

Ed Miliband

Keynote Address

ACEVO Summer Forum
'Leader to Leader'

8th June 2006

Acevo speech

I want to start by paying tribute to acevo for the work you have done, including on advocating for the sector, on public service delivery and on building capability and professionalism within the sector. I also want to say a personal thanks to Stephen Bubb for his help and advice since I got the job as minister for the third sector.

I also want to pay tribute to the diverse range of organisations represented here for the work you do and the leadership you show: from working with young offenders and drug users to regenerating neighbourhoods; from representing the views of those meeting the challenges of disabilities to bringing young people together from diverse backgrounds; from creative fundraising to raising awareness; this is vital work which we must celebrate and value.

Introduction

Today I want to use the opportunity of this speech to offer some preliminary thoughts, as befits someone in the job a month, about:

my views on the role of the third sector in a vision of the good society

what I see as the nature of the respective roles of government and third sector and the basis on which I want government to approach that relationship

and finally, the shared challenges I believe we need to tackle together.

My central argument today is three-fold:

The ethos of our time means the values you represent are now back in the mainstream of British society.

Secondly, public and third sector must work together on the basis of an ethic of co-operation, which means government accepting the unique contribution you can make to the creation of the good society.

Thirdly, given the ethos of our time, if we proceed in this spirit of co-operation, we can tackle the shared challenges we face and have transformative effects on our society over the coming years.

I hope that this will set the context for your considerations of leadership in the sector over the rest of the day.

Let me say at the outset how delighted I am to be the first minister for the third sector, working to Hilary Armstrong, the Chancellor of the Duchy of Lancaster. I believe that the new Office of the Third Sector does represent a major opportunity for us to tackle these challenges. It is right that we have brought together the full range of third sector

activity in government. While also recognising the diversity of the sector.

I am also very pleased to be coming into the job when the joint Treasury/Cabinet Office review of the third sector, which I will be leading, has been tasked with coming up with a ten-year vision for the third sector and will report by the time of the next spending review. This represents a unique opportunity to define the terms of the relationship between government and third sector.

The Values of the Third Sector

In talking about the place of the third sector in the government's vision of the good society, I want to start by talking about the people I have met so far in this job, for they sum up best the attributes of the third sector, attributes which lie at the heart of why we as a Government are such strong supporters of a vibrant sector.

Just last week, I spent a day volunteering as part of National Volunteering week and I met some amazing people:

Tony Miller who for 25 years has run the Whitechapel Mission which gives breakfast to the homeless 365 days a year and trains them for life as well.

Sam Conniff, who left his job working in business to found Livity, a social enterprise youth marketing agency in Brixton which now produces Live magazine, a magazine

for young people, by young people, which trains young people in South London.

Tom Flood and the volunteers of BTCV which has 300 volunteer officers across Britain supporting more than 140,000 volunteers of all ages and all backgrounds in safeguarding and improving our countryside.

These are exceptional individuals but in the third sector, they are not the exception. As I am increasingly finding, they are the rule.

In different ways they defy the stereotype of a Britain more individualistic, more atomised and more selfish. Instead, they show that a different Britain exists: more altruistic, keener for collective endeavour, willing to make sacrifices for the greater good.

For me, brought up in a household where I was taught the value of tackling injustice, and the responsibilities we have to be a part of that, I am delighted to be part of a sector which has as its driving mission, the creation of a more just and cohesive society.

All this was very well defined, I think, in Beveridge's Voluntary Action, published in 1948.

He said his report was concerned with “private enterprise, not in business, but in the service of mankind, not for gain but under the driving power of social conscience”

That six word phrase “the driving power of social conscience” is worth lingering over.

Three aspects of it strike me:

drive---the sense of dynamism that I have seen in the individuals and organisations I have met.

Power---the ability to change things in ways small and large which third sector organisations embody.

And of course

Social conscience: the sense of responsibility for right and wrong in our society.

For me the third sector at its best embodies these values: from volunteering to public service delivery, from advocacy through to social enterprise, from the largest charities to the smallest community groups

I will talk later about how government can work with you to nurture this “driving power of social conscience” but there is something important to say about our society first.

The difference today is that heroic leaders of the third sector no longer seem to be swimming against the tide of history.

The ‘driving power of social conscience’ is once again I think at the heart of British society.

From the power of the millions of people who supported Make Poverty history, to the drive of the emerging environmental movement, to the social conscience of the increasing numbers volunteering---now above 20 million---to the awareness that people display in their consumer habits, this is a Britain different from twenty years ago.

