

**“Leading your charity through a time
of change” Central Hall Westminster,
Wednesday 9 June**

It is a great pleasure to be able to join you today, and to give my first major speech on the Big Society to this audience, which comprises the leaders of organisations who are absolutely critical to the change this government is seeking to achieve, both in terms of the change in society and change in the way government works and the services it provides.

Social Breakdown and Big Government

This conference is entitled 'a time of change'. Something of an understatement?

Political change; with a coalition government for the first time in three generations.

Economic change, with the deepest recession since the war.

Fiscal change, with a bigger budget deficit than debt-defaulting Greece.

Social change, with a level of alienation and deprivation that has risen in the last twelve years.

Today, levels of long-term unemployment [726,000 people] and workless households [3.3 million households] are at their highest since the late 1990s.

The UK lags behind much of Europe on a whole raft of issues from attainment in secondary education to rates of teenage pregnancy, and the proportion of the population consuming excessive alcohol.

These problems mark people's lives: the 1.9m children living in workless households in the UK – the highest rate in Europe – have a greatly increased chance of suffering disadvantage themselves in later life, and far too many people are heavily reliant on the state [approx 4%]. All these issues to deal with and a government spending £4 for every £3 we receive in revenue.

The combination and intensity of these changes – political, economic, fiscal and social – demands that we – all of us – rise above the routine. Business as usual with a few tweaks isn't going to sort it. We need to think about our country in a radically different way. In politics we can break free from the conventional constraints of single party government.

We can seize the opportunities for radicalism that open up for a government for whose parties six out of every ten voters supported. In economics we must look beyond conventional market capitalism, to embrace green technology and the scope for a genuinely popular capitalism, with employee ownership, mutuals and social enterprise helping to fire up a new dynamism.

In tackling the deficit we have of necessity to break with the past. We must be readier than ever before to stop doing things whose main justification is that they've always been done. We must relentlessly drive cost out of government, so that the main burden of deficit reduction falls on government's internal processes, not on the citizens who use public services.

The Big Society

I want to talk today about the Coalition's approach to social change. We are determined to make a clean break with the old big government approach of the past. For if ever a radical change of approach was needed it is now. 'Big Government' has not only failed to solve the problems of social breakdown and deprivation; it has frequently made them worse.

That doesn't mean we can simply retrench and hope that voluntary activity will spontaneously leap into existence in its place. The market will not necessarily provide a hidden hand to meet these deep-seated social needs.

We need a Big Society, that derives its strength and compassion from the energy and vigour of millions of active citizens, formal and informal organisations independent of the state, and neighbourhoods where neighbourliness touches every life.

We want local communities not only to have greater ownership of local problems, but to have more power to change them. We want public services to be answerable to those who use them, so that it is parents, patients and community groups who shape how they work and what they do.

And we want a culture of greater personal as well as social responsibility, where we'll support citizens trying to get their lives back on track, but won't support a life time on benefits for those who elect not to.

A more radical, new approach is needed, and The Big Society proposes just such a radical change. A radical shift in the relationship between citizen and state, moving from a presumption towards state control towards a presumption towards community action.

We want these things not simply because we can no longer afford a Big Government approach, although that is certainly true. We want these things because a Big Society, a responsible and active society, is simply a *better* society – a healthier society, with a greater sense of wellbeing, a humane and dignified society.

And we want to change how public services work not simply to save money – although this is certainly essential – but because public services can be more flexible, effective and humane where charities and social enterprises, and the citizens they involve, are in control.

My colleague Nat Wei, who has a key role in helping us drive this agenda as a member of the House of Lords and government adviser, has an elegant analogy for this. Core public service delivery for the disadvantaged and universal state provision is the seabed.

Services which can be measured and paid for on an outcomes basis and delivered by social enterprises, charities, and private and newly empowered public mutual organisations can be the coral. Citizen groups, whether formally incorporated or not, are the fish.

The aim is to achieve a healthy balance and coexistence in society of all three, both in policy and literally in physical centres of community activity, and to be mindful of these delicate ecologies when crafting policy.

So Big Society is not about one or the other, but all of them, and moving things in a direction such that more power is in the hands of people, whilst recognising that in each locality what must take place is a process of change and transition, of capacity building where it is needed, and of ensuring that the vulnerable continue to be supported

New approaches: locally integrated services

Let's look at how we deal with some of Britain's most damaged families. For years we have been spending huge amounts on ineffectively managing the symptoms of social breakdown often without even touching the causes.

Current estimates suggest that there are approximately 146 000ⁱ families with complex needs. Such families have a pretty miserable time. They're poor; family relations aren't working as they should; they're in and out of the criminal justice system; the children are more likely to be in care; they're likely to be long term workless and welfare dependent; and their health is poor. The litany of human misery goes on.

And they impact heavily upon the local community and the state. It's estimated that a family with multiple disadvantages costs public services between £55,000 and £115,000 per year as a result heavy use of a range of services, and just two criminal families in the city of Birmingham have cost the public purse £37m over three generations

Here the action of the state is crucial, but often counterproductive. Where the state tries to support such families it is too often hampered by bureaucracy emanating from Whitehall, and local areas are bound by the rules and targets imposed by central government, squeezing out room for local understanding and the judgment of those much better placed to understand the complexities and particular context of local problems.

Separate services get provided down separate stovepipes, often with the families least able to cope with complexity having to navigate the range of housing, benefit health and social care services on offer from a multitude of separate agencies.

This is not only not working for the individual cases but it is also unbelievably expensive. Spending the money in a different way can achieve better results and cost less.

