



# The ResPublica Fringe

Articles and Essays from our  
Party Conference Partners



***ResPublica***  
*changing the terms of debate*

Autumn 2011

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## ResPublica Fringe Programme at Liberal Democrat Conference



### Leading by a Silver Standard: Older People in the Big Society

Co-hosted with Independent Age

**Speakers:** Catherine Bearder MEP, Simon Bottery, Director of Fundraising, Policy and Communications, Independent Age; Geraldine Bedell, Editor, Gransnet; Antonia Cox, Research Associate, ResPublica (Chair)

This event will take place at the Jury's Inn (Room 106), Broad Street, Birmingham B1 2HQ.

1.00pm

Sunday 18th  
September



### New models, new partnerships: Bottom-up community care and support

Co-hosted with Stonham Services

**Speakers:** Norman Lamb MP, PPS to Nick Clegg and former Health Spokesperson; Rachael Byrne, Executive Director, Stonham Services; John Evans, Client, Stonham Services; Tanya English, Director of Communications, St Mungo's; Dr Judith Smith, Head of Policy, Nuffield Trust (Chair)

This event will take place at the Jury's Inn (Room 106), Broad Street, Birmingham B1 2HQ.

6.15pm

Sunday 18th  
September



### Is there such a thing as society? New approaches to community

Cross-Party series with CentreForum and The Fabian Society

**Speakers:** Lord Mike Storey, Councillor, Liverpool City Council; Andrew Harrop, General Secretary, Fabian Society; Phillip Blond, Director, ResPublica

This event will take place at the Jury's Inn (Room 106), Broad Street, Birmingham B1 2HQ.

6.15pm

Sunday 18th  
September



### Civic Limits: How much more involved can people get? (Interactive workshop)

Interactive Workshop on ResPublica's participative report

**Civil Society Ambassadors:** Lord Rennard, Chair, ACEVO; Big Society Commission; Richard Wilson, Research Associate, ResPublica; Tony Hawkhead, Chief Executive, Groundwork; Phillip Blond, Director, ResPublica

This event will take place at the Jury's Inn (Room 106), Broad Street, Birmingham B1 2HQ.

8.00pm

Sunday 18th  
September

### NOT a jobless recovery? Localizing skills-driven growth

Co-hosted with Monster

**Speakers:** Lorely Burt MP, Chair, Liberal Democrat Parliamentary Party; Stephen Lloyd MP, Co-Chair, APPG for Further Education and Lifelong Learning; Councillor Paul Tilsley, Deputy Leader, Birmingham City Council; Andy Ramsay, Business Development Director, Monster; Andrew Cave, Policy Director, Federation of Small Businesses (Chair)

This event will take place at the Jury's Inn (Room 106), Broad Street, Birmingham B1 2HQ.

6.15pm

Monday 19th  
September



Jury's Inn (Room 106) is outside the conference secure zone.

## ResPublica Fringe Programme at Labour Conference



### Is there such a thing as society? Can the Big Society ever replace the State?

Cross-Party series with The Fabian Society and CentreForum (corresponding events will take place at Liberal Democrat and Conservative conferences)

**Speakers:** Andy Burnham MP, Shadow Secretary of State for Education; Tim Horton, Research Director, Fabian Society; **Phillip Blond**, Director, ResPublica

This event will take place at Liverpool Town Hall.



6.00pm

Sunday 25th  
September

### NOT a jobless recovery? Joining up workforce and business needs for employment and growth

Co-hosted with Monster.co.uk (corresponding events will take place at Liberal Democrat and Conservative conferences)

**Speakers:** Rachel Reeves MP, Shadow Minister of State for Work and Pensions; Councillor James Noakes, Labour Councillor for Liverpool, Chair of the Employment, Enterprise and Skills Select Committee; Julian Ladd, National Account Director - Public Sector, Monster; **Rajay Naik**, Director of Government Relations, The Open University

This event will take place at PanAm Bar and Restaurant, 22 Britannia Pavillion, The Albert Docks, Liverpool L3 4AD.



6.00pm

Monday 26th  
September

### Civic Limits: How much more involved can people get? (Interactive workshop)

Interactive Workshop on ResPublica's participative report (corresponding events will take place at Liberal Democrat and Conservative conferences)

**Civil Society Ambassadors:** Roberta Blackman-Woods MP, Shadow Minister for Civil Society; Richard Wilson, Research Associate, ResPublica; Martyn Lewis, chair, NCVO; **Phillip Blond**, Director, ResPublica; Rowenna Davis, The Guardian

This event will take place at PanAm Bar and Restaurant, 22 Britannia Pavillion, The Albert Docks, Liverpool L3 4AD.

8.00pm

Monday 26th  
September

### New models, new partnerships: What next for Care and Support for the most vulnerable?

Co-hosted with Stonham Services (corresponding events will take place at Liberal Democrat and Conservative conferences)

**Speakers:** Barbara Keeley MP, Shadow Minister for Communities and Local Government; Councillor Roz Gladden, Deputy Leader and Cabinet Member for Adult Social Care and Health, Liverpool Council; **Rachael Byrne**, Director, Stonham Services; **John Liddle**, Client, Stonham Services; **Claire White**, Service Manager, Shelter; **Dr Judith Smith**, Head of Policy, Nuffield Trust

This event will take place at PanAm Bar and Restaurant, 22 Britannia Pavillion, The Albert Docks, Liverpool L3 4AD.

6.00pm

Tuesday 27th  
September



### Has the 'Big Society' missed a trick? Lessons for community from international peacebuilding

Co-hosted with International Alert (a corresponding event will take place at Conservative conference)

**Speakers:** Hazel Blears MP, Joint Chair of Labour Social Action Taskforce; Henrietta Wilkinson, CEO, Community Resolve; **Phillip Blond**, Director, ResPublica; **Phil Champain**, Director of Programmes, International Alert

This event will take place at PanAm Bar and Restaurant, 22 Britannia Pavillion, The Albert Docks, Liverpool L3 4AD.



8.00pm

Tuesday 27th  
September

Jury's Inn (Room 106) is outside the conference secure zone.

## Foreword by Phillip Blond

Last year's party conference season marked the beginnings of a new political agenda. One year later, we can reflect on how this has thrived, and the challenges that remain.

We have witnessed a new emphasis across all parties on bottom up civic association: The terms 'community', 'society' and 'social value' are permeating legislation adding crucial new elements to the language of choice and competition. The Localism Bill delivers new powers to our neighbourhoods, Chris White MP's Public Services Bill can begin to re-shape our public services, and all three political parties continue to shape their policies around these concerns, whatever the terminology used.

ResPublica is pleased and proud to be working with such a diverse range of partners and co-hosts this party conference season, all of whom share our goals to explore new and innovative models to achieve economic sustainability, social renewal and civic association. This collection of articles, from our party conference partners and speakers, capture these objectives.

Our contributors embrace economies of the future – tackling issues such as joblessness, support for small businesses, the changing nature of work and the various challenges and opportunities of our ageing population. John Hayes MP, Minister for Further Education, Skills and Lifelong Learning, highlights the importance of practical skills, recognition of which is inherent to future economic potential. Damian Green MP, Minister for Immigration, and Harriett Baldwin MP re-inforce this argument in emphasizing that education and training as well as welfare reform all play a role in meeting demographic challenges for tomorrow's society. As Stephen Uden of Microsoft points out, as the majority of new jobs are created in the SME sector, the barriers for SMEs to engage with the formal skills system must be overcome. But growth cannot exist as a lone and isolated agenda: this should be carefully interwoven with agendas for localism and public sector reform. Stephen Lloyd MP and Councillor Paul Tilsley's pieces on making national initiatives work in the local context, in partnership with the local communities, demonstrate these ideals. Investing in these communities is the next step: creating new pathways for social finance and delivering social return so they may thrive.

Responsive services tailored to the needs of communities is a theme that permeates a number of

our contributions: Norman Lamb MP, Graham Allen MP, as well as our partners Stonham Services, Age UK and 4 Children all strongly and rightly advance this agenda. From young to old, homelessness to the energy market, innovative approaches which involve communities as active participants are highlighted as the way forward. As Rachael Byrne so eloquently states, necessity forces innovation, and in turn generates unprecedented opportunities. Evidently, there is not only a cross-party consensus, but also cross-sectoral unanimity for new approaches which empower, involve and enable communities.

The recent riots in Britain are indicative of the challenges faced by our society. But despite uncertainty, these challenges have certainly not been met by apathy or reluctance – in fact Britain's 'civic core' is alive and prospering, as demonstrated by Bernadette Farrell of Citizens UK. Our new report on older people and the Big Society, which will be launched at Lib Dem and Conservative party conferences, further demonstrates the wealth of social capital ready to be tapped. Whilst various articles in the collection exemplify distinct political approaches to harnessing the potential of communities, there remains universal agreement that community participation is the fabric and foundation of our society – and government, business and civil society should take this as the first principle of policy formation. The nature of these initiatives is exactly what "Civic Limits", ResPublica participative project (<http://respublicaciviclimits.posterous.com>), aims to address, and we look forward to interactive discussions at all three conferences which will build on and further develop its recommendations.

New economies, models and partnerships for social prosperity, and the state of civic life in Britain are all themes which ResPublica will continue to explore beyond the party conference season, through our research, publications, events programme and wider networks. I would like to extend my thanks to all the contributors to this collection, as well as our wider range of conference partners and speakers, for sharing these objectives and helping to shape a truly transformative vision of our shared future.

**Phillip Blond**  
Director, ResPublica  
September 2011

# The economies of the future

## The Value of Craft

**John Hayes, Conservative MP for South Holland and the Deepings; Minister for Further Education, Skills and Lifelong Learning**

While the liberal establishment may disparage craft, regard for practical skills remains deeply rooted in our culture. Every autumn millions tune into Strictly Come Dancing, in which celebrities learn the skill of ballroom dancing by instruction and practice. From Anton du Beke to Fred Dibnah, the television schedules reflect a cultural reverence for practical wisdom. Craftsmen like Gordon Ramsay and Heston Blumenthal are icons feted for their talents.

Our fascination with craft confirms what the great Victorians William Morris and John Ruskin knew; that craft has intrinsic value and the power to transform lives. As Ruskin wrote, 'the highest reward for a person's toil is not what they get for it but what they become by it.' The more pleasure we take in our work, manual or mental, the more of ourselves we invest in it, the more we get from it in return – financially perhaps – but most importantly aesthetically. What we do is what we are.

For practical learning no longer to be seen as the poor relation of academic study, its inherent value must be

acknowledged. This revaluation I'm calling for won't be easily accomplished but I think there are many things that Government can do.

The first is to continue and intensify our efforts to re-establish apprenticeship as the primary form of practical training. This Government will create more apprenticeships than modern Britain has ever seen. And this growth is not limited to the traditional sectors, but in the new crafts too – in engineering; IT; the creative industries; and financial services.

It's also about what apprenticeships symbolise. The passing-on of skills down the generations demonstrates that learning by doing is just as demanding and praiseworthy as learning from a book. This is why apprenticeships are at the heart of my vision.

Secondly, the vocational route must be a highway, not a cul-de-sac. I want to see a much clearer path up the apprenticeship ladder, and we have already sharpened the branding, making it clear to learners that a "Level 2"

Apprenticeship is an Intermediate Apprenticeship. I want to see many more high-level apprenticeships, to degree level and above, and so the Government has announced a higher apprenticeship fund, worth £25m, which will support up to 10,000 more advanced and higher apprenticeships.

Creating more progression also means making the barrier between HE and FE more permeable. If we want learning to be truly lifelong, the road from basic skills to higher learning must be as accessible as we can make it. The HE White Paper aims to open up the market to colleges and other providers. This will make it easier for colleges to secure funding and offer courses at degree level.

Thirdly, if we are to elevate the practical then there must be much better recognition of the achievements of learners. I want to see those who take the practical path enjoy symbols of status as seductive as those who take the academic one. That is why we will publish the achievements of high level apprentices, introduce award ceremonies, and foster alumni networks.

But for these symbols of success to be meaningful, we must also ensure that achievement is properly recognised in the workplace. It was clear, even before guilds and livery companies existed, that different sectors require specific skills, so I have always favoured the sectoral approach, with sectoral bodies to be closely involved in designing training and setting standards. This is why the Government supports the work the Technician Council in their efforts to ensure proper recognition of the status of a technician class.

I want to see a much better fit between the training Government supports and the standards identified by professional and occupational bodies as a requirement of membership, and I want to see sector skills councils go beyond the strictly utilitarian, to become guilds for the twenty first century, giving individual workers a sense of worth and pride in what they do.

Fourthly, we must not forget the role that informal learning also plays in teaching skills. Acquiring skills may make our lives more prosperous but it always makes our lives fuller. It raises our self-esteem and often the esteem in which others hold us, too. Learning for its own sake develops the personal skills and self-esteem that can help people onto the first step on the ladder towards structured learning and sustainable employment.