Changes may be hard to read decade to decade---from the 1980s to the 1990s---but it seems pretty clear that the spirit of the 2000s is very different from the 1980s. Of course, the driving power of social conscience had not gone away in the 1980s but there were many reasons to be pessimistic about its chances of success and therefore it was suppressed and stifled.

Unemployment seemed an insoluble problem.

Public services seemed destined to remain run-down and unimproved.

The Cold War had frozen global politics in aspic for forty years.

Today, of course, we face big, perhaps even bigger challenges, from the economic and social dislocation of globalisation to the need for different religious faiths to live together and the challenge of climate change, yet everywhere around us in Britain we see people willing to try and take on those challenges.

My starting point today then is that this spirit of our time which I perceive is both an inspiring thought for people interested in bringing about social change and represents an opportunity that a government interested in social justice and a third sector rooted in values of justice and fairness must seize and shape.

Government and Third Sector

To do that, however, we must get the relationship between government and third sector right. To achieve this, I think we need a sense of:

history about how this relationship has evolved

the respective attributes of public and third sector.

and guiding ethos in the relationship between public and third sector.

The history of the third sector in our country is well known by the people in this room.

Phase one: A third sector which rose out of philanthropic beginnings in the form of Victorian charity and solidaristic instincts in the friendly societies and co-operatives of the early 20th century.

Phase two: the first half of the 20th century entrenches a welfare state settlement in which education, health, social security and unemployment assistance become state

responsibilities, replacing some of the provision provided by the third sector.

And now I believe a third phase where we have seen a number of trends transforming the third sector's role in our society over the past decade or two.

The emergence of new needs and demands not anticipated in the Beveridge welfare state settlement such as childcare for working parents, retraining for workers in displaced industries, drug rehabilitation for ex-users. Our recognition of the importance of many of these areas has been driven by third sector organisations.

The recognition that public service improvement comes not simply from effective state delivery but also from others who may be better placed to provide more effective services, and the engagement of individuals, often through third sector organisations, who need both to share responsibility for their own well-being and be a voice in the shaping of services for their needs.

Third, the rise of new forms of advocacy and powerful, single-issue campaigns that often cut across conventional political boundaries as an increasingly important part of what the third sector does, both in our domestic charities, and in the international NGOs whose work is responding to the challenges of globalisation.

and finally, the further development of social enterprises, businesses with social or environmental objectives which re-invest their profits to further their social goals.

All these different trends mean we need to think anew about the relationship between government and third sector.

We can only do so on the basis of an honest discussion about what each is good at.

Let me start with the third sector and its skills and attributes. Of course, when we are talking about a very diverse sector, it seems almost inappropriate to generalise, but in my first month in office, at least four attributes to the work you do stand out.

First, the ability to engage and empower. You have the ability to reach out to many groups and individuals that government cannot reach. Levels of trust in third sector organisations are high. Where it works, engagement can lead to empowerment, with individuals taking greater control over their own lives and communities. I see this in my local sure-start programmes, for example, where it is often the parents that are in control.

Secondly, the capacity to be a voice for the voiceless. Government cannot campaign against itself, but political change happens because of pressure and struggle. The gains that I believe have happened in the last ten years have not come simply because government wanted them, but because third sector organisations made them happen:

whether it is organisations like Age Concern and their advocacy for older people or the campaign of Jubilee 2000 and then Make Poverty History. At its best, the sector has combined a loud campaigning voice with an ability to engage in practical solution, such as the Rough Sleepers Strategy or the RNID's roll-out of digital hearing aids.

Your campaigning role is sometimes not an easy one for government, but that is precisely why it matters. Without it, the kind of change that many of us in government would want to see won't happen. Indeed, I hope in some areas, such as the campaign to tackle child poverty here at home, we can see a stronger third sector voice in the coming years.

As important as your campaigns to make government change policy, have been the campaigns to change attitudes and behaviour of individuals---from the NSPPC Full Stop campaign to campaigns for breast cancer awareness.

Thirdly, you are innovators in a way government and the private sector is often not. Because of your closeness to users, your ability to engage, your flexibility and responsiveness as organisations, you have led the way in innovating in public services and beyond.

The services provided to autistic children in this country have improved immeasurably because parents of autistic children came together to work with the health and education services and demonstrate how partnerships can spread good practice. In countless areas, you have shown

the ability to innovate in service delivery. In business too, social enterprises are showing how business practices can be transformed.

