

The National Council for Voluntary Organisations (NCVO) –

Breakfast Briefing

Wednesday 8th November

Rt Hon Hilary Armstrong MP

Thanks for inviting me here this morning. Seeing so many third sector folk willing to get up so early to meet like this really does show how keen you all are!

We live in a society that is changing rapidly, and as everyone in this room knows, this creates challenges for both our sectors. The Prime Minister responded to the challenges facing the third sector earlier this year by unifying from across government the units and Offices that have traditionally served you. The consolidation of these units reflected the growing role that the third sector plays within society – and the potential it has to do more.

But the Prime Minister went further by creating a cabinet level post for Social Exclusion within the same brief. So I now head-up a department that not only encompasses some of the most challenging aspects of public service – reaching the most disenfranchised among us - but also for a sector that will play a key role in reaching them.

The message to you is clear; that this government takes seriously the opportunities presented by the third sector and social enterprise. The opportunity to deliver services to the public with ingenuity, efficiency, and professionalism. And crucially, the opportunity for the state to build a new, trusting, relationship with society's most excluded individuals and families.

It's taken a little time to get things organised in the Cabinet Office, but in the world of government restructures ours was achieved at light-speed. The Social Exclusion Taskforce has been up and running since the summer and we recently appointed Naomi Eisenstadt to head it up. And last week the Office of the Third Sector moved into its new office and I was extremely pleased to appoint Campbell Rob as Director General (a man known to you all).

In terms of policy we have all been working extremely hard since moving to the Cabinet Office. In September we launched the Social Exclusion Action Plan, which is a major piece of work – presenting first rate analysis of the challenges we face as a nation to reach the most excluded 2.5% with targeted, personalised, and effective support. In that action plan we set out a series of system reforms and pilots that has established our renewed drive to bring the opportunities enjoyed by the majority in our country to those at the bottom. I hope that many of you have seen this document, as it is also sets out our approach to tackling social exclusion and presents a variety of opportunities for third sector involvement.

Two further action plans are also in the pipeline. Next week I look forward to launching the Social Enterprise Action Plan alongside the Chancellor and Ed Milliband. And later this year we will publish the Third Sector Public Service Delivery Action Plan. Today, hopefully(!), the Charities Bill will receive Royal Assent, followed by a little discussed and complex bill – The Legislative and Regulatory Reform Bill – that will also have a bearing on your sector as we ease the regulatory burdens on organisations throughout the country.

It gives me pleasure to tell you about how much we have achieved in such a short period of time – but I am keen to talk about the future and the relationship between the state and third sector. Indeed, there is a lot to talk about.

I began by saying that our society was evolving rapidly. Many people find that difficult to comprehend, and some have tried to resist it. The third sector has a long and proud history of delivering services to the public, and its relationship to the state has also been constantly changing. In fact, so swift has these changes been, I doubt many people in the general public realise the full extent to which third sector organisations are engaged in delivering services or supporting people throughout the country. I also doubt many people realise how professional many charities have become, building sustainable and robust organisations, offering secure employment and delivering reliable services.

I cannot predict with certainty the role that your sector will play throughout our society in the decades that lie ahead, but what we as a government can do is equip and empower the third sector to play the role that society demands from it over time. And we must also acknowledge that the role of the third sector will evolve over time, just as it always has done, and not stand in the way of that evolution - providing it remains in the best interests of service users.

I believe it would be no exaggeration to say that for the first time ever the Third Sector is swimming with, and not against, the prevalent tide. More opportunities are opening up for Third Sector organisations to become truly involved in shaping and delivering public services. This reflects Government's renewed emphasis on:

- Personalised services;
- Reaching out to the socially excluded;
- And on the state not simply being an enabler, but an empowerer.

I should say at this point that I realise just how diverse your sector is – supporting people, buildings, the environment and animal welfare across our nation, sometimes in such highly localised ways that they are simply not replicable. I also know that not every charity, voluntary sector organisation, and social enterprise seeks to deliver public services or partner with local authorities. But I know many people within your sector are keen to exploit the possibilities that our approach to public service delivery presents.

I would argue that this government has been an exceptional reforming government. Not reforming for the sake of it, but with the needs and aspirations of the service users clearly in mind. The devolution of power and resources to regions, cities and even further has enabled partnerships between the third sector and the state in an unprecedented way. Some of our more enlightened local authorities have allowed third sector organisations to shape and deliver services in ways that benefit the service users in very

meaningful ways. And don't forget that government is now the largest single source of funding for the third sector.

This quiet revolution has taken place largely through the enabling power of government, from the top down. The next revolution will happen from the bottom up, through the empowerment of service providers, many of whom could possibly be represented here today. How can this be achieved? – Through better commissioning of services and by giving third sector organisations the power to challenge authorities when they have a proven track record and an exemplary service to offer, but are not being considered as a service partner by authorities.

So what does this tell you about our approach? It says that we are a government focussed upon the needs of service users, yet 100% committed to the public service ethos. You will have all heard echoes of our approach from the Conservative Party in recent months – in fact I'm sure many of you have been stalked by David Cameron in his bid to win over the sector. But whereas we see partnership, Mr Cameron sees an opportunity to relinquish responsibility to society's most disadvantaged – another chance to 'roll back the state'.

The Cabinet Office is not a spending department, and my job is to remain a 'thorn in the side' of my cabinet colleagues. My mission is to keep the reform process going, and to ensure that all of our reforms have good outcomes for the most disadvantaged individuals in society. So it would be fair to say that my department is your champion within government.

In terms of commissioning, my team has been working extremely closely with the Department for Communities to advocate good outcomes for the third sector – and at a ministerial level too, Ruth has been extremely supportive of our agenda. The Local Government White Paper was a major step in the right direction I believe. The Office of the Third Sector is building on this work now for the Third Sector Public Service Delivery Action Plan, to be published later this year, and I look forward to making further announcements at that time on further moves towards the empowerment of your sector.

I realise just how important the commissioning process is to you. And as far as we have come in recent months, I'm the first to admit that we need to go much further to have a commissioning process that is responsive enough to possibilities offered by new and innovative service providers from all three sectors. We're only going to achieve this if we work closely with all three sectors. If the third sector is to play a key role in providing services, then it must also help shape the commissioning process itself. It is my hope that your ideas, vision, and innovation will play a central role in the evolution of our

commissioning services, and can assure you that the Cabinet Office will work closely with you to facilitate just such a process.

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