Informal learning often leads to other things too – new friends, community action, a hobby that becomes a successful small business or volunteering that turns into a job opportunity. Learning opens doors – into people's inner selves as well as to the outside world. This sort of learning makes such a difference that we have protected its budget, at a time when fiscal retrenchment is urgent. A review, which I have launched, will ensure that this learning is provided effectively, and reaches the most marginalised in society.

My final point concerns Further Education providers. FE Colleges are an unheralded triumph of our education system, but their capacity to innovate has been limited by the target-driven, bureaucratic, micro-management which characterised the last Government's approach to skills. This Government could not be more different, freeing colleges to innovate and excel. We have already begun rolling back the stifling blanket of red tape and will go further yet. This approach is vital to build provision sufficiently nimble to respond to dynamic demand. In turn, this will drive up the status of FE Colleges, their teachers and learners, at last recognised as the jewels in learning's crown.

There is certainly an economic imperative for change. Valuing practical skills is vital to our future because we simply cannot afford to waste the talents of so many of our people. Training improves productivity and so increases competitiveness. But advancing a sound economic case alone is not enough. The social case for skills is critical to making society bigger: recognising the currency of craft matters because when each feel valued, all feel valued.

Apprenticeships, with a legitimate appeal to popular sentiment, have the potential to excite the public imagination in the way that council-house sales once did. This recalibration of the further education is nothing less than a paradigm shift in the cultural assumptions about what we make and do. To fuel the national interest and feed the common good we must elevate the practical.

*John Hayes MP will be speaking at "NOT a jobless recovery? Matching skills to the needs of local economies", a ResPublica public fringe event co-hosted with Monster at Conservative conference: Monday 3rd October 12.30pm, the ResPublica Marquee, Manchester Central (secure zone). Corresponding events will also take place at Liberal Democrat and Labour conferences.*

## Can the Economy Recover with almost 2.5 million people out of Work?

**Andrew Cave, Head of Policy and Public Affairs, Federation of Small Businesses**

With the exception of the 1980s, the UK is currently experiencing the highest levels of unemployment since the 1930s Depression.

The recession has been tough for everyone and people continue to struggle. Inflation is still above the two per cent mark and is likely to rise to almost five per cent before the end of 2011. In part, those has to do with the VAT increase at the start of the year pushing prices up, but with the Chartered Institute of Personnel and Development suggesting that only 25 per cent of workers will get a payrise in 2011, things are likely to stay tough.

Lower levels of disposable income amongst both consumers and businesses have created a vicious circle where people don't spend and businesses can't invest. Almost a year after the disappointing final quarter of 2010, when growth fell back into negative territory, the economy is lacklustre at best, or indeed 'in a coma', as one commentator recently described growth.

More worryingly, economic forecasts for growth are all being revised down and many were surprised that the second quarter employment figures showed an increase in unemployment, rather than the decline we'd seen in the previous quarters.

Current unemployment stats show that more than 1.6 million people have been out of work for up to one year with women and young people making up a large proportion of the figures. With many students finishing school who will not have a University place, this can only really get worse.

Businesses want to help strengthen the recovery – but many of them just aren't confident enough to take on staff. The recent Federation of Small Businesses 'Voice of Small Business' Index showed that the number of firms reducing staff levels declined in the second quarter, although more firms are still laying off workers than hiring new ones.

The index also shows that a third of businesses that have applied for credit have been turned down in the 12 months to June. As a result of failing to get all the credit applied for, 40 per cent of respondents have on-going financial concerns, almost a third (31%) have missed a growth opportunity, one in five (21%) have delayed their investment plans and 18 per cent believe they are at a competitive disadvantage.

Evidence from past recessions shows that demand for finance is at its highest during the recovery as businesses

look to invest and take on staff. At a time when the Government is looking to the private sector to boost the recovery and create jobs it is vital that businesses can access funds.

In 2010, the Department for Work and Pensions spent £2.24 billion on Jobseekers Allowance. The Government must prioritise growth to ensure that businesses can pick up the slack and ensure that the people that are out of work find new jobs.

According to the Office for National Statistics, the average person earns £499 per week and will contribute £5,941 per year to the Treasury in taxes. So taking one million people off benefits and putting them into work would generate £5.9 billion for the Treasury – helping to put the recovery on a much firmer footing, as well as tackling the deficit.

The Government has many tools available to help create new jobs and put people back into work. Its New Enterprise Allowance scheme provides a grant to help people start up a business. In 1992, under the first Enterprise Allowance Scheme, more than 36,000 businesses were set up and more than 10,000 additional jobs were created.

The FSB believes that allowing people with a valid business idea the chance to use the scheme from the first day they claim Jobseekers Allowance, rather than after having claimed for six months, would get people straight back into work, creating more jobs in the future. This is especially pertinent as the number of people claiming Jobseekers has risen dramatically.

FSB research has also shown that up to 46,000 jobs could be created if the Government extended its current Work Trials scheme. Work Trials are beneficial for both the employer and the employee as they offer key skills to help businesses move forward while at the same time ensure the person on the work trial is learning new skills. Research shows that nearly half of all jobs beginning with a Work Trial have led to a permanent job in that business.

In a recent FSB survey, nearly a third (31%) of members said that reducing National Insurance Contributions (NICs) payments for the first six months of employment would encourage them to take on more staff, and 11 per cent said extending the NICs holiday scheme would be an incentive.

The Current NICs scheme is only open to new start-up businesses for the first 10 employees they take on as long as the business isn't operating in the east or south east of



England, or in London. It hasn't really had the take up that the Government expected with figures suggesting that only 5,137 businesses have used the scheme in its first 10 months of operation.

The FSB has long been calling for the scheme to be extended to existing micro businesses across the whole of UK to help boost the recovery, as it is those businesses that have been trading for some time that are more likely to take on a member of staff.

The economy will not flourish unless the unemployment level falls – but businesses need a helping hand to

take people on. Government, while cutting the deficit, must put an action plan in place for growth. We must avoid a jobless recovery at all costs because, businesses, consumers and the Government simply cannot afford it.

*Andrew Cave will be speaking at “NOT a jobless recovery?” a ResPublica public fringe series co-hosted with Monster at Liberal Democrat conference: Monday 19th September, 6.15pm, Jury's Inn Birmingham; and Conservative conference: Monday 3rd October 12.30pm, the ResPublica Marquee, Manchester Central (secure zone). A corresponding event will also take place at Labour conference.*

## Not a Jobless Recovery: How can we localize skills-driven growth strategies?

**Councillor Paul Tilsley, Birmingham City Council**

For the past 18 months local government has been overwhelmed by savings targets, redundancies and complex service provision decisions, all this has come under the unfortunate umbrella of 'cuts'. Repeatedly we are hearing that budget reductions and price increases are a necessity of the recovery, necessary they may be, but taken alone would leave the economy seriously unbalanced, especially in the West Midlands where the manufacturing decline during the 1980's coupled with an economic resurgence reliant on the service and financial sector has left vast skills shortages and a significant skills mismatch in the region.

In the West Midlands the Local Enterprise Partnerships will be a key vehicle in driving the local skills agenda forward. The Local Enterprise Partnership (LEP) comprises the urban core of Birmingham and Solihull, the southern Staffordshire districts of Cannock Chase, Lichfield, Tamworth and East Staffordshire (based on Burton upon Trent), and the northern Worcestershire districts of Redditch, Bromsgrove and Wyre Forest (based on Kidderminster). As a Core City LEP, with a population of 1.9m and a GVA of over £35bn (one third of the West Midlands total), the LEP has a particularly crucial role as an engine of growth both for Midlands and for the UK as a whole.

Given the critical importance of the skills agenda to business in increasing productivity and competitiveness,

LEPs will need to take a robust and proactive approach to tackling skills and employment which is business and demand led. The Coalition government has changed the landscape for employment and skills delivery, now focussing much more on large scale contracts, nationally procured, but still requiring a local focus in delivery to address local issues. How LEPs bring together those agencies which have a key responsibility for employment, skills and learning across LEP areas needs to be a high priority.

To take the Work Programme as an example it is crucial that the LEP engages with the Prime Contractors to ensure both a response to its employer-led agenda, and how a wider accountability for delivery can be achieved against a commonly agreed set of principles. Birmingham has already commenced this dialogue. Similarly, given the agreed importance of growing the numbers of apprentices, particularly within SMEs, the Birmingham Apprenticeship Scheme has demonstrated the importance of additional support and incentives in encouraging SMEs to employ apprentices, and retain them beyond the duration of the apprenticeship.

The public sector also needs to call upon its own powers of leverage with the private sector employers to capture jobs and skill-up employees. Birmingham City Council was one of the first to adopt a Procurement Policy for jobs and skills, and we would want to encourage this approach

across the broad range of government and public sector procurement activity.

Some priorities work areas already being developed by the LEP which demonstrate the need for localised skills and the potential job creation include:

**Strategic connections to national, European and global markets.** This includes strong support to High Speed 2, the New Street Station redevelopment and the runway extension at Birmingham Airport, as well as enhanced investment in superfast broadband;

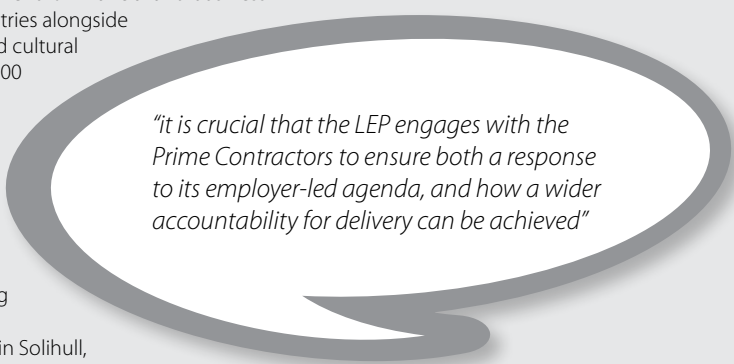
**The Birmingham city centre Enterprise Zone.** By 2025, if all the Zone's sites are developed, will have delivered over 700,000 sq metres of new floorspace for professional and financial services, digital media, ICT and creative industries alongside complementary leisure and cultural activity space; a total of up to 40,000 jobs; £2.8 billion to the economy in GVA per annum and additional business rates of up to £70 million per annum for investment across the LEP. In the short term, by 2015 the EZ will deliver 48,500 sq metres of new development for financial and business services and creative industries alongside complementary leisure and cultural activity space; a total of 3,000 jobs; and over £200 million to the economy in GVA per annum.

**Developing an "Enterprise Belt" outside of Birmingham.**

The LEP has identified an "Enterprise Belt" comprising sites with the potential for development and growth in Solihull, Cannock, Lichfield, Tamworth, Burton upon Trent, Redditch, Bromsgrove and Kidderminster. In total, by 2025 the Belt could result in the development of 580 hectares, delivering £14bn of GVA and 96,000 jobs in virtually all sectors of the economy. With the right investment, 30% of this could be delivered by 2015. The LEP will explore ways of funding development across the Belt, including using revenues from the Birmingham Enterprise Zone.

In summation, it is clear from the work of the LEP that Birmingham is an example of how skills driven growth strategies can have potential to stimulate economic growth. Access to a skilled talent pool has already been identified as a barrier to developing business in Birmingham. Decentralisation of the skills agenda to local government would allow councils to identify the skills the local community need and provide a platform for colleges, schools and universities to supply the necessary skills for the development of the local area. This is currently a consideration in the Local Government Resource Review which will hopefully allow local government to take control of the wider skills agenda.

*Paul Tilsley will be speaking at "NOT a jobless recovery? Localizing skills-driven growth" a ResPublica public fringe event co-hosted with Monster at Liberal Democrat conference: Monday 19th September, 6.15pm, Jury's Inn, Birmingham. Corresponding events will also be held at Labour and Conservative conference.*



*"it is crucial that the LEP engages with the Prime Contractors to ensure both a response to its employer-led agenda, and how a wider accountability for delivery can be achieved"*

## Local initiatives, local economies

**Stephen Lloyd, Liberal Democrat MP for Eastbourne; Co-Chair, APPG for Further Education and Lifelong Learning**

The present state of the economy was going to be the main challenge for any government, of whatever political persuasion, and the same applies from a micro perspective to each and every constituency in the UK. My view is, a key priority for an MP should be to focus on the local economy and jobs then most of the other priorities will improve as they follow in the slip stream.

In Eastbourne and Willingdon one of my first actions after the election was to set up a group called the MP's Commission; made up of local trade associations and business people including the Chamber of Commerce, The FSB, The Eastbourne Hospitality Association, Eastbourne Independent Traders group and the local Council. The purpose of this body was to do all that was possible to drive, improve and grow the local economy.

Our task was to implement a series of initiatives that would help the businesses gain momentum. Eastbourne had to raise its game as a town, to a level where it can get through what is probably going to be the most severe economic downturn since the war. Success should mean that the town will be well placed to grow confidently when the economic cycle starts moving upwards.

My background is business development, so I am well aware that when times are difficult for the economy, the first priority is to maintain confidence; not just for businesses but across the board. The support of local companies, trade associations, residents and the council has been and remains vital. These should work with and complement national strategies and investment. No single avenue is the answer; all must be pursued in tandem.

