

# **CHECK AGAINST DELIVERY**

## **Westminster Briefing**

**'A Stronger Third Sector through the Recession: Maintaining Capacity and Promoting Capability' 25<sup>th</sup> June 2009  
1, Great George Street, London**

**Angela Smith MP, Minister for the Third Sector**

### **Welcome and introduction**

It's a pleasure to be here today. Thank you, Alex for that kind introduction, and thanks to the House Magazine for organising today's event. Communication – really being able to have a conversation – is absolutely crucial to our success, so I think events like these are invaluable.

### **Third sector and Britain**

Minister for the Third Sector is in an interesting role – quite different to many other Ministerial posts, you are as much an advocate for the sector as a monitor or liaison.

The sector itself is a reflection of the best of the UK; the diversity, the voices from every walk of life, the passion, the commitment.

It's a reflection of our fundamental belief in fairness and helping one another – we give what we can and we do what we're able.

And it's a reflection of British creativity and innovation – the fresh approaches and indomitable spirit that truly define the sector.

### **Third sector helping through the recession**

I think that all of this is particularly important in the current economic context – something that's obviously occupying everyone's mind at the moment.

In a country that depends on its people rather than on natural resources, the ingenuity the sector fosters, and for example, the skills that can be gained through volunteering, are essential.

At a time when people are more dependent on the services you offer, the strength of the sector is more important than ever.

And in an atmosphere of uncertainty and trepidation, the public need the sense of community the sector is so good at creating and which is one of the most important mechanisms for weathering the current storm.

So when we talk about how we navigate the recession, the conversation is not just about how we get the sector through the difficult times; it's also about how the sector helps get *us* out the other side. This is as much about the third sector being part of the solution as it is about third sector support.

### **What government is doing**

But we'll start with the first half of the discussion.

Francis Bacon once wrote, 'The desire of power in excess caused the angels to fall; the desire of knowledge in excess caused man to fall; but in charity there is no excess, neither can angel nor man come in danger by it'. I'll agree that charity can know no excess, and it is, without question, my top priority to ensure that the sector flourishes.

But I want to be very clear that I want this to be deliberative, sustainable growth and a consolidation. While we are talking about financial support, this is not about throwing money at one problem area. The measures we have taken so far have been

ones to both relieve the immediate pressures of the recession *and* to build organisations that are stronger and more resilient as we move our way out the other side. This is a real investment, one that will pay off for the sector and for Britain as a whole.

I've been asked to give you an outline of what government's been doing.

A major concern when the recession hit was that organisations would find themselves drowning under extra costs. So we created a £16.5 million Modernisation Fund to help with the cost of mergers and partnerships, and to help groups share back-office functions. The more efficient and economical we can make the cost of running an organisation, the more resources there will be for the main business of providing services to people.

We also knew that not all places would be affected the same way. We created the £15 million Targeted Support Fund to be sure that the smaller, grassroots organisations in the country's most deprived areas could get the support they need. We know that the best way to answer individual communities' needs is often through smaller providers who know the area. It's always seemed to me that you don't have to be big to be powerful, and you don't have to have a million-strong organisation to make a difference. And it is crucial to remember that the threats of a recession are not only financial – now, more than ever, the strength of our communities is a reflection of the strength of the country.

Which is not to say that there isn't help for larger organisations. The Chancellor announced a new Hardship Fund in his Budget in April, which will help organisations providing services in health and social care, housing, education and training and guidance

services. I'm pleased to announce today that the Community Development Foundation has been chosen as the government's delivery partner, and the Hardship Fund will open for applications from the end of July.

We're also investing up to £10 million in a volunteer brokerage scheme, helping the unemployed learn new skills and give back to communities through volunteering – and the £1 billion Futures Jobs Fund announced in the Budget will create 150,000 new jobs for the long-term unemployed.

We are focussed on getting people back to work. These programmes give people both a chance to get involved with their community and to gain skills and experience to help them back into paid employment.

Social enterprise is also a fundamental part of our plan as we focus on the future; not just the future of the third sector, but of British business as a whole. We've created a Young Social Entrepreneurs Programme through the Department for Children, Schools and Families; invested in the School for Social Entrepreneurs; and established Social Enterprise Fund to help social enterprises in health and social care.

And we're making sure that we're using all the resources available to us. The Community Assets Programme, for instance, encourages channelling underused Local Authority funds to local organisations – I believe we have people here from Ashfield District Council and London Borough of Havering here today, both partners in the programme.

There are, frankly, countless other measures, and I don't want to go on too long talking about policy specifics. But to help navigate it all, we've worked with NCVO to create the Funding Central Website, a sort of electronic sherpa to help organisations navigate the legislation and get access to the help they may need.

## **Challenges**

There is a lot going on, and I'm immensely proud at the work the government's done. But I don't want to pretend there aren't frustrations. One of the difficulties of formulating government policy is that we make these fabulous announcements, and we institute these incredible measures, and people often then expect the change to happen immediately. But, of course, there is a gap between policy formulation and result. Change takes time – a week is a long time in politics, but it's a nanosecond in government. And I know that for many of you, it can feel that much longer when the pressures of a recession are closing in from both sides: increased demand for your services, and more economic constraint forming a vice-like pressure. The uncertainty about funding for some organisations can seem overwhelming, and as you fill out forms and work your way around different initiatives, the urgency makes the wait seem never ending.

But I'm here today to say that change is happening, I promise you – we're already awarding funding from the Modernisation Fund, and change will continue to come. And I can even say that, in the realm of policy implementation, it's moving apace.

## **A good relationship**

I'm also here to say that you can count on our continued support. But I would like to see the sector sharing more – sharing notes on what it considers to be the problem. Because you, the third sector,

is part of the solution. I see it as money well spent - you have social impact, you have economic impact and are in a good position to help with job creation going forward.

The relationship between government and the third sector in this country is not only unique, it sets a global example. What we have here is unheard of in most other nations, and I think that the work that's been done in recent months is a testament to that. So I'd like to take a moment to extend my thanks to everyone here today, and to the sector as a whole, for your input, your ideas, and your leadership. I look forward to the discussions in the weeks and months to come.

I appreciate honesty. I want partnership. I know we won't always agree – it wouldn't be healthy to do so all the time. But I want to ensure that our objectives are headed in the same direction.

### **Conclusion**

I don't want to take up too much more of your time. I'm keen to get the conversation started, and I'd like to answer any questions you may have... thank you.

ENDS

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