

The Compact: an alliance for cultural change

Transcript of a speech by Ed Miliband MP at the launch of the Commission for the Compact

11 April 2007

It's a great pleasure to see such a distinguished audience here, so shortly after Easter. And I particularly want to single out Nick Deakin who is here today and, obviously, is one of the fathers of the Compact. I'm really privileged that you've come here today to this launch.

I'm really pleased to be here, John, for the launch of the Commissioner for the Compact because I think your appointment and the setting up of the Commission has been one of the most important pieces of work that the Office of the Third Sector has been undertaking.

I want to try, if I can, to really talk about why I think the Compact is important. It may be fairly obvious to most people in this room but I think it's worth saying. Secondly, how I see its evolution and then, thirdly, how I think your role ties in with some of the other things that we're doing to take the implementation of the Compact further, to create the kind of alliance for the cultural change on the ground, which I think we need to see if the Compact is actually going to be fully implemented.

A more equal partnership

So, first, let me say something about the Compact and why I think it matters.

When I think about the things that the Office of the Third Sector has been doing since it came into being – the Charities Act, the Public Services Action Plan, even the recent micro-grants announcement in the Budget – I think they're all

about strengthening the legal, regulatory and financial foundations of the sector. The Compact, in a way, is the bedrock on which all that sits.

And it ties in with my view that the way to see the relationship between government and the third sector is as a partnership not as a rivalry. Government needs to be a good and, indeed, a better partner.

Now, why does that mean that we need a Compact?

I think you need a Compact because of the power imbalances that there are between government and sector. That's true of the small local community group and its relationship with the local authority. It's true of larger third sector organisations and their relationship with government departments. There is that power imbalance.

Government faces many pressures – fiscal pressures, political pressures, all kinds of other pressures – which might sometimes seem to push in many different and conflicting directions. That's why it's so important to have a set of standards for which government is held to account and, for me, that's what the Compact does.

I know the sector doesn't forget this, but I think it's important for government not to forget, that this is not about the sector, this is about citizens. This is about whether there are stable services without breaks for citizens. This is about whether you have consistent voice and campaigning by third sector organisations, without interruption. This is about whether the people's voice can be represented properly in terms of consultations that take place. It's about the whole range, the broad range, of what the sector does – but on behalf of the citizen.

I think that's an incredibly important point because the message to government is, this is not about being nice to the third sector, this is about actually honouring the people that the third sector represents. So this is my first point, about why the Compact is important.

Progress

Secondly, progress. John has already talked about this, so I won't go on at length.

I think the Compact was a historic document. That's why I wanted to single out Nick Deakin for his contribution to it. It's now being emulated, I think I'm right in saying, John, by 25 other countries, it says on your website, who are trying to learn from the Compact and what's been done in this country. It was groundbreaking in spelling out good practice. And as we now know from John's

presentation and from the reality on the ground, the national Compact was just a start: now, in 99% of local authorities, there is also a local Compact.

I think that the recent state of the sector panel figures show that it's clearly having an effect. It is having an effect in terms of full cost recovery, in terms of three-year funding, and if you look at the 28 Compact Voice commendations for good practice and for, I think, what they call, gold standards of practice – none of that would have happened without the Compact. None of it would have happened without that benchmark that the Compact provides.

But, and this is, in a way, a very important 'but', to make the Compact a living reality on the ground and to make the kind of cultural change happen that we need to see, we don't just need the right principles and outstanding examples. We need a mechanism to bring about that cultural change more widely and more deeply.

Stuart Etherington gave a recent speech, I think it was at the CASS Business School, and he said: "The compact and its codes of practice have provided a solid basis on which to build a better relationship between government and sector, nationally and locally. The future challenge is doing a better compact way of working for mutual gain in every government department and every local authority." I agree with that.

Achieving cultural change

Now the question is then, how do you do that? I think there are four ways in which we can do that. There are four things we need to do.

First of all we need the right framework coming from central government. It's not all about what central government says and the framework it puts in place, but that is important.

There are two important developments that I would point to in the last few months. First of all, the Chancellor saying in the planning of the Spending Review, that three-year funding should be the norm not the exception; something John referred to. And secondly, the clear expectations in the Local Government White Paper, in a way paralleling the announcement about the CSR, that three-year funding should be passed on by local authorities.