The MP's commission has led a number of initiatives locally to enliven the economy such as a procurement conference, aimed at matching up Eastbourne SME's and the public sector, a jobs programme where I challenged Eastbourne to recruit 100 apprentices in 100 days, and the Commission has worked hard to ensure that the town benefited much more than in the past from our annual international tennis tournament, the Eastbourne Open.

The Apprenticeship challenge is a perfect example of how national initiatives can be interpreted and made to work in the local context. The project was a partnership between the MP's Commission and the National Apprenticeship Service. Its huge success – the target 100 was achieved after just 19 days and the final figure will be over 170 apprentices – was down to this cooperation. Maximising the sales opportunities provided the Tennis Tournament worked so well because the MP's Commission operated

in harness with all the key interests including the Lawn Tennis Association. We designed and printed a 'tennis passport' of discounted local offers to 20,000 ticket holders. This as well as dressing the whole town generated excitement, energy and, ultimately, more footfall for local traders.

We've even created a new mascot for the town; Barnaby Bee – putting the buzz back into Eastbourne! A bit cheesy but very deliberate; the children love Barnaby and where they go, their parents go, and they spend the money!

All these are part of the jigsaw. Working in partnership with the whole community, being a catalyst for change and if necessary sometimes forcing it. If it's done right and in a non-party partisan way, it can be a game-changer.

Much of my work in Parliament has a common theme: what more can I do in Westminster to help grow our economy in Eastbourne, and secure more and better jobs for my constituents?

A simple mantra but clear. Not a bad thing when trying to juggle the myriad of tasks that MPs face every day.

*Stephen Lloyd will be speaking at “NOT a jobless recovery? Matching skills to the needs of local economies”, a ResPublica public fringe event co-hosted with Monster at Liberal Democrat conference: Monday 19th September 6.15pm, Jury's Inn, Birmingham. Corresponding events will be held at Labour and Conservative conferences.*

## Skills for better economic outcomes

Stephen Uden, Head of Skills & Economic Affairs, Microsoft

Everyone I've ever met agrees that Britain needs more skilled people at ever higher levels to support economic growth and maintain international competitiveness. Yet one of the more sobering aspects of my job is attending job fairs and job clubs and meeting many young people who have worked hard for qualifications that won't improve their prospects in the job market. I meet unemployed graduates who thought that studying theatre or gaming or media for three years would enable them to subsequently work in those sectors. And I meet young people who have undertaken an "apprenticeship" that involved pure classroom training for a year that can't subsequently find work with an employer in that field.

Of course there will always be small anomalies in a huge and diverse labour market, but this is taking place on far too large a scale and we have to ask why this is happening and how we can ensure that public and private investment in training actually leads to economically valuable skills.

If a young person undertakes a course of training that leads to a new or better job then:

The trainee benefits through increased cumulative lifetime earnings

The employer benefits from the increased productivity of the employee

The Government benefits from the tax generated as well as from avoiding the need to pay benefits if the trainee remains unemployed

Different scenarios give rise to different proportions but in almost all cases there are significant gains to the trainee, employer and Government. Students often fund their own training, employers spent almost £40bn a year on training from CBI figures and the public purse pays for over £7bn of training annually. Given that public investment in skills is not going to rise in the medium to long term, it needs to work harder by drawing in investment from trainees and employers through matched funding.

Historically the public skills system was one of centralised command and control, simply deciding which skills were needed and then commissioning providers to run the subsequent courses whether they were needed or not. With the growth of apprenticeships there has been a greater engagement of employers but this needs to go much further.

Specifically we need two things to happen if we are to increase investment in economically valuable skills. Firstly

we need far more SMEs, where the majority of new jobs are created, to engage with apprenticeships. The will is there, it is currently still too hard for small employers to engage with the formal skills system and that is why SME uptake of apprenticeships is still low.

Microsoft works with 30,000 SME IT companies that provide everything from consultancy to computer hardware. Over the past two years we have created an apprenticeship scheme for these companies where we engage the skills funders and providers on their collective behalf and now have over 500 apprentices in IT training. The experience has been fascinating: small employers love the combination of classroom and on-the-job training and recruitment of employers has been relatively straightforward. Crucially, 80% of the apprentices have taken up newly created jobs (even in the current economic climate), demonstrating that if you get the conditions right then employers will invest in skills alongside Government.

Secondly we need trainees and potential trainees to be more informed consumers. Decisions about personal investment in training require people to offset the immediate cost and opportunity cost against the uncertain long-term benefits of increased earnings and job satisfaction. Yet the information available to them is very limited and often managed for marketing purposes by training providers.

As the finance industry has comparison sites to enable consumers to make informed choices between financial products so the skills sector needs effective comparison data. Over the past couple of years I've been working with and supporting a charity called [bestcourse4me.com](http://bestcourse4me.com) which uses data from the Labour Force Survey and HESA to give prospective university students data on employment outcomes. But we need all the course outcome data to be in the public domain so that any organisation can analyse it and publish it for students to use to make informed choices.

With more engaged SMEs and better informed trainees our national skills position and economic prospects will be improved and I can positively look forward to attending my next job fair.

*ResPublica and Microsoft will be co-hosting a public fringe event, "Investing, Innovating, Instructing? Whose responsibility is skilling up Britain?" at Conservative conference: Monday 3rd October, 6.30pm, the ResPublica Marquee, Manchester Central (secure zone).*

## Powering Urban Economies

Chris Murray, Director, Core Cities

England is on the cusp of major economic and policy shift and its success relies on the performance of its cities.

From Jane Jacobs' *The Economy of Cities* to Ed Glaeser's *The Triumph of Cities*, the importance of urban economics in the modern, post-industrial context has long been understood and much investigated. Closer to home, in reports such as *The State of the English Cities*, and much of the recent work of the Core Cities Group, like *Our Cities Our Future*, the connection between decentralisation of power and resource, and economic success is well demonstrated.

Therefore it can be no accident that we now have a Minister for Decentralisation and Cities, in the shape of the Rt Hon Greg Clark MP. This is a significant step forward in the recognition of cities as solutions to economic growth, sustainability and social cohesion. We are on the cusp of change, but also at a moment of real economic need. There is much to be done and a short time in which to do it if cities are to play their full role in driving economic growth and productivity and rebalancing the economy.

We know all too well the scale of the challenge, so let's look for a moment at the scale of what cities can offer as solutions. The Core Cities wider urban areas deliver 27% of the economy; add in London and its about 50%, a few more urban areas and we are looking at the vast majority of our prosperity being delivered from a small urban land mass.

It's worth asking what constitutes the city in this context. People and business are drawn to cities for their social and cultural vibrancy and the economic opportunities they offer. Cities drive innovation and have a brand and status that attracts investment to their local and wider areas. For business to compete nationally and globally, they need the assets provided by cities: intellectual capital; private sector agglomeration; connectivity; and good public services. Business in cities drives growth, but a strong partnership between business and good local governance – including learning institutions – creates the circumstances in which the private sector can thrive.

Independent forecasts show that with additional freedoms Core Cities Local Enterprise Partnership Areas can deliver a further 1 million jobs and £44 billion GVA over the next decade. Admittedly some of the forces that will generate this growth are not within the control of national or local governments, but others are and we should focus upon them.

Allowing cities to raise finance innovatively, e.g.: through Tax Increment Financing; pooling capital finance across areas; delivering an even more ambitious set of Community Budget programmes; can all play their part. But essentially, cities require greater control over the levers of productivity and growth to deliver for the long term, in the same way their international counterparts do, and now is the moment to be decentralising to them.

Perhaps the most powerful and certain way for Government to rebalance the economy is to connect the growth, localism and public sector reform agendas within cities.

We have a Plan for Growth, and the next iteration of this might reassess the role of cities as economic drivers. A genuine localist reassessment might review the most appropriate spatial level for devolution of particular economic policy levers, based on the impacts that they will have within functioning economies and labour markets. This reassessment should include regeneration; skills; employment; finance; innovation; transport; infrastructure; housing; and health. Combine this with a public sector reform agenda that could seek to enhance local productivity as well as delivering better service outcomes, and a very dynamic and distinctive set of urban policies, and a toolkit for growth begins to emerge.

These policy dynamics, played out in the right way in cities, could become the fuel for the next stage in the evolution of cities and their economies in England. The task before us is to work together – public, private, local, national – to ensure it happens.

*ResPublica and Core Cities will be co-hosting a public fringe event, "Beyond the bill: Next steps for urban localism", at Conservative conference: Sunday 2nd October 6.30pm, the ResPublica Marquee, Manchester Central (secure zone).*

## The Future World of Work

**Julian Ladd, National Sales and Account Director, Monster**

It is fascinating to think that where and for whom we work is changing so much. Not so long ago the one job career was common place, particularly in the public services. Now people may work for more than ten different organisations in their career.

The corporate ladder of today allows much more flexibility for people to make work who they are, rather than what they do. In the future it is likely that more people will become their own bosses and work on a series of projects for different companies rather than being tied to one employer.

There are many challenges that exist:

The UK and the wider public sector are not well positioned in this current war for talent. Do we actually understand the true make-up of the labour market?

Generation Y (those who started working after 2000) are also more likely to work overseas, posing further complications for this UK skills base.

To compound the impact of the war for talent, the future recovery of the economy is likely to have a dramatic effect on employee turnover. As the economy tries to return to growth, organisations need to be prepared for new market conditions and have a clear strategy to retain staff.

As the volume of opportunities increases in line with public sector expansion, the top candidates will be harder to attract and secure. Therefore public sector employers need to reflect on the strength of their capability to understand the labour market and to identify and hire the best talent.

Employers themselves are already becoming more flexible about how they employ people. The boom in interim and contract working and technology allows much work to be location neutral; at some point in the near future, the idea of the office as a fixed geographical space will be considered very old fashioned!

This new world of work is already starting to present some unique associated challenges:

From a job seeker's perspective, connecting with companies that are looking for their skills will have to start taking place outside of the parameters of a traditional job hunt. Social and professional networks will undoubtedly help in this but Monster's research has shown that job seekers are still looking for dedicated web destinations on the web that will help and provide relevant information to their careers.

From an employer's perspective, sorting through CVs is a genuine pain point as their briefs become more open and flexible. Professional networks also throw up an increasingly large amount of data to shift through when trying to source the talent of the future.

The role of online recruitment in this future world of work is clear. Companies and job seekers should be brought together on the web in a way that is targeted, efficient and flexible. The days of simple job posting are numbered. Gaining a much more holistic view of the labour market – demand and supply side – is crucial for organisations to be able to establish their strategies for growth

At the heart of Monster's success and our future is innovation: we are changing the way people think about work, and we're helping them actively improve their lives and their workforce performance with new technologies, tools, practices and labour market intelligence.

Joining up workforce and business needs is more challenging than ever, which is why we are keen to be part of the debate and are delighted to be partnering with ResPublica for the 2011 party conference season.

*ResPublica and Monster will be co-hosting a public event series, "NOT a jobless recovery?" across all three conferences, Liberal Democrats: Monday 19th September, 6.15pm, Room 106, Jury's Inn Birmingham; Labour conference: Monday 26th September, 6.00pm, PanAm Bar and Restaurant, Britannia Pavilion, Albert Dock, Liverpool; and Conservative conference: Monday 3rd October, 12.30pm, The ResPublica Marquee, Manchester Central (secure zone).*

## The Ageing Time Bomb

**Vicky Ford MEP, Conservative Spokesman on Economic and Monetary Affairs and member of Financial, Economic and Social Crisis Special Committee, European Parliament**

As a woman born in 1967 I have a 16% probability of living until I am 100 according to latest research from the Office for National Statistics. Compare this to my mother, 30 years my senior, whose probability is just 6%. Whereas 26% of my daughter's peer group, 30 years younger, are likely to see their hundredth birthday. With each generation, the changing demographic due to ageing compounds the stresses on pension funding.

The UK with its current Pensions Bill is not the only country needing to reform pension entitlement and funding. We are not alone in finding that these are extremely sensitive negotiations but it is not one that we can hide from. Aviva, the UK's largest insurance company, produced a study into the pensions "gap", concluding that the UK had the largest unfunded hole between pension expectations and pension savings of any of the EU 27 countries.

Across Europe the ratio of over 65s to the working age population is predicted to double from 25.4% in 2008 to 53.5% by 2060. Many European countries are also considering ways to encourage people to work longer, save earlier and to reform funding arrangements.

In the Netherlands the state pension provides less than half of retirement income. Saving schemes have set aside 130% of GDP in pension funds, the highest of any OECD country. Any individual can log onto a national website, type in their social security number and immediately bring up forecasts of how much their state, employer (occupational) and privately funded schemes are likely to pay them personally in retirement. Prefunded schemes such as those in the Netherlands are impacted by stock and bond market volatility. The Dutch have recently voted to increase the retirement age for occupational and state pensions from 65 to 66 by 2020.

