



A Framework for the Future

A speech by Phil Hope MP, Minister for the Third Sector at the Strengthening Communities: partners in action conference, 5 February 2008 (check against delivery).

Thank you Matthew and thank you all for being here:

- this is the first time our two departments have come together for this kind of conference and delighted to be working closely with Baroness Andrews
- it demonstrates importance that CLG place on the third sector, at a time when they are working to deliver significant changes in local government.

In our world where there is so much information we can sometimes get bombarded, but what we're trying to do, together with CLG, is actually very simple.

We are working together to improve the communities we live and work in. And local government and the third sector working together is at the heart of achieving this.

This can be seen in the commitments set out in both the Local Government White Paper and the Third Sector Review. These describe the government's vision for the role of the third sector in economic and social regeneration. The work that we are doing stems from there.

Baroness Andrews described the changes to the way that local government will work as the reforms promised by the White Paper are being implemented.

The changes bring a new set of challenges, but they offer great new opportunities for local government and the third sector to work together to shape the communities they serve. This is a theme that will be discussed in our first workshop where we will look at the four key roles of the third sector in Local Area Agreements.

Baroness Andrews has already spoken about the Duty to Involve, and how the Principles of Representation can help the sector to organise to be effective partners on Local Strategic Partnerships.

In addition, the shift to commissioning should offer third sector organisations new opportunities in delivering local services. And, the change in the way that the Audit Commission measures local government performance through the Comprehensive Area Assessment will also give more opportunities for voices from the third sector to be heard.

All of these elements pull in the same direction. They embed the role of the third sector into the DNA of local government, bringing voices from the margins into the mainstream.

The new performance framework includes the new set of 198 indicators. It is said that what is measured is what matters. So, I'm pleased that while there are many indicators where the third sector can be a crucial delivery partner, there are two indicators that are specifically focused on the third sector itself.

Measuring every local area on their performance against these two indicators should drive long term changes in behaviour. And this applies whether or not these indicators are included with the 'up to 35 indicators' chosen for each LAA.

This set includes many indicators where third sector organisations can be crucial delivery partners. It also includes two indicators explicitly focused on the third sector:

- Indicator 6 on the level of regular volunteering; and
- Indicator 7 on how far local government is helping to shape an environment in which the third sector to thrive.

For the third sector indicators, the early reports are positive. There is still a long way to go and a lot of haggling to be done until the final LAAs will be signed off in June. But what it already shows is that local people and local areas understand the value of volunteering, and how vital a thriving third sector is to their local communities.

The challenge for all of us in this room is to make the most of these new opportunities, and to improve the lives of those in the communities in which we work.

One of the commitments in the Local Government White Paper, which was also set out in the Third Sector Review, is our commitment on three-year funding of third sector organisations.

This states that government departments should pass on the stability provided by their three-year financial settlements to the third sector organisations they fund. This applies at a local level as well as to central government departments. And it applies to contracts as well as grants, which means that it is relevant to all third sector organisations from social enterprises to small community groups.

Baroness Andrews and I have been working closely on this. We recently hosted a round table discussion with local authorities who are leading the way on three-year funding to the sector.

I am pleased to announce that these local authorities agreed to take part in a pilot project on reporting local authority three year funding. I would like to encourage other local authorities to participate. If you are interested, please tell your table host and we'll be in touch.

However, within all the change, we recognise the continuing need for grants, particularly for small groups. So we have just launched Grassroots Grants to provide small grants for those local community groups which are so important to building cohesive, vibrant communities. And to help develop sustainable local funding we will be providing grants to local funders to invest in

endowments providing they are matched by local private donations. We have just opened tender process for local funders to get involved.

But there are many other innovative ways that government can invest in communities.

We want to enable social enterprises and other enterprising third sector organisations to grow. The Government is committed to helping third sector organisations access appropriate finance. So:

- I am pleased that the government is announcing today changes to Community Investment Tax Relief. The changes are designed to strengthen the ability of organisations, known as community development finance institutions (CDFIs), to attract private investment. In turn, these organisations provide access to finance for enterprises in disadvantaged communities - including social enterprises. This will get finance into those places which mainstream finance can't or won't reach.
- The Interim Evaluation of the Adventure Capital Fund will be launched later today. This is an important chance to learn how they ways in which investment in community anchors can contribute to the success of these organisations.
- Also I would like to congratulate to Adventure Capital Fund on winning the contract to manage the second phase of the Futurebuilders Fund.

In addition to these, the response to our Community Assets programme has shown that there is a strong interest in the sector to own and manage more assets. And that local authorities and local third sector organisations have worked successfully together to put in joint applications. We are on target to announce successful applicants in March.

The Third Sector Review made clear that the development of community anchors is essential (along with the Grassroots Grants programme) to building strong and cohesive communities.

OTS has committed £10 million to support the development of community anchor organisations. We are developing the programme and look forward to hearing your views in the workshop about the most effective ways to support community anchors

So, we are working together across government to give you the tools and the support at a local level to make this happen.

There are two aims for today

Firstly, it's about equipping us all to make the most of the opportunities that are presented by the changes at a local level. Local level is where it all comes together, and that is why you are far more expert than we are, and why what you have to tell us today is so important.

Secondly, it's about walking the partnership walk. Modelling partnership approaches at all levels:

That's why OTS and CLG have put on this conference together, experimenting with innovative forms of consultation – the technology on your tables

That's why you are sitting in 'mini-LSP', mixing local authority and third sector delegates, with a government office representative as your table host and facilitator.

That's why the challenges we have set you today are all about informing our policy as it develops.

I hope you enjoy the day and I look forward to hearing what you have to say.