

Lessons from the third sector

Transcript of a speech by Ed Miliband MP, Minister for the Third Sector, to the Future Services Network

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It's a great pleasure to be here at the Future Services Network event. I spoke here last year when I'd just come in to my job as Minister for the Third Sector, and I did want to come back and reflect a bit on what I've learned over the year or so that I've been in the job.

What I want to try to do today is to talk about what I've learnt about the third sector and its role in public services. But then I will say something more, as it's a rather special week, about the government's approach to public services more generally.

My starting point for this is that it seems to me the central challenge in relation to public services is a challenge of engagement and involvement of people. Why do I say that? Because when I think about the welfare state, and what we've seen over the last 10 years as well, I think about it like this: that 50 years ago the challenge was to start to *build* universal services. Basic services, and we all know what they were: housing, the NHS, education, etc.

10 years ago, I felt very much that our challenge was a challenge of *repair*. When you think about the iconic images of public services 10 years ago, it was about Portakabins for classrooms, it was about outside toilets in schools, it was about a crumbling hospital building stock. They were the iconic images of public services. I don't say that we've got everything right. I don't say that we've solved all those problems, but I think we have started to make good in particular on that question of the physical fabric of public services, and get rid of some of the worst problems that we inherited around NHS waiting lists and so on.

Now, where does that take me? That takes me to thinking that now when I think about iconic instances we face in public services, and the central challenges we face today, they are a lot to do with the individual's experience of public services and the individual's engagement with public services. The challenge is to *involve*.

The excellent report released by the Future Services Network this week really testifies to this.

What do I mean by that? Take an example in the health service, chronic disease: 85 per cent of visits to general practitioners concern chronic diseases. So yes, there is a challenge of getting people in to see their GP – but also, equally if not more so now, there is a challenge of how you enable people to manage their own chronic diseases. How do they get to learn from other people about how to manage their conditions? How do they have the right conversation when they do see their general practitioner about how they can better manage their condition?

Take schools. When you think about the challenges we face in terms of attainment and achievement in schools, parental engagement is one of the best predictors of pupil achievement. Therefore we face a big challenge on how to engage parents in the life of the school and in the lives of their kids at school.

Similarly, an issue that I've campaigned a lot on, mainly as a backbench MP, is youth services. Again, there's a big issue that lots of people talk about: the young people hanging around on our streets. There are youth services – generally under-invested there are youth services – so the question is how do you engage those young people in things that will expand their horizons and deal with some of the problems that we see in our communities.

And I could go on because there is a whole series of complex problems around drug rehabilitation, around offender management, etc, all of which are about involvement and engagement.

So that is, for me, the context that we face and I suppose my argument is this. That there's an ugly word invented by policy-wonk types called “co-production”. That is the notion that the challenge is to “co-produce” services. It's not about producers “delivering” to individuals, it's about co-production, about the engagement of the individual, the engagement of the producer. It's an ugly word but I think that it does have something going for it.

And I see this challenge as about involving users, who bring expertise and resources to public services; about engaging communities, who are an important source of day-to-day accountability who contribute to services; and about involving front line staff, who have the expertise to make our services work to best effect.

So what I want to do today is talk about the third sector's relevance to this and what I've learned as a Minister; and then briefly touch on the other ways in which I see us taking forward this involvement and engagement agenda.

The genius of the third sector

Let me start by talking about the third sector. The genius of the third sector speaks to the context that I was talking about.

I recently opened a new art gallery run by an organisation called Novas, which some people in the room may know. Novas essentially runs homeless shelters. But Novas does not just help house the homeless now, it also helps runs a training provider that helps train the homeless, it runs coffee shops where the homeless people work and now is opening an art gallery in Camden, which displays the work of the homeless. That speaks for me to the ability - and I could reel off another 15 examples of people I've met in the last year – of the extraordinary ability of the third sector to engage individuals. Gordon Brown calls it the “one-to-one engagement” that the sector can achieve. I see it all round the country. I'm sure some people from the third sector themselves, here today, would speak to this and in a way I would say there is a consensus now about the ability of the third sector to do this.

Now, the question then is, what are the implications for public services? I said at last year's Future Services Network that we would be publishing an action plan on public services, to make sure that the third sector is able to make its contribution. In December of last year we published that action plan, and it talked about 18 different areas of public services where the third sector could play a role, and with a wide spectrum from community transport to pathways to work, which I know is an area which John Hutton was talking about earlier on, to children and youth services, to waste management. I've engaged in the Waste Strategy, which talks about the role of the third sector. There are a whole lot of areas, at national level and local levels, where I think the third sector can play more of a role. In particular because – not exclusively because but in particular because – of its ability to engage the user as an individual.