The other extreme is in France where pensions are almost entirely state paid. They are not pre-funded but operate on a pay as you go scheme, thus pension payments depend on contribution of future generations of workers, becoming less sustainable as baby-boomers reach retirement let alone longer life expectations. Increasing the pension age from just 60 to 62 brought widespread protests and strikes.

In 1999 Poland started to move pensions towards a prefunded method making it mandatory for all workers to pay 19.5% of their salary into pension savings. Rapid aging has contributed to increased deficit on the state run scheme and the government has reduced the percentage

that can be put into private savings to just 2.3%, the remainder being claimed for the state pension.

At the end of last year the European Commission launched a consultation on pension arrangements and during 2011 the European Parliament voted on its own detailed report.

The report recognises the diverse and divergent ways in which different countries fund their pensions and does not recommend a harmonisation of pension age or pension provisions across Europe.

However, the European Commission is soon to table proposals for a review of the Institutions for Occupational Retirement Provision (IORP) directive affecting occupational pensions. Over 80% of occupational defined benefit schemes are based in the UK or Netherlands so this directive will be especially important for UK savers. Measures that make it easier for workers to move their pension savings from employer to employer or country to country and allow providers to compete across borders seem constructive. Whilst it is important that schemes can meet their obligations, directly transposing capital adequacy models from the insurance industry onto pension providers would result in increased costs and reduced pension returns.

The increasing life expectancy and lower birth rates for future workforce leaves individuals with stark choices. We need to work longer, reduce our pension expectations and save more for the future. This summer across Europe stock and bond markets tumbled due to concerns over fiscal stability, in many countries achieving a sustainable solution to pension funding is at the core of reforms needed for fiscal stability. However the volatility experienced by savers has made it even more of a challenge to encourage people to put more cash into long term savings. Reforms just got even harder.

*Vicky Ford MEP will be speaking at "Affording pensions and healthcare: Can Europe defuse the demographic time-bomb?" a ResPublica public fringe event co-hosted with Business for New Europe and AVIVA at Conservative conference: Monday 3rd October, 5pm, the ResPublica Marquee, Manchester Central (secure zone).*



## Reforming Immigration Policy

**Damian Green, Conservative MP for Ashford; Minister for Immigration**

It is undeniable, especially from where I sit, that the amount of heat generated by immigration debates significantly surpasses the amount of light produced. One reason, I suspect, is that none of the UK think tanks that devote a significant amount of their time to the subject come to it without an existing agenda. Whichever one you agree with, Migration Watch or the IPPR are unlikely to surprise you with their conclusions faced with any particular piece of evidence. The new think tank at Oxford University has not developed the authority of a body like the Institute of Fiscal Studies.

This absence of an agreed intellectual framework within which debates can take place should not deter us from trying to obtain a sense of perspective. Stepping back from the day-to-day arguments about numbers, enforcement, legal battles and border controls we need to put immigration policy in a wider context.

There are three big reasons for people to become immigrants: labour, learning or love. They will either be looking for work, coming to study, or moving in the course of a relationship. Of course these are the respectable reasons for migrating. There are far too many people who arrive in Britain pretending to pursue one of the three paths, while in reality having a completely different purpose. Much of the Government's effort in reducing net migration to an annual figure in the tens of thousands is devoted to stopping this abuse. But even if we assumed that all who came here were respectable we would need to be more discriminating.

There are two simplistic and wrong positions on immigration. One says that more immigration means higher GDP, and that it is therefore a Good Thing. This was the position of the Treasury in the 1990s, and was the Labour Government's position for much of its time in office. The other is that Britain is full, and immigration is therefore a Bad Thing. This is the position of some newspapers, and many people who email me on a regular basis. Neither position is tenable. Instead what we need is a system which delivers the skills we need in the workforce, encourages the brightest and best students from around the world to come to our universities, and allows people who can play a positive role in this country to come here.

This is why we only allow skilled workers, investors and entrepreneurs to come here to work. It is why we are determined that the student route, which is by far the biggest source of immigration numbers, should be

restricted to genuine students coming to study at genuine institutions. It is why we require people who come here to get married to demonstrate that they can speak English at a basic level at least, to show that they do intend to contribute to the wider community.

One corollary of this is that we should stop talking about "immigrants" as though they were homogeneous. Some are coming here for the best of reasons and will be among the stars of tomorrow's Britain. Some are coming here without the slightest intention of contributing to British society. The immigration system needs to be able to distinguish between them, and increasingly it does.

These changes mark the end of a period when the sheer scale of immigration produced social unease and political turmoil. Some commentators were affronted that I described Britain as having become "addicted" to immigration (a thought that I borrowed from David Goodhart, so it has cross-party provenance). It is an accurate description of what happened in the last 15 years, particularly in the labour market. Like any addiction it will take time, patience and persistence to cure.

It is also true that immigration policy needs to be set as one of the three key reforms that will lead to a healthier society. British workers need to be able to take up the jobs on offer. So education and training reforms are needed to give them the skills to make them employable, and welfare reform is necessary to ensure that those able to work no longer have the temptation of a life on benefits. The third leg of these reforms, a smarter and more targeted immigration policy, completes the pattern.

*Damian Green will be speaking at "Affording pensions and healthcare: Can Europe defuse the demographic time-bomb?" a ResPublica public fringe co-hosted with Business for New Europe and AVIVA at Conservative conference: Monday 3rd October 5.00pm, The ResPublica Marquee, Manchester Central (secure zone).*



## Matching skills to the future needs of the British economy

**Harriett Baldwin MP, Conservative MP for West Worcestershire; Member, Work and Pensions Select Committee**

Something is very wrong with an economy that creates millions of jobs, but the majority of those jobs have gone to economic migrants. Millions from the domestic workforce still languish on out-of-work benefits.

Between 1997 and 2008, more than 40% of the increase in British employment was accounted for by migrant workers from abroad, and this trend has shown no sign of letting up in the last year.

The Welfare Reform Bill, which will introduce the Universal Credit from 2013, is a historic piece of legislation because it will at last create strong incentives for UK benefit recipients to move into work.

At the moment, calculating whether taking a job leaves you better off is complicated. There's greater certainty on out of work benefits. Marginal withdrawal rates on joining the workforce can be as high as 96 pence in the pound.

This will be supplemented by the Work Programme, which got underway in June 2011. It pays providers an attachment fee, a success fee and on-going cash for up to two years for keeping someone who has been long term unemployed in work.

These providers, from both the private sector and the social sector, are investing billions up front in the hope of matching job-seekers with jobs and getting paid an incentive fee for doing so.

Work Programme providers will be adept at identifying skills for particular local economies, because each contract package has been awarded on a regional basis.

But it won't be enough just to make these significant changes. In a world where technological innovation is a constant, there is a real need to ensure that the British workforce can adapt with the right skills.

Moving to an all age careers advice service from April 2012 is a good start. The workplace changes so rapidly and so few people stay in the same line of work for their whole careers that this is a long overdue reform.

Literacy and numeracy are critical skills but only 50% of British school leavers achieve them, according to the CBI. That's why it is so important that those who do not achieve good GCSEs in Maths and English will continue to be taught these subjects from 16 – 19. Science, technology and engineering are also in short supply and University Technical Colleges are being set up in some areas to tackle this gap.

The Wolf report makes a strong case for equality for vocational skills, and a good way to reveal progress in this direction would be to start publishing school results in a different format. At the moment, league tables report the headline numbers for the number of A\*-C GCSEs, but it would really help society if we knew how many of those young people are also getting good vocational qualifications, apprenticeships or moving on to University. This year 60,000 young people failed to get a single GCSE. What incentives are there for the education system to find them the right skills for life and the right career move?

Apprenticeships are shaping up to be a large part of the answer, with substantial taxpayer resources being put into these on-the-job development opportunities. Skills Minister John Hayes is rightly proud of the creating of over 300,000 apprenticeships in the last year. These are very valuable, as measured by greater lifetime earning for those lucky enough to win apprenticeship places and they are an excellent way for businesses to create entry level positions where much of the early risk of employing and training a school leaver is underwritten by the state.

In summary, Welfare Reform; the Work Programme; all age career advice; better literacy and numeracy; greater weight on vocational skills and apprenticeships are all going to play a vital role in matching skills to the future needs of the British economy.

*Harriett Baldwin will be speaking at "NOT a jobless recovery? Matching skills to the needs of local economies", a ResPublica public fringe event co-hosted with Monster at Conservative conference: Monday 3rd October 12.30pm, the ResPublica Marquee, Manchester Central (secure zone). Corresponding events will also be held at Labour and Liberal Democrat conference.*

## Widening Access to Higher Education

**Rajay Naik, Director of Government Relations, The Open University**

This July, 250 of The Open University's first-ever students – "The Class of '71" – reunited at the University's Milton Keynes headquarters to celebrate what the institution has achieved over the past 40 years.

The Class of '71 shared with me their stories about staying up to watch late night Open University (OU) TV lectures and the ridicule they faced at the time about being footnotes in a "failed social experiment". However, we were able to tell them a remarkable story. That from 25,000 students studying from four courses, we now have more than 260,000 studying more than 700 courses, and that from late-night lectures we now co-produce primetime BBC programmes such as *Coast*, *Bang Goes the Theory* and *Made in Britain*.

Higher education is changing markedly but a fundamental premise must be that our nation's system is one of the world's best. In online learning, for example, out of 600 universities from around the world with a presence on iTunes University – including Harvard, Yale and Stamford – it is a British institution, The Open University, which is the most popular, with more than 36 million downloads of OU material since 2008.

But whilst our model has been to apply cutting-edge techniques to bring learning closer to people, our fundamental mission has always been to serve those from disadvantaged backgrounds, and be a national beacon for social mobility. The Class of '71 were perhaps most proud of the fact that their Open University is not remote and technical, but warm and engaging. And that today it supports 12,000 students with disabilities; 20% of its newest students are from the 25% most deprived areas in the country (as measured by the Index of Multiple Deprivation); and 18,000 of its students benefit from targeted access, taster and openings learning programmes.

This work is not unique to The Open University. Countless providers across the country do magnificent work to widen access. However, in an environment where the costs for graduates will rise, we must do all we can to protect participation amongst the poorest groups in society. That is why we – along with leading think tanks, charities and universities across the country – are so concerned about the potential loss of the targeted support for widening participation. The current level of investment is £372m, but the future of this allocation is perilously uncertain.

It is excellent that the Universities Minister stated in the Commons on 15 July that this funding "is the equivalent of the pupil premium in schools. The Higher Education Funding Council for England is now consulting on how best to deliver the money in future, but we [the government] have made it clear that it is very important to reflect the additional costs that under-represented groups face". We also welcome the Opposition's commitment to the funding, and the attention it received in Simon Hughes' report on Access. But in the new parliamentary session, a renewed and redoubled political commitment will be vital.

The Open University is humbled by how proud the Class of '71 are of our achievements. But to ensure that the Class of 2011 can look back with such pride, and to ensure that our nation can look forward to another 40 years of enhanced social mobility, the widening participation allocation must be retained. We look forward to receiving your support in that mission.

*Rajay Naik will be speaking at "NOT a jobless recovery?" a ResPublica public fringe series co-hosted with Monster at Labour conference: Monday 26th September, 6.00pm, PanAm Bar and Restaurant, Britannia Pavillion, Albert Dock, Liverpool; and Conservative conference: Monday 3rd October 12.30pm, the ResPublica Marquee, Manchester Central (secure zone). A corresponding event will also take place at Liberal Democrat conference.*

## Supercharging Social Finance

Christine Berry, Policy Officer, Fair Pensions

In last year's ResPublica fringe publication, Geoff Mulgan, Chair of the Inquiry into the Future of Civil Society, wrote of the need to grow a 'civil economy'. A year later, the government appears to have high hopes for the contribution this idea could make to realising its vision of the good society. With the recent launch of four Social Impact Bond pilots, and work ongoing to construct the Big Society Bank, the weight of expectation on social investment – sometimes called 'impact investment' – is heavy.

The idea is to harness hitherto untapped pools of private capital – beginning with philanthropic institutions, but ultimately including pension funds and other mainstream investors – to finance socially beneficial projects which deliver a 'blend' of social and financial value.

Policy thinking in this area has focussed, understandably enough, on the 'supply side': creating the products to be invested in, and the infrastructure of intermediaries to link investors with those products. But the fruit of these labours could go unrealised unless equal attention is paid to the 'demand side': will investors really be eager to dip their toes in the waters of social investment?

There are good reasons to think they may not be – and one of those reasons lies in the way many investors interpret their legal obligations. A mantra has developed that investors have a monolithic, uncompromising 'duty to maximise return' – usually interpreted in terms of short-term financial performance. Although this phrase appears nowhere in law, it has become the stock response to queries from members of pension funds or charities about the social or ethical impact – positive or negative – of their investments. It also makes many investors wary of the whole idea of impact investment, as though seeking to do good were in itself somehow contrary to their duties. Investors may even demand that the return from socially beneficial investments is not just as good as alternative 'conventional' investments, but better.