I think those expectations and demands from central government are incredibly important, forming the framework for the discussions about implementation of the Compact, including the culture change we need. But they're not enough.

So secondly, I think we need a voice within government, which can advocate and push forward the cultural change we need to see. That's what I see as a central mission of the Office of the Third Sector. How are we doing that? Partly in

overseeing the commitments made in the CSR and working across government to spread understanding of what good partnership working means, across other government departments and elsewhere.

This is embodied, for example, in our programme to train the 2,000 most important commissioners in public services, in local authorities and elsewhere; so they understand what they need to be doing to work with the third sector.

I think it's partly about our advocacy for the sector's right to campaign, something that I've taken very seriously since I got this job. I also know that there have been some recent statements by the Chief Charity Commissioner about this which have been very positive.

As I believe we've tried to show in certain highlighted cases, I think it's also about our willingness to intervene, as a last resort, in cases where the sector feels they are not getting results from government departments.

So that's our role, tying in with the framework set by central government.

Thirdly, and this brings me to the role of the Commissioner for the Compact, I recognise that just as in the case of business regulation where you have the Better Regulation Commission, an independent body at arm's length from government talking about issues of business regulation, and just as you have the Children's Commissioner speaking out about children's issues, we need a powerful advocate who is a step removed from government. That is where John's role is so important.

I am very delighted that John has taken up this post because, as was shown in his presentation, I think he brings the intelligence and rigour that is absolutely necessary to make a success of this job. It's intelligence and rigour that you need if you're going to have the kinds of discussions that John will be having with central government departments and local authorities. And I know he is being very ably supported by Angela Sibson, who is also here today.

Now, why do I think John's role is important? I think that a guardian of the Compact outside government can play a number of roles that it's more difficult for government to do.

First of all, to be a critical friend of government and sector, analysing success and failure and John's talking about how he's going to do that.

Secondly, to be a trusted independent authority that can refine the Compact and make it more concrete, as John is planning to do as well.

Thirdly to improve the evidence base and make all parts of the Compact meaningful, including through his work on an assessment tool for the public sector.

Finally, to be a powerful advocate for cultural change on the ground, working with myself and Campbell Robb, which I think is necessary. Of course, there are many other aspects to John's role that he talked about.

I think this point about cultural change, being an advocate and reaching out, outside the sector, takes me to the fourth and final element of achieving the changes that we need to see.

You need the right framework from central government. You need a powerful voice within government. You need the Commissioner for the Compact. But I think we also need to do a better job, all of us together, at building alliances for the principles of the Compact. We need to be honest: clearly John cannot achieve the kind of change we want to see on his own, just as John and I cannot achieve it on our own. So, what else do we need then?

We need a sector which is willing to stand up and use the Compact as a tool for persuasion, advocacy and protest. That is why the work of the Compact Advocacy Group Programme is very important. It's why the work of Compact Voice is also important. I think it's also partly about a mindset change on all our parts in order to better create alliances for the implementation of the Compact.

Richard Kemp said, at the compact annual review meeting, that we need compact champions in every town hall. I think persuasion and building alliances for the kind of cultural change we want to see can take us a long way.

Yes, the frameworks that are set in central government are incredibly important. But, for example, thinking about how we persuade local government that Compact compliance is in their interests and will benefit people in their area; how we persuade central government departments - that's part of my job - that it is in their interests regarding their objectives for health, education and all the other areas; that it's in their interests to have Compact compliance; this is, I think, part of the answer.

Perhaps that's an area where we need to think further about how we create this bigger alliance for the implementation of the Compact and for the cultural change that we need on the ground.

Conclusion

I suppose my conclusion about all this is that there are big tasks that still face us further ahead. We've come some distance but do recognise there's a lot further to travel.

I think the bigger context to this is that 10 years since Nick Deakin did his review, we have strengthened the foundations for the sector, not just with the Compact and Gift Aid but increased funding from government for infrastructure and public services and so on. The Commissioner for the Compact does mark an important step forward however. It doesn't mean there won't be conflict or difficulties but I hope it does mean another powerful advocate for the sector, which is incredibly important.

I think the final thing I would say is that to succeed, John and Angela and their team, need a supportive government department and minister.

And, John, the thing I would say to you is that that is my very firm commitment on behalf of the Office of the Third Sector today.

Thank you very much.