So my question then is, how do we make this happen?

Culture change

The first thing that we need is culture change on the ground. We have a programme that came out of the Public Services Action Plan, which is to train the 2,000 most important commissioners of public services so that they understand the role the third sector can play in public services. This is because what I've learnt is that it's all very well issuing guidance from Whitehall about what the third sector can do but, actually, unless you get to the people making the decisions on the ground, you will need neither get the right commissioning process happening nor will you get the third sector itself delivering those services.

It came home to me in Manchester when I was there a few months ago. They said that in one part of Manchester they were now bringing in an organisation called Sunderland Homecare who provide certain social services for large parts

of Sunderland. It happened because a commissioner came across the organisation and thought, well the private sector is not actually delivering the service and doing what we want, the third sector can make this contribution. So I think the first thing I've learnt is that you need culture change on the ground, and part of this, which I hope will help, will be the training programme I've talked about.

Related to this in terms of culture change is the work we are doing on social clauses. Social clauses say that value for money is important and efficiency are important when you're deciding on public services and who gets the contract for public services, but it's also important to get a sense of the wider benefits and the wider issues. I know for example, in Liverpool they have a furniture-recycling done by the third sector; that's partly because there was a social clause in the commissioning process which talked about the employment prospects for local people.

We are embarked on a programme to encourage the greater use of social clauses. It is allowed under the European Union – some people say isn't. In a way it is a much more sensible way of doing commissioning because you don't just take account of the narrow issues, important though they are, you can also take account of the wider impact on the community, which is really important.

So that's the first thing to do, culture change.

Connecting innovators

Secondly, I've learnt more profoundly than I knew a year ago, that we need better ways of connecting innovators – and particularly third sector innovators (that's my job) – with people who actually commission services. We're going to shortly be awarding a contract for something called The Innovation Exchange, which is precisely to help those with new ideas to connect and share solutions with each other and with people that matter in public services.

In a way, one of the biggest frustrations as a government minister is you see great things happening all round the country in terms of public services and think, "why can't I have that in my constituency?" The process of this innovation spreading around the country is an incredibly random process. Now I'm not saying our Innovation Exchange is going to solve the problem but I think finding ways in which you can connect people who are doing the practice that other people might be interested in, is incredibly important.

Evidence

Thirdly, I'm more conscious than I was when I came here a year ago that there is a big challenge for the third sector to demonstrate its impact. We can all talk anecdotally about the amazing things the third sector does on the ground, and

I've talked a little bit about them today; but we need more than anecdotes. We also need concrete research and evidence which shows what the third sector can do. I know there's recent research from the National Consumer Council that would suggest that we cannot simply make sweeping generalisations about the third sector always doing better than the public sector or the private sector or vice versa. And I think that must be right. But finding ways – and this will be part of our work going forward in the Office of the Third Sector – in which we can build the evidence base about what it is the third sector is able to do and why it is able to do it, in hard facts and terms, is a very important challenge that the third sector and government face together.

Improving the public sector

Fourth, related to that, I'm more aware than ever that we need to do a far better job of learning the lessons of good examples in public services – whether it's in the private sector or the third sector – and translating those lessons back into the public sector. In other words, the commitment of the new government will be to continue to have diversity in the delivery of public services, but I think it is also absolutely crucial that we think, “what is it about what is happening in the private sector or the third sector, and what does it teach us about the organisation of the public sector?”

Just to give you an example, Hackney Community Transport took over buses for people with special needs in a London borough. I was asking Dai Powell, the Chief Executive of Hackney Community Transport, “what's your USP? What was it that made it possible for you to run a better service?”

“Well, look, put it this way”, he said. “I have the same employees here as in the local authority, I have the same funding levels as the local authority, but the difference for the people who came over to work for Hackney Community Transport, was that when they were in the local authority there were only seven people who could make a decision – and none of them were working in community transport.” Whereas, with HCT, there was a much greater sense of autonomy about reshaping the services so they met people's needs.

Now that makes me think the third sector can play an important role in public service, but it also makes me think that that should teach us lessons about the organisation of the public sector.

So that's the fourth point: learning the lessons.

Protecting identity

Fifthly, I'm more conscious than I was a year ago about the need to protect the third sector's identity while also involving it in the process of public service reform.