What the law does say is that people placed in a position of trust have a duty to act in the best interests of their beneficiaries – and that, in the case of an investment trust, this will usually mean their best financial interests. But that is a far cry from the prevailing notion that the social (or indeed environmental) impact of a fund's investments simply cannot enter the equation. Indeed, this is arguably an outdated and myopic way of looking at beneficiaries' interests. It should be cause for concern, not just for the architects of the Big Society Bank, but also for those of another pioneering initiative – the Green Investment Bank.

Let's say that financing the infrastructure for low-carbon electricity generation delivers slightly lower returns than putting the same money into an oil major. Are investors really duty-bound to choose the latter, thereby consigning their beneficiaries to a world of higher food and fuel prices and extreme weather – one in which their pension, however handsome, may not guarantee them a decent standard of living in old age?

Of course, whether it's the Green Investment Bank or the social investment agenda, the products on offer must meet investors' needs – including providing a decent return. But their success will also depend to some extent on investors accepting the principle of sub-market financial returns on investments with a high social return – in other words, of blended value. But if investors insist that the law requires them to give social return a value of zero – regardless of how much it might improve their beneficiaries' quality of life or strengthen their communities – this vision is unlikely to be realised.

There are some signs that policymakers are aware of this. Earlier this year the Charity Commission was asked to revise its guidance on investment of charitable funds, in part because of concerns that the existing guidance was unduly restrictive and might make charitable investors deem impact investing too legally risky.

This initiative was welcome. But it must go beyond charities if the government's hopes for social investment are to be fulfilled. As the Social Investment Taskforce pointed out in its final report last year, "a vibrant social investment market depends on the active participation of a wide variety of investors." It cannot rely solely on the £65.6 billion invested through UK philanthropic foundations: it must also reach out to the £439bn in our pension funds and other institutionally managed assets. And if it wants this to happen, the government must reassure pension funds that their hands are not tied: that they are permitted to defend not just their beneficiaries' financial interests, but also their stake in the world they will retire into.

*ResPublica and Fair Pensions will be co-hosting a public fringe event at Conservative conference: "Super Charging social finance: the Big Society Bank and beyond", on Wednesday 5th October 12.30pm, the ResPublica Marquee, Manchester Central (secure zone).*

## Social Finance: No Need to be down and out in London and Paris (or Brussels for that matter)

**Filippo Adarri, Executive Director, Euclid Network with Karl H Richter, Co-FoundeR, JenLi Foundation and Karol Sachs, President of European Federation of Ethical and Alternative Banks, Crédit Coopératif**

75 years after George Orwell published *Down and out in London and Paris* during the great depression, a congenial dinner-time discussion in Paris about the fusion of market-based systems and solidarity principles set the scene for creating an integrated capital market for social investment across Europe.

Prior to receiving his knighthood, Sir Stephen Bubb, Chairman of The Social Investment Business in the UK, and Hugues Sibille, Vice President of the French social bank *Credit Cooperatif* and former French Secretary of State for Sustainable Development, debated how a vibrant European-wide capital market for social finance could underpin socio-economic recovery and be an integral part of the solution to the financial crisis. Analysis of the crisis across the board has seen a resurgence of age-old ideological arguments to explain why it occurred and what could have averted it; ranging from assertions that if the markets had been much freer they would have been better able to regulate themselves, to notions that the State should have been much more involved to correct market failures. Neither of these polarising views holds the answer, which is unfortunate because they are simple to understand whether you agree with them or not. The real solution however lies in the moderate space in the middle, where the two ideologies overlap and where more sophisticated economic models are required; blended models which acknowledge that market-based systems can be extremely effective at sharing prosperity and that the State has a guiding role to play in shaping the rules of capitalism to make sure it balances the needs of those at the top and the bottom.

In the wake of the financial crisis, Western Governments and the European Union needed to pour billions into mainstream financial institutions to recapitalise them as part of the sticking-plaster solution to stop the systemic crisis. In all of this, not one social or ethical or alternative bank in Europe required a bailout (certainly none that are members of the European Federation for Ethical and Alternative Banks – FEBEA). Unfortunately in the mayhem, those institutions calling the loudest for bailouts captured the most attention, whereas social banks and similar organisations have quietly continued doing what they do best, providing financial services which focus on both social and financial outcomes. Their *raison d'être* is to focus on promoting social entrepreneurship and social businesses – in other words, to promote a market-based

social economy in which finance is used to create and share prosperity and reduce economic inequality. Without going into the detail of why their models stood up better to this crisis, the relevant point is that their business models are less correlated with mainstream markets. The time has come to provide these organisations with the spotlight they deserve, and the capital they need to play a stronger role in the socio-economic recovery – and perhaps even in recalibrating capitalism itself.

Three years after the initial dinner discussion, Sir Stephen and Mr Hughes continued to share their ideas with partners and policy makers. The Holy Father Benedict XVI, in the encyclical *Caritas in Veritate* 2009, was the first world leader to support the notion that the solution to the crisis would include an economic system which sought to do good for society as much as it aspired to creating wealth. President Obama in the same year launched a social investment fund and set up a related office (Office of Social Innovation and Civic Participation) at the White House.

In March 2011, European Commissioner Barnier responsible for the internal market and services, launched the idea of a European Social Bank. This was part of his work on the creation of a Single Market Act for Europe that would provide a package of legislation to finally realise one of the guiding principles for establishing the European Union in the first place – namely the creation of a liberalised single market for trade, enterprise and commerce. Barnier, seduced by the Nobel Prize laureate Mohammed Yunus via Hugues Sibille, formed the view that the single European market could also be a primary component of social cohesion, and that it is possible to combine business with community values – Barnier called this “social business”.

The formal launch of the Big Society Bank (now Big Society Capital) in July 2011 proved that social banking has gone beyond being a “nice idea” to capture the interest of the political classes, and also their conviction that attracting private capital to achieving social outcomes must be part of any solution to the global financial crisis. This is particularly true in the context of developed economies with high public indebtedness as a result of a combination of pre-crisis policy and actions after the crisis to stabilise the financial system.

It is now the right time for a European Social Investment Facility (ESIF) to catalyse an integrated capital market for

social investment across Europe. On 8 September 2011 in Krakow, a task force of social bankers and ethical financiers from across Europe gathered to respond to Barnier's public consultation on how private capital should be used to stimulate social business. These institutions and people collaborated in developing recommendations to Barnier about how social businesses can best be encouraged by judiciously using a European level finance line to attract new non-public capital without crowding out existing sources, and how it can be flexible enough to accommodate the diverse requirements within European Member States. The task force included institutions from the length and breadth of Europe, with institutions such as Banca Etica (Italy) Bank Fur Sozialwirtschaft (Germany), Big Society Capital (UK), CharityAid Foundation (UK), Crédit Coopératif (France), Den Sozial Kapitalfond (Denmark), ERSTE (Austria), TISE (Poland) and The Social Investment Business (UK). The gathering in Krakow was organised by Euclid Network with the support of the European Federation of Ethical and Alternative Banks (FEBEA) and its largest member Crédit Coopératif.

The outcome of this work will be presented at the European Conference on social enterprise that Commissioner Barnier is convening on 18 November 2011.

*Filippo Addarrii will be speaking at "Super Charging Social Finance: the Big Society Bank and beyond", a ResPublica public fringe event co-hosted with Fair Pensions at Conservative conference: Wednesday 5th October 2011, 12.30pm, the ResPublica Marquee, Manchester Central (secure zone).*



*"attracting private capital to achieving social outcomes must be part of any solution to the global financial crisis"*

# Community services, social prosperity

## Responsive Services for Empowered Communities

**Norman Lamb, Liberal Democrat MP for North Norfolk and Private Parliamentary Secretary to the Deputy Prime Minister.**

We live in a highly centralised country. Political and economic power is concentrated in London, and the Government – indeed, the Chancellor – controls the vast majority of tax revenue. Central Government has historically dictated what happens, when and how across the country – including in the delivery of services. Change, when it has come, has traditionally been directed from the centre.

The implicit assumption is that ‘the man in Whitehall’ knows best. While no doubt stemming from the best of intentions, the underlying message has always been: “This is what’s on offer: take it or leave it”. Leaving it is an option only for the privileged few. They can opt out. Most of us, including the most vulnerable or those most dependent on services have been stuck with what we’re given.

Quite apart from resulting in services that don’t necessarily address the needs of a community, or a range of different

agencies duplicating each other’s efforts, the paternalistic, ‘take it or leave it’ approach has had another devastating effect, framing communities and individuals as passive recipients rather than active shapers of services.

As a Liberal Democrat, I strongly object to this old view, on both principled and pragmatic grounds. Firstly, the principle: decentralisation is a cornerstone of Liberal Democrat philosophy. Devolving power and giving people a real say in the decisions that affect them is at the heart of the Lib Dem project. Secondly, the pragmatism: services designed with user involvement are usually more effective services. If people are never involved in service design, never able to contribute, never asked for their opinion, then priorities can be misjudged and problems overlooked. The end result, of course, despite everyone’s best intentions, is that money is wasted. I really believe that by thinking more creatively and being more responsive to the needs of local communities and by

handing power to people and to communities we can improve services, and save money in the process.

The Government has clearly set out its commitment to this agenda, making the devolution of power and the personalisation of services two key principles for the future of public services. Indeed, 'capable communities and active citizens' is the very title of the Government's vision for adult social care. The Government is keen to make further progress with personal budgets, which are an effective way to give people choice and control over their care.

At the same time, we are looking to increase partnership working between individuals, communities, statutory organisations and the voluntary, private and community sectors by removing the barriers to collaboration. This approach is reflected in public services as a whole, where the Government is giving communities the right to challenge and take over local services, and opening opportunities for different provider models such as social enterprises and mutuals.

It follows from my opening comments, however, that change is not just driven from the centre. Local authorities, service providers and related agencies and organisations are putting these ideas into practice on the ground.

Stonham, who are co-hosting this Conference fringe event with ResPublica, make a point of involving customers in how the organisation is run. There are simple steps, such as asking the people with whom they work what term they wished to be known by (always now referred to as "clients" rather than "service users") or offering them a 'menu' that sets out the different ways they can be involved, if they want to. Then there are the systemic changes that see client involvement embedded in the organisation, with clients represented on the national steering group and on the Board and involved in the recruitment of staff.

I've been lucky enough to see client involvement in practice on the ground in Hammersmith and Fulham with Turning Point, a health and social care organisation whose whole ethos is community involvement in service design and in the commissioning process, and tailoring services to meet people's needs.

Alongside the efforts at Government level to empower communities, and the steps being taken by services such as Stonham and Turning Point, changes are also being quietly made at local level – including in my part of the country, Norfolk.

For example, the delivery of Youth Services is changing, with communities and young people themselves involved in decision-making. In Norfolk, £900,000 of the Early Intervention Grant has been allocated to support vulnerable young people and they, and the communities in which they live, are working with local agencies in determining how to spend that money.

It is not just young people who are benefiting. A day centre in King's Lynn in the west of the county is piloting participatory budgeting. Rather than staff deciding and arranging all the activities, as used to happen, those that use the day centre suggest and select them. This has benefited both staff – challenging their perceptions of their clients' abilities – and the older people themselves. One typically straightforward comment, by way of example: "I think it is a very good idea. Rather than just getting told each week what we're going to do, we choose what we want to do".

It seems such a simple change, such a simple idea. It seems like stating the obvious to say that where services seek the involvement of those that use them, where they actively engage with and respond to their views, they are more likely to be effective services. It seems obvious, but for too long we've focused on Whitehall and central government, to the detriment of individuals and communities. Thankfully that is changing, and I hope that responsive, tailored services will be the result.

***Norman Lamb MP will be speaking at "New models, new partnerships: Bottom-up community care and support", a ResPublica public fringe event co-hosted with Stonham Services at Liberal Democrat conference: Sunday 18th September, 6.15pm, Room 106, Jury's Inn, Birmingham. Corresponding events will also take place at Labour and Conservative conferences.***

## New Models, New Solutions

Mervyn Kohler, Special Adviser, Age UK

Modernising, reinventing, and personalising public services have been regular themes over recent years. Some of this has been rhetorical, but the pressure for change stepped up several gears with the onset of the recession and the need for public service providers to make deep cuts in their budgets whilst protecting frontline services. Yet some have shown few signs of embracing the case for change and adaptation.

Some service providers appear to be in denial. They accept the inevitability of cuts, and recognise that this will take their overall output back to the levels of 2005 or 2006. But, crossing their fingers, they hope the recession will blow over, and that at some point they can get back to rebuilding the world which has become familiar and comfortable. In wide swathes of the public and voluntary sector, the penny about reform has not dropped, and the prevailing attitude is to pull up the duvet, wait for the storm to go away, and hope for no bad dreams about redesigning the business and service model.

In the age sector, we know that things have to change. Older people are more diverse than ever before, and one-size-fits-all is not an appropriate service. This calls into question the basic premise on which we have previously operated.