Fourthly, ethos. Beveridge's words about social conscience ring true today. What is most striking about every single one of the people from the third sector that I have met since taking this job is that all share the notion the notion that they are working for a cause. We must never underestimate the power and drive that this gives an organisation.

If these are the attributes of the third sector, what can we say about government, central and local, and the attributes it can bring to bear in its relationship with the third sector? Here again I would identify four which stand out, not because they are attributes which the third sector does not share, but because they go to the heart of what government can provide at its best and the important roles it has to play if a new partnership I want to see emerge can be sustained.

First, funding from general taxation. Obviously this is something unique to government, and this funding will sometimes be used to fund third sector organisations. I emphasise this point because the state must not use the third sector as an alibi for abdicating its responsibilities for adequately funding services.

Secondly, accountability. The fact that politicians nationally and locally are elected and can be got rid of is basic but incredibly important. When it comes to spending

public money whether centrally or locally, it is right that accountability ends up at an elected politician, however indirectly. It is right because we, as politicians, are spending the public's money and they have a right to have a final say over who spends it and how it is spent. We owe a duty to you to ensure that any burdens that come from this are minimised, especially for small groups, but accountability to the public inevitably and rightly comes alongside funding from taxation.

Thirdly, universality and equity. The role of the state must be to guarantee to citizens of the country core services such as education, health and social security which are universal and equitable—in other words, of excellent standard in every part of the country. The 1945 post-war settlement was a major advance for Britain in my view. It should not mean uniformity, nor does it mean services are always delivered the same way, but it was an important recognition of the responsibility of the state to ensure standards are met.

Fourthly, ethos. Millions of public servants around this country also represent the driving power of social conscience, performing heroically beyond the necessary demands placed on them, whether it is health service workers, teachers or social workers or many other public sector workers. The work of some of those individuals was celebrated by the Prime Minister earlier this week at a major conference setting out the government's public service reform agenda.

Describing these respective attributes does not solve the difficult dilemmas we will inevitably face in our relationship, but they are important as a context for decisions we make. With these attributes set out, I want now to suggest how we should work together. This can be done most easily in the context of the challenges our society faces, but I do want to make clear one overriding principle: the ethic of the relationship of public and third sector must be about co-operation not competition.

For fifty years after 1945, Britain faced a battle for territory between public and private sectors, as successive governments nationalised and privatised. We have overcome this, as increasingly private and state have worked together. In the case of third sector and public sector, the reason it is so important to understand the attributes of both sectors is so we can ensure both can work together in a spirit of co-operation.

For government, central and local, it must mean significant reform in the relationship with the third sector. The third sector should not be seen as a threat, but as a partner that can use all its attributes to deliver a shared vision of a more just society.

For example, I know that a lot more needs to be done by central and local government on the basics: length and stability of funding agreements, full cost recovery, targets and monitoring, respecting independence – doing to others as you would have done unto you. The Compact was an important step forward here. As you know, the percentage

of organisations reporting that grants are being awarded on the basis of full cost recovery has been gradually rising from over the last four years and the vast majority of local areas now have a Compact. The new Compact Commissioner, with whom I look forward to working closely, represents another step forward.

I am clear that the Office of the Third Sector, and myself in leading that Office, has a major task in ensuring there is a significant improvement in the capture and dissemination of best practice. This is one reason why I believe the new office represents a significant opportunity, because we will be better to be able to co-ordinate the work of other departments with the clear authority of the Prime Minister behind us.

For the third sector, I think this principle of co-operation also poses a challenge. From talking to many in the third sector, I know that there is an enthusiasm not just for the third sector to deliver more but for the innovation provided by the third sector to be adopted by or incorporated back into the public sector: transformation of the service all round not simply transfer of who delivers. For these leaders, the third sector's success is measured by the extent of improvement in the services that are provided to individuals not simply in the extent to which the third sector provides the services itself. I think this is important to bear in mind as we move forward.

The Challenges Ahead

To summarise: I have said that I believe the third sector is in the mainstream of the spirit of Britain today, I have outlined what I see as the key attributes of government and the third sector and said that we need to move forward in a spirit of co-operation not competition. I now want to address the shared challenges we face.

I divide these into four areas: empowerment and voice; public service improvement; enterprise and innovation; and volunteering and mentoring. I hope you will treat these as preliminary thoughts and questions rather than answers.