“Protecting its identity”: what does that mean? It means to me, its right to campaign – which I think will be strengthened by the delivery of public services, as you understand the users you are delivering to and you also understand the way that government policy needs to change. I am more conscious than I was of the need to protect that independence, and maybe some of the fears there are about that independence.

I think there is also a lesson for the public sector about the way it interacts with the third sector in terms of the nature of accountability: not simply commissioning services on the old basis, in exactly the same way so the third sector feels stifled and micromanaged. That's something we're working on.

So that's what I've learnt about the third sector and its role in public services.

User involvement

Let me also touch on the wider picture about public service improvement. I suppose I want to say three things, which I referred to at the beginning: about the nature of government and the challenges that we face.

The first is about involving users, which I said was the genius of the third sector. It is about structure of delivery, but it's not only about structures of delivery. It is partly about choice. For example, we've seen individualised budgets in social care. I think it's revolutionary and we're going to take them further.

But I also think it's about thinking about the interactions between the professionals and individuals. What do I mean by this?

I talked earlier about chronic disease and the problems of chronic disease management. There's an interesting experiment that's been done in Bolton, which responded to the fact that patients with diabetes felt that their interactions with GPs were all very unsatisfactory. And they piloted something called “agenda card”, which allowed a more interactive conversation.

In other parts of the health service they are, for example, in a hospital, looking at the ways in which cancer patients, who were awaiting diagnosis, faced the journey of going into outpatients. They've redesigned the whole way the service is organised on the basis of looking at it from the patient's point of view not the doctor's point of view. These are quite basic things, but they are fundamentally important to the experience people have of public services. So thinking about what it looks like from the user's point of view, and the interaction that they have with professionals, is really important.

You can think of this across the board, from education to social care, because it is about the relationship that the user faces with public service.

Accountability

Secondly, we need to think further about community accountability of public services. No one likes sitting on committees – least of all, believe it or not, government ministers – so this is not about an appeal for more committees. But I think it does speak to a fundamental issue, which I see as a constituency MP, which is that people feel voiceless in relation to public services.

People can feel voiceless in relation to policing, for example. People can feel relatively voiceless in relation to primary care services. Thinking about how you can give people more of a voice in the shaping of services is really important.

Not everyone will take up the opportunity to have a voice but I think it is part of empowering people. I think it is part of solving the problems that our public services face.

So in policing, for example, the idea of neighbourhood beat meetings where members of the public can come along and talk about the issues they face in the area can make the public services better, give the police greater intelligence about what's happening, and make people feel that they are being listened to, which is important. That is something that is being pioneered in parts of London.

So we need to think further about community accountability again across the public services.

Autonomy

And then thirdly, and this is the hardest thing of all, we need to think further about the autonomy and the role of public service professionals. Part of what I've been arguing is that it is partly about the public service professional not simply as deliverer but as the person engaging with the individual in the service, and I think that is important. But I also think we need to recognise more than we have the expertise that exists on the ground among people delivering public services.

It's not simply a question – although this is part of it – about the way public service professionals feel about the process of reform. It's also about the extraordinary knowledge and ability that there is, and the fact that it isn't properly captured.

One of the things I often think of in these terms is that in the private sector there is a real sense of every employee being able to contribute in the shaping of the overall business. It is something that good private sector organisations take incredibly seriously. That's both about people at the top of the organisation being out on the ground and people on the ground being able to feed back. The mechanisms we have in public services for this are inadequate.

I also think that when you consider the process of change in public services over the last 10 years, to use the example of the NHS, the NHS waiting lists were over two years and there was a real need for central targets to get them down. As the service improves I think we should be able to see greater autonomy in the front line, and that will free people up to be more creative and to make a difference to the service.

So there are three things that I think are great challenges for us in relation to public services: engaging with individuals as individuals, the role of communities and the role of professionals.

Noble purpose

Let me make one final point before I finish, and that's about the way the new government must address the issues of public services.

I think we need to be honest that the central change we face is not just to continue to make necessary reforms but show that we, the government, understand the sense of noble purpose involved in public services wherever they are delivered.

And in my view that requires three things.

First of all, a sense of empathy. Whether it's the third sector, the private sector or the public sector, we need to understand the daily challenges that are faced in running a successful public service on the ground.

Secondly, a sense of listening. We may not always agree with professionals in the public services, but they need to be part of a shared process of decision-making through formal and informal involvement.

Thirdly, and I think most importantly, a sense of pride. All of us involved in public services are part of a great liberating force based on a set of deep values about the kind of country we want to live in.

I think if we do these three things we can create the kind of public services we want and the kind of country we want to see.

Thank you very much indeed.