of reform? Well, one reason is that it is becoming clear that some people are better equipped to take advantage of universal services than others. Wealthier people are more likely to use health visitor, for example. At the moment it is still the case that the middle classes are more empowered to take advantage of our world-class services than the less well-off.

Our challenge as policy makers is to empower the excluded to the same extent as others, so that they too may fully exploit the opportunities available to everyone. Use of the third sector will be essential to this process – your work as advocates, providing a voice to the voiceless is essential in this. Nineteen years ago, when ACEVO was established, the campaigning element of your work was greeted with hostility by the government of the day, but times have changed.

Make Poverty History, the campaigns for gay rights, and so many others have succeeded so spectacularly because they have found government to be a partner for social change, not a barrier.

Why? Because we know that you have a unique ability to amplify the voices of the isolated and disempowered, and when this voice is authentic it captures the spirit of common endeavour that we in Britain have responded to through the generations.

So whilst at times you will ask for more than we can deliver, in a timeframe that's unrealistic, I can assure you that we admire your campaigning spirit and recognise that it comes from a genuine commitment to changing our society for the better.

I mentioned earlier that we seek diversity between the sectors within the delivery systems for public service, but we also want diversity *within* sectors too. This government recognises that in a sector as diverse as yours, large charities with professionalized corporate structures are a force to be welcomed, not feared. They have something unique to offer. And conversely, small highly localised, community and specialist, charities and voluntary organisations can make an incredible impact.

So where organisations of different sizes are operating within the same area, I would like to see a much higher degree of partnership between organisations of different sizes than exists at this time.

Support of this kind within the sector can only strengthen it and spread the kind of best-practice and advocacy work that is the hallmark of your approach. On this note I would like to congratulate both Barnados and NACRO for entering into this sort of relationship with smaller organisations.

So where will this take us? Our reform agenda seeks to offer equitable service provision that is tailored to the needs of users and flexible enough to enhance life in modern Britain. Much of the middle classes have this now, the wealthy have always had it, but we will not rest until everyone is equally empowered users regardless of their class and position.

Future Challenges

The pace of change within our society is extremely fast – overwhelmingly fast for some people. It is amazing to think that it only took sixty years from the Wright Brothers first flight until we'd flown to the moon. And that was last century. But it's not just technological progress we have to adjust to - it's social progress too.

The challenge we face now is not to build systems that are equipped solely for the challenges of today, but with innovation and adaptability in its DNA, able to foresee the pressures of tomorrow and be ready for them.

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