Empowerment and Voice

I talked earlier about your ability to engage and empower the most marginalized groups in our society, as well as your ability to advocate and campaign. Here I believe there is major progress that can be made in tackling the challenges our society faces if we work together.

While I said earlier that our country was in many ways more optimistic and altruistic, there is also among many others a sense of alienation, hopelessness and atomisation. A view not only that politics is without relevance but also that there is little prospect of improving communities.

I believe that the Government, politicians and the Third Sector have a common agenda is responding to this sense of alienation, and that the Third Sector is often leading the way.

More generally, I think there is increasing recognition in government of the role that individuals and communities themselves must play in transforming their lives and neighbourhoods. That is why the Local government white paper represents an important opportunity to devolve more power downwards to neighbourhoods.

This neighbourhood devolution agenda is one which I consider will only work if it is accompanied by the involvement and development of local third sector organisations. So, with my colleagues in the Department of Communities and Local Government, we are committed to ensuring that local organisations can be enabled to play a more significant role in working with local government, particularly at the neighbourhood level.

As one example of this, we are committed to expanding opportunities for communities to manage or own physical assets – giving them a resource base through which to work in partnership with local authorities to empower communities.

This builds on the work of, for example, the 300 existing Development Trusts. As you will be aware, these range greatly in size from enterprises realising thousands of pounds to massive enterprises like the Coin Street Community Builders, who realise millions and transform large parts of our country and community. Such empowerment enables communities to help directly shape their neighbourhoods and I will be looking to use my office to promote this agenda further.

At a wider level, it is equally important that government embraces the Third Sector's role in campaigning and giving a voice. I said earlier that we believe this is integral to your role, and that is why the crucial elements of Compact that recognise the independence of the Sector are so important to me. I want everyone to be clear that we see our investment in the capacity of the Sector through ChangeUp as about delivering quality outcomes in whatever it does: to support the capacity for campaigning and voice, as well as service delivery and other activities. Capacity Builders has already emphasised this within their strategy and I want to endorse it today.

Across government, we are already working in close partnership with organisations that give voice to individuals; as we take forward, for example, the government's reforms to health and social care. Last year, third sector organisations played a major role in the largest ever consultation the government has undertaken as we developed our proposals for the Health and Social Care White Paper. And as many of you will be aware, the new Office of the Third Sector is finalising a series of three to five year core grants with 22 third sector umbrella organisations and partnership, worth over £5 million a year, to enable them to provide voice into our policy development.

Doing more to build a sense of partnership in this important area will be a major element of the Third Sector Review and I would welcome your views on how we can strengthen it further.

Public service improvement

Secondly, improving the delivery of services to the public. I believe there has been real recognition across government of the role you can play in delivering better public services across a whole range of areas. As I said earlier, I know this has been an important area where acevo has done a lot of important work.

Part of that work has been on the very important questions of the nature of public sector contracts, to which I referred earlier, and I recognise the greater progress that needs to be made. Now is the time, building on the work we are already carrying out with key delivery departments and with local authorities, to ensure real change. We will have more to say about this at the Future Services Network's Three Sector Summit in June.

For now, let me emphasise that the laser focus on my part will be on how the third sector can improve the delivery of public services. This will not be about government seeking cut-price alternatives to state provision. Our joint focus must be on delivering better services for the people who need them. As I mentioned earlier, I believe that the public sector and the third sector often share a common ethos, which we can build on. In doing so, I believe that we must step up our game in working out how we can help transfer successful practice from the third sector back into the public sector, asking why certain practices work not just identifying in which sector they take place.

That's why I'm so interested in the research we are conducting with the National Consumer Council to understand the views of those who receive the services delivered by different providers and how we can use their research both to guide the commissioners of those services and to understand how public, private and third sector professionals can learn from the best of what each does.

Enterprise and Innovation

The third area of focus is the attribute of enterprise and innovation which I touched on earlier. This is where the importance of leadership demonstrates itself most clearly. This leadership is being demonstrated both in our social enterprises but also by many medium-sized and large charities, represented in this room. Let me say something about both

I have been genuinely inspired by the social entrepreneurs I have met since I got this job. This government has championed social enterprise and all around Britain, social enterprises are showing that the old model of enterprise and justice being necessarily in conflict is wrong. Now representing 55,000 UK businesses, 5% of all businesses in the UK which employ staff and 27 billion pounds turnover, they are showing a new way of doing business.