Public services have long been told to improve their services by treating their customers and engaging with them as consumers. Yet the commercial sector approach to consumers is not always an appropriate lodestar. Reforming public services needs to include reform of the way people think about public services and the expectations they have. The primary purpose of public services is to support people as active and engaged contributors to society. This is not a commercial process whereby we are lured to part with our hard earned cash, nor is it a benevolent gift from the state to the individual. Both approaches regard the recipient as a passive actor dependent on the skill of the organisation to elicit and respond to their preferences.

Hard decisions, trade-offs and design should be everyone's concern. Public services have been getting much better at consultation and involvement, but it too often remains the case that views are gathered to be considered by 'experts' as one aspect of a bureaucratic process. It's time to move

beyond 'engagement' and start talking a new language of co-production and co-design. New models and new solutions to public service reform and delivery need to be accompanied by a narrative which describes and repositions public services. The crux of this narrative has got to be collaboration.

Public service reform in the lean years is never going to be easy. But public service reform did not happen in the fatter years either, which rather blunts that argument. And pulling up the duvet and waiting for the sunshine and economic growth to return is no answer at all. Society is changing and in many respects has changed - have we?

*ResPublica and Age UK will be co-hosting a private roundtable at Conservative conference: "Meeting the challenges of the ageing society through innovative partnerships".*



*"Older people are more diverse than ever before, and one-size-fits-all is not an appropriate service."*



## Reshaping Services 4Children: Bringing a Bigger Society to our Smaller Society

By Anne Longfield, Chief Executive of 4Children

The political parties gather this year for their conferences with the memories of this summer's social unrest still fresh in the minds of many. All three party leaders have reflected in the aftermath of what happened about the role of families and parenting, about the place of children and young people in our society, and about the need to put reciprocity and respect at the heart of our communities. I welcome this debate because it provides an opportunity for those of us who believe that children and families should be at the heart of a bigger society to make our case, when politicians are in the mood to listen. If we truly want to avoid a reoccurrence of the scenes we saw this summer we have to follow the debate through into real action – that means truly changing the support we offer to families.

To achieve this requires us to put family policy at the top of the political agenda – across Government, connecting to other big priorities – like decentralizing power and reforming public services. Since the Coalition came to power, despite early hopes, family policy has felt adrift and lacking real momentum. The narrowed focus of the Department for Education and the huge delivery job facing 'families champion' Iain Duncan Smith at the Department for Work and Pensions means that none of the Government's first eleven have been driving the agenda – and this shows. Major reviews by Graham Allen and Frank Field have been welcomed but no coherent strategy for translating them into reality on the ground has been forthcoming. The Prime Minister's commitment to a 'social fightback' made in the days after the riots, can be a catalyst for turning this around. His adoption of 4Children's proposal for a 'Family Test' across Government is a good start and has the potential to bring new coherence and focus, but there aren't quick and easy solutions.

I share the Prime Minister's desire to see the lives of 120,000 troubled families turned around, giving their children a fair chance to fulfill their potential and not repeat the cycles of the past – intervention programmes show that family turnaround is possible. However, focusing on those who are already in crisis to the exclusion of all else will do nothing to prevent other families from going the same way. We have heard a lot of talk about early intervention and prevention but not enough action. As Graham Allen himself says – you have to turn off the tap as well as pull out the plug.

There is also a risk that we see the answer as being a single, national, top-down programme as the solution to dealing with troubled families. Emma Harrison, entrepreneur and Government advisor charged with fulfilling the PM's commitment, knows more than most about how to break cycles of negative behaviour and get families back on track, but one size fits all is not going to work. Troubled or 'at risk' families do not need off the shelf solutions, they need tailored support which is often best shaped and delivered locally. This requires working with the community, in a true transformation of the way we view children and families and the support we offer them.

Politicians always have one eye on public opinion when drafting their key note addresses to their respective conferences. When writing their lines on the social and policy implications of what happened during those few days in August they should be aware of one recent opinion poll carried out for the launch of our campaign – Give Me Strength. It showed three things that all three leaders should know; firstly the public firmly believe in the capacity of families facing tough times to turn their lives around with the right support – they are not fatalistic and neither should politicians be. 70% of the public want a greater proportion of resources spent 'preventing problems' rather than dealing with the consequences of them; and finally, people are prepared to do their bit with a huge 90% of people saying they would be prepared to do something to help a family they knew were struggling to cope.

These statistics give the party leaders a massive mandate to think big when it comes re-shaping the way family policy and delivery works in this country. We will all regret it, if they don't seize it.

*To find out more about 4Children's Give Me Strength campaign visit [www.givemestrength.org.uk](http://www.givemestrength.org.uk)*

*ResPublica and 4Children will be co-hosting a public fringe event at Conservative conference: "Reshaping Services 4Children: Bringing a bigger society to our smaller society", Tuesday 4th October 8.00pm, the ResPublica Marquee, Manchester Central (secure zone).*

## A new model for Early Intervention

**Graham Allen, Labour MP for Nottingham North, Early Intervention Review Team**

I've just completed my second report for Government on Early Intervention entitled, 'Early Intervention: Smart Investment, Massive Savings'. While this second Report primarily focuses on some of the innovative ways in which we can fund Early Intervention programmes it does not stray from what is central to all my thinking on this.

That is how we can ensure that every baby, child and young person has the social and emotional bedrock in order to make the best of themselves and, in so doing, massively reduce the bills of criminality, lack of educational attainment, low aspiration to work and lifetimes wasted on benefit. In addition to this, my Report detailed that Early Intervention not only requires no new net public expenditure, but is also the biggest deficit reduction programme that we have. If we implement it properly, it will produce results beyond the Chancellor's wildest dreams. We need to change our default public expenditure culture, which is one of late intervention, to one of early intervention.

In an ideal world, to achieve this I would have simply requested that Government plough more money into evidence-based Early Intervention programmes. However, it has become all too clear to me that it is highly improbable in the current economic climate that additional expenditure through traditional public spending routes will occur. Given the tight constraints on public expenditure the introduction of external finance, as well as the reprioritisation of public spending within current limits, is needed to make it possible to increase Early Intervention investment to anything like the required level.

The model I recommend to start with – the Early Intervention Fund – will not pay any returns unless the intervention has been successful, and the payment levels will be set by local areas and Central Government. Returns will only be paid back to investors when the lives of the young people the programmes are aimed at have evidentially been improved. This Fund will be managed by the Early Intervention Foundation which will promote Early Intervention, spread best evidence based policies and complement the work being done inside Government. It is envisaged that, at set-up, private, local and philanthropic sources will co-fund with government a £20 million endowment to sustain the Foundation.

This foundation will be responsible for establishing "demonstrable improvements in the social and emotional bedrock of children" and would, at first, operate within

around 15 Early Intervention Places. Within these Places, local deliverers would roll out the best Early Intervention programmes, as advised by the EIF. The early investors in the Early Intervention Fund would then see a share of any savings produced through improved educational attainment, reduced crime and fewer instances of child abuse and neglect returned to them at a profit as clearly defined in an outcome-based contract.

The Social Justice Cabinet Committee has backed the idea of a Foundation and are (as they are required to do) putting out a tender document next month.

This is an important step in delivering the best, proven policies for our children but also in reforming our public services. By setting up this Foundation outside of the Whitehall machine we take away the responsibility for long-term policy from our short-termist political machine and hand it to local providers, with investors having a genuine interest in achieving results for our children.

The message of Early Intervention has found its moment. At a time of straitened public finances there is near universal acceptance that we, as a society, need to start thinking and acting differently if we are to live sustainably within our means.

*Graham Allen will be speaking at "Reshaping Services 4Children: Bringing a bigger society to our smaller society", a ResPublica public fringe event co-hosted with 4 Children at Conservative conference: Tuesday 4th October 8.00pm, the ResPublica Marquee, Manchester Central (secure zone).*

## Reforming the UK's Electricity Market – How will Generation C respond?

**David Green, Chief Executive, UKBCSE**

The challenge of decarbonising the UK to meet the legally binding target of an 80% emissions reduction by 2050 was, when Parliament voted it in, accepted as considerable. It still is.

But the issue of where the funding to meet this target will come from is also fundamental, particularly in the energy sector. The Government believes energy companies will need to invest up to £110bn to renew the country's aging energy infrastructure, and pave the way to the green economy of the 21st century. It is in this context that we need to view any proposed changes to the UK energy market.

The starting point for all of this must be a view of how much of this investment really will need to be made, and when. The first step must be to reduce the demand for energy significantly – and that will require a comprehensive, and above all smart programme that focuses on giving us the tools we need to manage energy demand efficiently. Alongside this we then need to ensure that what energy we do need is from lower carbon sources, and is sufficient to achieve substantial decarbonisation of the power sector by the 2030s.

### **All of this comes with a price tag.**

Two policy responses are in play. Firstly, there is the Government's Green Deal, which is being designed to enable consumers to make a long-term investment in reducing how much energy they need to use in their home. Secondly, there are planned reforms to the UK's electricity market. It is the interplay between these that the Government believes will yield the transition to a secure, lower carbon, energy future at lowest cost to consumers.

To get to this position much needs to be done – and there are many 'voices off' that suggest the total package may well not deliver what is intended.

Significantly, it will be today's consumer and the potentially more Climate aware Generation that follows – Generation C – which needs to be willing to stay the course, even as they struggle to get jobs, see energy bills steadily rise and potentially begin to see some of the impacts of climate change.

### **So what needs to be done?**

All of us are energy consumers and need to have confidence that the bills we get are fair. Therefore, they need to be clear and tell us how much we are paying to whom, and for what.

We need to know what we can do, and how, to manage our energy use effectively at home and at work. We also need to know what we can do take control of our energy future if we want to.

As the Government has made clear, today's plans for reform of the electricity market are not cost free. Chris Huhne has said it is likely to increase bills by 1% by 2020. This does, however, make the case for energy efficiency measures such as insulation, switching to low-energy lighting and using boilers and appliances that use less energy, all which can make a big difference to the size of any energy bill.

Both Government and Ofgem, the energy regulator, have also stressed that an important goal of electricity market reform is to remove the perceived barriers to entry for new players. Yet, ironically, experience suggests the very complexity of the new market the Government is creating could potentially become a barrier to achieving the surge of new entrants the Government and Ofgem would ideally like to see in order to achieve a more vibrant, competitive, market.

Meanwhile some sections of the media are increasingly questioning how far our energy bills should be raised to meet the cumulative costs of environmental legislation as well as to respond to the volatility in oil and gas prices.

This suggests the biggest challenge to greening the UK's power sector is actually explaining to the voters who will pay for the transformation that is now underway, and why it is needed. Engagement at the community level will be crucial to this – as is the need to build a network of trusted intermediaries who can explain to, and work with, communities as consumers make the transition.

For those of us who have long worked for a cleaner, fairer energy policy, and those within Government, companies and the NGOs who also focus on this vital area, we need to recognise and respond to this challenge.

We need to secure the active engagement of communities and their representatives in supporting and explaining the transformation both to how their energy is supplied and how they use it that is underway. This means local councils, MPs and others have a crucial role to play;

We need a network of local intermediaries that can support delivery on the ground – especially when it comes to local energy efficiency and renewables. We need more than a few iconic transition towns;

We need to create funding streams that will support this – social investment bonds and smarter spending of what we have already are all part of this;

We need trusted voices who can communicate effectively what is being done – a role as much for local Citizens Advice Bureaux as for national NGOs, and political parties.

Fundamentally, we need a new compact between Government, the energy industry and the voters who are also today's and tomorrow's bill payers.

This needs to be based on the Government remaining open, honest and consistent in outlining not only the wider economic benefits of decarbonisation but also enacting reforms to the electricity market that will achieve this. Energy companies need to ramp up their commitment to greater openness and transparency in their bills so we all know what we are paying for, and why, and OFGEM needs to actively support this whilst clearly and consistently setting out what its expectations are.

Such a compact will also ensure that both financial risk and reducing the often-suggested “uncertainty” for

investors, essential in order to secure the finance that is needed to support the transition to a low carbon future, is achieved.

Fundamentally, consumers and investors need to know they are getting a good, and most importantly, a fair deal. Generation C needs to see more than just future costs, but what the real benefits are both for employment and to their communities.

Getting energy market reform right really is today's key challenge – and one we all need to be involved in.

David Green is writing in a personal capacity.

*David Green will be speaking at “The Next Generation: How can the UK meet its climate change commitments and keep the lights on through electricity market reform”, a ResPublica public fringe event co-hosted with ESB International at Conservative conference: Monday 3rd October, 8.00pm, the ResPublica Marquee, Manchester Central (secure zone).*

## New Partnerships for Community Care and Support

**Rachael Byrne, Executive Director, Stonham Services**

Integrated health and social care offers three benefits: better outcomes; enabling limited resources to go further; and improving people's experience. These have been policy aspirations for decades, and the last government made significant steps forward in Putting People First, which clearly linked increased choice and better outcomes to the greater use of personal budgets. But patchy progress, changing demographic pressures and a radically different fiscal and policy climate demand new approaches.

Transforming public services is no easy task. We need to improve the relationship between local government, social care and the NHS to allow resources to be provided in ways that reflect people's needs rather than bureaucratic boundaries.