Developing more focussed integrated local services can unlock the potential of communities and frontline workers to design and deliver a genuinely joined up approach to multiple challenges.

I'm absolutely sure that the key to success is being super-local, seriously neighbourhood-based, almost microscopically granular in our approach.

I'm interested in the approach taken by Westminster City Council's Family Recovery Programme, which involves the voluntary sector, NHS Westminster and Police Services working together to share resources, intelligence and expertise to solve the multiple issues families might face within a single intervention.

I'm also interested in the model being developed by Turning Point – Connected Care – which casts the neighbourhood itself in the leading role in designing services. Such initiatives not only have potential to save public money, but also to increase happiness and reduce unnecessary human suffering and misery. And we must have a further test for them.

Do they create social capital in their wake? Is the neighbourhood stronger, more bonded? Is there a neighbourhood group where none existed before? Are people and families supporting each other? Is there a sense of community responsibility?

The challenge to government

Because the shift to a more responsible, more active society requires the state to play a new role.

Less grandstanding, perhaps, but the changes I describe require the state to be active in opening up new opportunities for charities, faith groups and social enterprises to deliver services, to support the creation of the community groups and voluntary organisations which bind local communities around common challenges.

It requires government to be very active cutting back on the red tape which leaves us where we are now, where it is easier to set up a gang than to set up a community response to the problem of gangs.

What does this mean in practice? The coalition government has set out measures to support just this sort of shift in its programme for government, with commitments for National Centres of Community Organising to train a new generation community organisers, and measures to support the creation of neighbourhood groups, especially in the most deprived areas.

It means the introduction of a National Citizenship Service to give 16 year olds the chance to develop the skills needed to be active and responsible citizens. And it means measures to encourage giving and philanthropy, and instituting a national day to celebrate and encourage social action.

And this is a challenge for the whole of government too, because how the state operates impacts on social capital for good or ill, whether we are aware of this or let it go by default.

So whilst this mission will be central to the work of my own department, and in particular the work led by Nick Hurd, the Minister for Civil Society, it is equally a challenge to how we operate our schools, our probation services and our hospitals, for in each case the state has a choice whether to empower citizens and create social capital and social responsibility, or to take that power away.

Furthermore, this is not only a challenge for departments, but something that will affect every level of the State. With a Big Society comes an opportunity to form a new relationship between public services and the communities they serve.

Centrally-driven, top-down
Government not only strips away the
sense of ownership and responsibility
from citizens who use public services,
but disempowers the professionals
who run them and alienates them
from the communities they serve.
Mutuals and cooperatives will have a
vital role in redressing this imbalance.

We want to give public service professionals the autonomy to respond to the needs of their communities, rather than being bogged down in Whitehall bureaucracy.

Currently, the accountability of public services to Whitehall targets and performance measures, burdensome quango regulation and centrally driving policy initiatives is stifling the innovation, enthusiasm and commitment which enable our public services to really meet the needs of communities.

As a central element of achieving a Big Society, we want to shift accountability back to communities and citizens; we want to form strong partnerships based on transparency between public sector workers and local people.

To achieve this, we will give public sector workers a new right to form employee owned cooperatives and bid to take over the services they deliver. This will empower millions of public sector workers to become their own boss and help to deliver services.

I have emphasised the need for the Big Society as a response to social breakdown and disadvantage, and I want to respond to the challenge that this is something which can only take off in more affluent areas, where people already have an established expectation of wielding influence in local affairs, and the time and resource to make an impact.

Certainly the challenges are greater in disadvantaged areas, and often the social capital is at a lower base. But I simply do not believe that the will to improve your life is confined to affluent areas. What I do accept is that these areas need greater support to get going.

That is why we have proposed a Communities First Fund to be targeted towards the most disadvantaged areas in the country, providing start up funds to support the creation of much needed neighbourhood groups.

And charities and social enterprises have a major role to play here too, as the more formalised part of the sector can empower community groups by offering support and making complex tasks such as setting up and running schools or local community centres more manageable.

The role of charities, social enterprises and voluntary groups

So charities, social enterprises and voluntary organisations must be in the vanguard of this change. Your organisations have for years involved citizens, and helped them to take responsibility and control for their lives.

Government needs to make it easier, not harder for your organisations if we are to share ownership of our greatest challenges, and harness everyone's energies in meeting them. We have set ourselves three priorities in doing so.

Firstly, we will make it easier for you to work with the state. We will work energetically to open up services to enable organisations of all sizes to compete on a level playing field with the statutory and private sectors.

Secondly we will make it easier to set up and run a charity, social enterprise or voluntary organisations. We will start work straight away identifying unnecessary red tape, making the state less intrusive wherever we can, and work to reduce the burdens which get in the way of volunteering or giving.

Finally we want to get more resources into the sector. As you will gather from what I have said, this is not about more and more government spending. There's going to be less of that. It is about ensuring that the sector can access a better share of public spending on acceptable terms, but also about ensuring a diverse range of income streams to support its independence from government.

We will get on with instituting a Big Society Bank, using money from dormant accounts to invest in social goals, and campaign to make volunteering and philanthropic giving the norm, supporting the sector to mobilise an army of active citizens with which to change society.

So my commitment to you is that we are not looking to hand over our social problems to you and walk away, but to play our part in a broad partnership for change. Partnerships of the sort that the sector is already expert in building, bringing businesses, communities, donors and investors together to make a real change, and put power back in the hands of those who understand local problems and have the biggest stake in overcoming them.

ⁱ Reference State of the Nation report (2010); (¹based on Families and children survey and ONS data (2009))