We will be working hand in hand with the DTI and RDAs to deliver on the social enterprise agenda, and will be publishing a social enterprise action plan later in the year. I think government needs to do far more to celebrate the

culture of social enterprise, starting in schools with enterprise education. In addition the new Office of the Third Sector will be working with Enterprise Insight to encourage a more enterprising culture among young people, make them enthused about the benefits and impact of social enterprise, and build on last year's successful "social enterprise day".

Another area to concentrate on is ensuring that appropriate business advice is accessible to the social enterprise sector. We need to make sure that social enterprises have access to the information and skills they need to deliver the very best service or product to meet their objectives, and to become better businesses able to compete within the mainstream business landscape. We also want to continue to understand and address the specific issue concerning access to finance that face social enterprises.

Enterprise and innovation is as much about Britain's charities sector as the other parts of the third sector and we will be bringing the Charities Bill back to the House of Commons soon, so it can complete its passage and become law. This contains a number of de-regulatory measures to enable charities to operate more effectively and efficiently, realising their potential for the good in society. I hope it will help sustain the high levels of public confidence in charities through effective regulation.

This latter approach reflects the strategic way in which I want the new Office to operate in promoting innovation and enterprise – focusing as much on creating an *enabling*

environment as on specific initiatives to try to spot and support innovators.

So, with colleagues, we welcomed the Better Regulation Executive's Report, *Better Regulation for Civil Society*, and expect to respond to its recommendations shortly. We are also working across Government to tackle administrative burdens from regulations that impact on businesses, charities and the voluntary sector.

Volunteering and Mentoring

Fourthly, volunteering and mentoring. On my first day in office I was fortunate enough to attend the launch of V, the new independent body dedicated to youth volunteering which emerged from the Russell Commission. If ever there was an occasion which epitomised the driving power of social conscience it was this one, with the brilliant board of V20, young people, leading it.

V has the potential to reach out to millions of young people over time. For government, we have a crucial role to do as much as we can to foster the culture of volunteering that is growing in our country. As our communities become more transient and traditional institutions which provided social capital have declined, the role of volunteering and mentoring becomes especially important.

Robert Putnam identifies bonding social capital—between groups—and bridging social capital—across faiths, generations and classes—as the essential glue of social

solidarity. This is clearly one of the most significant long term challenges we face. Although the evidence from across Britain in recent decades suggests much coming together and participation by different groups in society, we all know of areas in which trust and cooperation is far too low, not necessarily between ethnic groups, but between people with different lifestyles, ages and incomes.

Here, more than anywhere, we need to explore the role that volunteering can play.

Let me single out the generational issue. Last week I visited Sixty Plus, which deploys the skills of the young to help older citizens in Kensington and Chelsea. I am struck that, in my seat, Doncaster North, which used to be built around the mines, the bonds that sustained respect and tolerance between young and old are now weaker. There is an urgent task to rebuild these bonds and I think this is an important priority as we move forward.

I consider that the public sector can lead by example by creating more volunteering opportunities and more rewarding opportunities for existing volunteers. There are also important priorities in embedding a culture of volunteering in our corporate world, as well as reaching out to the most excluded groups who volunteer less than others.

We also need to continue to make progress on the giving of money as well as time and build on the successful giving campaign, which has seen the tax relief through Gift Aid

rise from £220 million to £660 million in the period 2000/01 to 2003/4.

Again, I see the work of the Office as taking a strategic approach – looking to reduce barriers to involvement, helping develop the infrastructure to support volunteering and helping develop the evidence base around what enables different groups to engage.

Conclusion

These four themes represent some initial thoughts about the priorities I see going forward in our work together.

In concluding, I would return to the theme and idea I set out at the beginning. We have a huge opportunity to achieve enormous amounts together at this time because we are swimming with the tide of the country. In my first month in office I have seen this more clearly than I could have anticipated.

It is no accident that the Whitechapel Mission has a waiting list of volunteers keen to serve there.

It is no accident that volunteering is up at record levels – up significantly since 2001.

It is no accident that the Edge Upstarts Young Social Entrepreneur of the Year, Amy Carter, who I met in my first week in office set up an eco-tourism business in Mozambique.

It says something about Britain.

It says that the ‘driving power of social conscience’ is not a minority concern but a majority one.

Your work in managing complex organisations is immensely significant in its own right. Collectively your role is, as some of the most important leaders for social, economic and environmental progress in Britain:

as campaigners for change,

as empowerers of others,

as partners in developing public services for the future,

as innovators for social progress,

and as builders of our social fabric.

I very much look forward to working with you on these challenges over the coming years.