People want services that feel joined up, and it can be a huge source of frustration when that does not happen – as is all too often the case at present. One such example involves a pilot we are currently running on ‘A Good Death’.

The institutionalised ways we cope with dying do not align with how most people aspire to die. 70% want to die at home with family and friends nearby, cared for, free from pain, with medical support available when needed. Yet, 60% will die in hospitals and care homes, cut off from friends

and family, dependent on systems and procedures that feel impersonal, over which they have little control and which too often offer them little dignity.

Home Group want to support that aspiration for the clients who live in our properties. Our innovative project pilots an approach which promotes ‘A Good Death’, we are developing integrated care pathways across the whole continuum of care with the objective of ensuring that our clients receive the right support, in the right place and by the right person.

With 25% of medical admissions relating to End of Life and large amounts of data to support the claim that End of Life patients become ‘Frequent Flyers’, the potential for a significant improvement in the quality of care alongside savings is self-evident.

A key lesson for all political parties must be that it's not feasible for the government to re-engineer alone. Instead, a collaborative approach, working with partner organisations is what's required. With a history dating back to the 1930s and a turnover of £315m Home Group are one of the country's oldest and largest social enterprises. We very much want to be part of the mix (social enterprises, charities, joint ventures, mutuals and businesses) that works

with both local and national government to bring about the change we need.

Integration means different things to different people but at its heart is building care and support services around individuals, not institutions. Personal budgets demand from providers a greater responsiveness to individual consumer demands rather than the fulfilment of local authority contracts. For example in our Durham services we don't simply allocate a support worker, clients choose their worker based on the skills the support worker has that matches the clients needs.

How an Individuals care is funded dictates both the types of activities they engage in and the services they use. Personalisation is leading us to diversify and offer a more flexible range of services, working with mainstream services as partners and maintaining stability of service. Again, not an easy task but we have the experience and skills to make this 'brokerage' happen and we already do so.

The coalition government has made clear that paying providers for the results they achieve, rather than the effort they put in, is a key part of its reforms. We welcome payment by results and are already piloting it in Stockport and other areas. Surely it's more important to be paid for outcomes achieved for clients rather than how long a support worker has been with them?

Across the UK, we successfully support 85 per cent of our clients onto move-on accommodation each year and this will be recognised by the new system. The clients supported on our Stockport pilot will have a say on how we define a successful outcome. Rather than cherry-picking clients, we're also exploring with local authorities how to weight individual needs within the contract.

The challenge remains for providers to 'think big' in terms of what their offer can be. Home's vision is to help open doors to new opportunities and healthy lives. As a social enterprise, we can do more things to support our

customers and clients. That's why Home is working to create more social enterprises. Already we have spun out four - in Spennymoor, Cumbria, London and Northamptonshire.

David Cameron has called for 'Social enterprise 2.0 - more innovative, dynamic, flexible and responsive'. Yet the current legislative framework sadly does not always allow us to do that. Many of the rules which govern our work are designed primarily for charities undertaking voluntary activity or substantially based upon donations. They do not translate easily for large organisations such as Home. We derive most of our income from trading activity and contractual arrangements. Other nations do not approach charity or community benefit in the same way. In the Netherlands tax reliefs are available for organisations whose activities are at least 90% for the community benefit (a wider category than UK Charity law). A similar provision here would create extensive freedom and a substantially more dynamic third sector.

It is without doubt an interesting time for social enterprises and all those currently involved in community care and support. With so much change and uncertainty it is very easy to be pessimistic. But at Home Group we are full of optimism. Now is a time of tremendous opportunity. Necessity forces innovation. If success is about helping people, addressing complex need, enabling people to take control over their own lives then we already offer outcomes and value for money unmatched by either Government or the private sector.

*ResPublica and Stonham Services will be co-hosting a public event series, "New models, new partnerships for Care and Support" at Liberal Democrat Conference: Sunday 18th September, 6.15pm, Room 106, Jury's Inn Birmingham; Labour conference: Tuesday 27th September, 6pm, PanAm Bar and Restaurant, Britannia Pavilion, Albert Dock, Liverpool; and Conservative Conference: Tuesday 4th October, 6.30pm, the ResPublica Marquee, Manchester Central (secure zone).*

## Homelessness Services: Empowering the community in our midst

**Tanya English, Executive Director of Communications and Fundraising, St Mungo's**

St Mungo's is a homelessness organisation housing over 1700 people a night and working with many more through our skills and employment service. As a provider for over 40 years we have explored many models of working and have been continually developing our services. In recent years we have been developing an approach not only around including our clients in their care and services but also to truly empower them to play a full role in their community; an approach which is producing some impressive results.

### **Our research**

In the first half to 2011 St Mungo's carried out a piece of research looking at the Big Society and homelessness and what challenges and opportunities it presented for homeless people. What we found was widespread anxiety about the future of funding, concerns about some Government policies and an uncertainty about what localism would bring.

However, while clients had feared that they might become even more excluded under a Big Society approach as part of a local community that at best was disinterested in them and at worse actively hostile. There was one community where many of them felt supported and at home. One client said:

"I feel included in St Mungo's, when rough sleeping not included whatsoever. Lots of activities here, it's already a big society without the Big Society..."

This comment reflects the lengths St Mungo's has gone to over the last few years to create a community within the organisation which is supportive, reciprocal and inclusive. In fact the research which elicited this quote was peer research, undertaken but current clients who were trained and supported to be researchers.

### **The wider community**

The plain fact is that many homeless people do not feel part of their local community. Our research showed that many felt excluded:

"the majority of society are ignorant and fearful about homeless people and don't really want to include them."

This exclusion stems from prejudice on the part of the public, institutions and the media and it is also reflective of the fact the single homeless people and rough sleepers in particular have much more entrenched problems than they did decades ago. Then, street homelessness was often a product of migrant labour. Today we see more

people than ever on the streets with both poor mental health and deep seated drug or alcohol problems and a community of people who have not worked for a very long time.

These changing characteristics take people even further away from mainstream services. Often these services have already failed them, which makes it yet harder for homeless, health, education, work agencies to work with and make a difference to people's lives. Rebuilding trust and confidence is a key element of how we support people.

### **Empowering the community in our midst**

So how do you inspire and support people when for example school was such a negative experience someone doesn't want to go near a text book ever again?

Time and again, our clients turn to their peers - to people who 'know' because they've 'been there' and left homelessness behind them.

Working in partnership with our residents, our client involvement team has harnessed this potential in exciting, creative ways in recent years. In the beginning, formal client involvement began through the creation of a forum for clients to raise concerns about our services and make suggestions about improvements. This forum was called Outside In, it was open to every client and its remit was to embed a culture of inclusion in every project, so that residents meetings and client consultation became a normal part of the daily life of services.

These new structures are enabling a whole new way of working – client rather than staff-led.

### **10 X Better**

One example of this is the 10 x better programme. In one project a pro-active client looked at the way people were being supported through key working and goal-setting and wondered if there wasn't a way of doing things which could positively harness peer pressure.

His idea was simple. A group of clients would come together for ten weeks. Each week they would set themselves a goal each and talk with the group about how they would achieve that goal. These might be straightforward things initially, like getting a travel pass, or having a haircut but over the ten weeks the goals would get more ambitious. Others in the group provided the support and encouragement people needed to achieve and by the end the whole group would be in a better place.

We now call the model 10 X Better and members of the client forum Outside In go into projects almost every week to help set up new groups. Many Outside In members have themselves been through the programme, creating a wonderful virtuous circle. This is what one client had to say:


"When I first heard about 10 X Better, I only really turned up because Rich [the peer facilitator] asked me to, but it was cool to see the different things people wanted to do so I set myself a couple of goals and got them done. Then I spoke to Rich about wanting to improve my reading and writing, and he told me because I'm on JSA it would be free so I spoke to the job centre and they got me on a course. I can't wait to go to the Tate [one of the group activities] and hope we can go to some more museums or I might even go on my own."

The 10 X Better model has clearly shown how peer support can be a route into learning, education and other types of support. We have already been building on this approach through, for example, community learning champions and health champions who aim to inspire their peers with the support of trained staff and our Peer Advice Link which is a programme of former homeless volunteers who support clients who are moving into independent living.

What we have found are not only do our client volunteers enhance the community and improve outcomes for the people we work with but it also helps them to move on, to get back into work and build their own recovery.

Peer support cannot summarily replace the constant presence and professionalism of our staff and itself requires the support of dedicated and trained staff. But that it can play an incredibly important and transformative role in changing lives and cultures across homelessness services.

*Tanya English will be speaking at "New models, new partnerships: Bottom-up community care and support" a ResPublica public fringe event co-hosted with Stonham Services at Liberal Democrat conference: Sunday 18th September, 6.15pm, Jury's Inn Birmingham. Corresponding events will also be held at Labour and Conservative conferences.*



*"not only do our client volunteers enhance the community and improve outcomes for the people we work with but it also helps them to move on, to get back into work and build their own recovery."*



# The changing face of society

## A Radical Shift: Strengthening community life

**Richard Wilson, Founder of Involve and ResPublica Associate**

The August riots have put community life central to national debate. They have also laid down an enormous challenge to those claiming to be seeking to strengthen community life. In particular, Cameron's Big Society, already coming under intense fire due to its naivety of execution, looks potentially fatally wounded.

It's hard at the best of times for old Etonians to credibly preach about the value of ordinary community life, in the wake of the riots it may have been political suicide. At the time of writing this article there has not been any recent mention of the Big Society by Cameron. It may be that the brand has died or that a refreshed version is to be relaunched in Manchester.

Whatever the case, Britain is now a different place from what it was in May 2010. Whether the Big Society is resuscitated or something else replaces it, a movement to strengthen community life is clearly badly needed. But any movement must explicitly harness the enthusiasm and energy of everyone across the country; right and left, rich and poor. The task facing us is huge. Having founded a community involvement charity six years ago, I can speak with confidence that there is no silver bullet. We are dealing with a complex mix of global social trends consuming our time and radically changing community ties; and particular local issues, many exacerbated by the cuts, which require specific solutions. Strengthening our communities is simultaneously urgent and difficult, and it requires a concerted effort from all interested parties.

The Big Society has for many people felt like a party political policy, rather than something everyone can participate in. In this sense, it has been exclusive and excluding, a problem exacerbated by some Big Society leaders overtly criticising many of the major NGOs who are central to achieving any kind of success. Additionally, for those working in communities already, the Government's approach has appeared naive and often badly informed. For example, some in Government have cited recent spikes in volunteering requests or the occasional constituency anecdote as evidence that people are keen to become more involved. To those of us in the field, these examples are more hopeful than helpful and are interpreted as blind optimism in the face self-evident challenges which have gone unmentioned at government level. It is these ungrounded and unrealistic statements that have done most damage so far.

Additionally, when the Big Society is framed by government in purely aspirational terms, without recognising the significant challenges and uncertainties, many of those engaged in this struggle feel the natural need to balance the aspiration with caution and more grounded contribution. Which can be seen as negativity. While this is natural, it's also a big problem for the project, as by being only aspirational and ambitious the government have forced many of the people it needs to lead the Big Society to become its biggest critics. The government has issued a challenge to the sector and to society, to co-create the Big Society. To do this, those



inspired by the notion need to feel positive themselves; particularly as the cuts they face are biting so hard.

We need therefore, a more balanced communication from government sources, grounded in both the challenges and the inherent uncertainties of strengthening our communities. It is in this vein that we have created the Civic Limits programme, to look concretely at how we can get more people involved in community life, warts and all. We have produced an initial report and put it online for comment we are also hosting workshops on Civic Limits at each of the three main party conferences to debate the issues further.

Through Civic Limits it is our intention to start a process for co-creating a response for how to re-build community life in Britain which all can be part of. A response that is explicitly non partisan and based on the best available evidence. An approach that is ambitiously realistic not blindly optimistic. An approach which will not be the

final word, but maybe a good start on creating a political discourse which can transcend party allegiance and focus on the real challenge of creating a society of which we all can be part.

For more information about the Civic Limits programme contact Caroline MacFarland [caroline.macfarland@respublica.org.uk](mailto:caroline.macfarland@respublica.org.uk) or [richard@wilsonielsen.com](mailto:richard@wilsonielsen.com)

*Richard Wilson will be speaking at, "Civic Limits: How much more involved can people get?", a ResPublica public fringe workshop series across all three conferences, Liberal Democrat Conference: Sunday 18th September 2011, 8.00 pm, Room 106, Jury's Inn Birmingham; Labour Conference: Monday 26th September 2011, 8.00 pm, PanAm Bar and Restaurant, Britannia Pavilion, Albert Dock, Liverpool; Conservative conference: Tuesday 4th October 2011, 10.30am, the ResPublica Marquee, Manchester Central (secure zone).*

## Re-Weaving the Fabric of Society

**Richard Wilson, Founder of Involve and ResPublica Associate**

The fabric of society has always been the concern of broad-based community organisers. There were deep tears in that fabric after the Great Depression, when our sister organisation, the Industrial Areas Foundation (IAF) was founded by Saul Alinsky and Ed Chambers. We build on their practice and theory. IAF has sustained broad-based alliances in over sixty cities in the USA through successive decades. In Europe the effort was led by Neil Jameson. Through his leadership London Citizens has become a major player in both national politics and the politics of the UK's capital.

What matters to us is the effective, democratic participation of citizens in the decision-making processes which affect their lives. This is much broader than electoral politics and is the locus of civil society. Authentic politics takes place day after day in schools, councils, board-rooms, playgrounds, church halls. It requires public skills rarely taught in our inner-cities. But these skills of negotiation and relationship-building can become the difference between riots and achievable change.

It may be that the inner-life of neighbourhoods and their associations was more vibrant half a century ago. The recent decline of social capital is well-documented. 'Increasing involvement' often relies on co-option, driven by funding cycles. The problem is that new programmes and projects can add further to the scepticism of the

communities they are designed to help. When they are over, people are as powerless as they had always been - even after solving a specific problem or enacting a particular law. The ability to shape decisions affecting their lives is still not within their grasp.

To successfully re-weave the fabric of UK society for the long-term means developing the art of politics at neighbourhood level. The practitioners we have pioneered and developed are professional organisers, trained through our own Institute for Community Organising. They look for people with ties to their neighbourhoods, those wrapped up in their parishes, mosques, synagogues, schools, jobs and children. They work with men and women who have demonstrated their care in hundreds of small but significant actions. These leaders enable the 'anchor institutions' of civil society to grow and flourish for future generations.

Together they create alliances fuelled by thousands of volunteer hours of talented people in local communities. They work on a range of issues and actions, local and city-wide, which come directly from their members. London Citizens is perhaps the best example of a broad-based alliance, with over 200 churches, mosques, synagogues, schools, colleges, charities and unions working together for the common good. From its beginnings in East London it has spread across the capital. Trained citizens

from some of the city's poorest neighbourhoods hold regular public assemblies with politicians and decision-makers. This 'civic involvement' is relevant to their families and affects what matters most to them - safety, housing, wages, immigration and so on. We often find that those most affected are the ones least involved in decision-making processes. Starting with small, achievable steps people learn the public skills required to change things. Ten people can change a street, a hundred can change a neighbourhood, a thousand can change a city.

This work remains independent, membership-funded and democratically controlled. Alongside the increase in 'social capital' London Citizens has a track-record of achievements which have influenced civil society, business and government. The Living Wage Campaign calls for every worker in the country to earn enough to provide their family with the essentials of life. Since we launched it in 2001, the campaign has won over £70 million of additional wages, lifting over 10,000 families out of working poverty. The Living Wage Foundation has now accredited over 100 Living Wage Employers, including leading organizations like KPMG and Barclays, the Olympic Delivery Authority and the Greater London Authority, who have become influential advocates. Over 3000 Money Mentors have been trained in an innovative peer-to-peer financial literacy scheme. More than 200 City Safe Havens have opened across the capital for Young People in danger. Major improvements have been made to immigration centres, UK child detention has ended and open pre-departure family accommodation built. Affordable homes have been designed for the first urban CLT in the country through the East London Community Land Trust and millions invested for future generations.

All of these changes have been driven and organised by local citizens. It may take longer, create more tension and attract some scepticism but it ultimately broadens and increases the 'civic core.' Together our institutions and neighbourhoods are learning a habit of action for the common good. And this has never been more important, when the absence of a moral vision is exposed through financial crisis, the expenses scandal, media chicanery and explosive street riots. The work of repair depends on vision, skill, imagination and persistence. It is the work of generations. Only now is a tradition of independent community organising stable enough to make a continuing contribution to UK democracy.

Civil society, after all, created government. It kept both government and the market accountable through the anti-slavery movement, the Chartists, suffragettes and the temperance movement, to name but a few. All of these prioritised relationships - family, friendship, neighbourhood - and the common human values of dignity, responsibility, justice, self-respect and hard-work. The times are not unique and the people are not unique.

There has never been a shortage of solutions, only a shortage of power to implement them. Will the considered proposals for safeguarding the fabric of civil society be taken seriously? Politics is on trial.

*Bernadette Farrell will be speaking at "Civic Limits: How much more involved can people get?", a ResPublica public fringe workshop at Conservative conference: Tuesday 4th October 2011, 10.30am, the ResPublica Marquee, Manchester Central (secure zone). Corresponding events will also take place at Liberal Democrat and Labour conferences*

## The Big Society and Localism- a Fabian Perspective

**James Hallwood, Events Manager, The Fabian Society**

The Big Society offers the potential for great social benefit. Yet coupled with an ideological commitment to localism at all costs and the deep public sector cuts, many of the positives are being undone.

From ignoring the value of widely popular state institutions to expecting the individual to supplement services they already pay taxes for; there are some underlying issues that undermine the basis of Cameron's Big Society.

In our summer edition of the Fabian Review, Tim Horton our outgoing Research Director, spoke of a 'public sector patriotism' - that is, a sense of belonging and shared

identity in our great national institutions. Our concern with Cameron's localism agenda is that he too easily forgets the broader bonds that unite us as a nation beyond just the immediate vicinity.

As Britons we are used to layers of identity yet the Big Society seems to hone in only on one specific aspect of that. Across Britain we have shared values and experiences epitomised in the BBC, NHS, Post Office, our forests, monarchy and armed forces. It is sadly of note that it is often these nationwide institutions that seem to be facing an onslaught from the cuts as well as radical changes that could forever impact upon our relationship with, and delivery from, them. Whether it's anti-BBC rhetoric and the

encroachment of the Murdoch press, the selling off of the Post Office or the shake-up of the NHS, there seems to be a growing policy against state institutions - institutions that bind us together and are popular with the general public and Tory voters alike.

With current spending impacting them so deeply it is interesting that recent polling by the Fabian Society and Yougov has shown that 69% of the electorate want the cuts to be temporary, it's noteworthy that 56% of Conservative voters echo this. Despite this the Coalition has stated they have no intention to return to pre-recession spending for the next parliament.

Polling shows that the British public see the Big Society as a cover for the cuts. They are not against community action but they also cherish the benefits of our public services. Indeed it is public distaste that has forced the Coalition into so many of its u-turns: From small but principled stands on school sports to the stalling of the radical NHS plans. Indeed the backing down on forest sell-offs highlighted a huge miscalculation; the public already felt ownership by virtue of being citizens and taxpayers; they felt no need to pay twice. The allocation of roles is key to a functional society; some things are widely seen as inappropriate to be run by anything but the state and Cameron must learn from this.

The devolving of responsibility to local authorities and third sector bodies is not in itself a bad idea. When appropriate it is simply common sense that in some areas organisations closer to the ground will have a better understanding of priorities and where to allot funds. Yet these bodies face unbelievably tough conditions; extolled as the agents of localism they are also expected to pass on the cuts that come with their slashed budgets.

Cameron's decision to launch the Open Public Services White Paper at Reform – a think-tank supported by the big players in public sector contracting, not ResPublica or the Centre for Social Justice – spoke volumes.

Research by the Institute of Fiscal Studies has noted that it is the poorest who will bear the brunt of public service cuts while charities that should be the backbone of the Big Society struggle to survive with £3bn in cuts hitting support for them. These factors undermine any sense of us all being 'in this together'. Deep cuts to our police and armed forces risk the safety of not just the Big Society, but society full stop.

How much these bodies wanted this responsibility is worth asking. Surely we elect and pay MPs to make, and be held directly accountable, for the tough decisions? The Localism Bill has been jumped upon by the Greens who view it as a way to legalise drugs in Brighton. Do we really want a federalised England where law differs city to city? A postcode lottery of laws is no way to instil shared bonds of nationhood. Some things should remain, rightly, the

responsibility of a wholly accountable government.

When an individual or community is capable and willing to take over some roles or decisions then we should wholeheartedly support that. Cutting out petty bureaucracy on local issues like bin collections or giving more voice on things like planning permission is wholly appropriate. But there are limits to this. Firstly there should be clear boundaries as to what can be implemented by a community, clearly the scope should not be endless. Secondly, they should never feel compelled to take on such roles to fill a vacuum left by cut services - taxpayers may find it perverse that they should take on work that they previously paid to be done for them. Thirdly there are clear questions of the efficiency of replacing professionals with amateurs. We each of us specialise in a job and in turn benefit from the specialisation of others; it therefore seems bizarre to expect citizens to take time out of their busy lives to take on the role of a specialist who has lost his/her job.

There is a basic principle that if a job is worth doing it is also worth paying for, but on top of that there are serious risks of inefficiency and error. Furthermore we risk a loss of expertise if specialist jobs are permanently relegated to volunteers. Is anti-professionalism part of Cameron's vision? We are seeing the introduction of elected police chiefs, doctors taking on management rather than treating roles and an expansion of the TA and PCSOs at the expense of the full-time army and police force. There has been a disappointing uptake of the free school scheme and everyday people are simply too busy or scared for their jobs in this climate of cuts to volunteer any more. There seems to be little public taste for participation, and ironically the cuts could be to blame.

The Big Society is a fine idea, but speak to many in the charity sector and they will tell you it already existed. What it needs to flourish is support and an appreciation that the state must remain engaged and accountable. Cameron needs to see that identity goes beyond locality and that the idea of buying public property or taking on voluntary jobs from those who have been fired comes across as a con to the electorate. Our public -our society- doesn't want the cuts to remain permanent. With this in mind the government needs to think about what comes next very carefully before embarking on more 'reform'.

*ResPublica, Fabian Society and CentreForum will be co-hosting a public event series, "Is there 'such a thing as society'? New approaches to Community" across all three conferences, Liberal Democrats: Sunday 18th September, 6.15pm, Room 113-117, Jury's Inn Birmingham; Labour conference: Sunday 25th September, 6.00pm, Liverpool Town Hall; Conservative conference: Sunday 2nd October, 8.00pm, The ResPublica Marquee, Manchester Central (secure zone).*

## Building Community through “the Grandparent Instinct”

Geraldine Bedell, Editor Granset

Gransnet launched this year as the new social networking site for Britain's 14 million grandparents and immediately proved that there's no shortage of experience, judgement and energy among people in their fifties, sixties and seventies. Contrary to popular assumption, people in the second half of life are often very busy: juggling work, elderly parents, grandchildren and teenagers.

Even so, many of them are also volunteers. One gransnetter recently listed her various voluntary roles: school governor, school club organiser, language tutor, counsellor, advice worker, community activist, nursing home visitor, childminder. Besides which, she and her husband recently took in a homeless alcoholic for four months and raised funds locally to get him into rehab: his marriage has been restored and he's on the way back to being again a tax-paying member of society.

As David Cameron entered 10 Downing Street for the first time as prime minister, he said he wanted to create a Britain 'in which we do not just ask what are my entitlements, but what are my responsibilities; one where we don't ask just, "what am I owed?" but more, "what can I give?"'

This is an idea that sits very comfortably with those in the second half of life. Numerous studies have demonstrated that as people reach middle age – with death no longer unbelievable, but enough time left to do something substantive – there is often a powerful desire to achieve something socially useful, to help build community. It is, if you like, the grandparent-instinct.

The New York Times journalist Barbara Strauch deploys the latest scientific evidence (in her book *The Secret Life of The Grown Up Brain*) to show that, occasional absent-mindedness notwithstanding, the ageing brain is nothing to be ashamed of. Vocabulary, verbal memory, spatial orientation and inductive reasoning all continue to improve into late middle and early old age, leading to nuanced decisions and wisdom. As Laura Carstensen, director of the Stanford Center on Longevity at Stanford University puts it: 'The middle aged brain is downright formidable.'

The Harvard Medical School professor George Vaillant has also found that older people's desire to be of use to others turns out to have very positive personal benefits: those who turn from conventionally self-interested careers to community-building in the latter part of their lives prove to be emotionally happier and healthier by the time they

reach their seventies.

There is every reason for older people to be the cornerstone of the big society. Yet the response to the idea of the big society on Gransnet has been sceptical, to say the least. A thread on it had one member scoffing that the 'BS' is, 'doing a job for free when the person previously doing it is made redundant.' 'Cheap labour, menial jobs,' said another. 'A way of helping private providers "tick boxes",' suggested someone else.

It is not the business of government to meddle in volunteering, one gransnetter objected: 'The only role for government vis à vis society is trying to put in place the kind of social, political and economic conditions that will allow it to function. Then they can step back and let people get on with it.'

Alongside gransnetters' enthusiasm for volunteering, there is a palpable sense of frustration that those conditions are not nearly as favourable as they should be. 'Training' for volunteering is felt to be badly targeted: 'how to fill in forms and tick boxes'. There are too few pathways from paid work into volunteering roles that are challenging and inspiring. There is too great a distinction between paid and unpaid work. Why not use the experience dividend of older people in a way that helps to build the economy, raises taxes and eases the pensions bill?

So how could government make more use of the talents, energy and enthusiasm displayed on a daily basis by gransnetters? What conditions would allow us to participate in, even lead, a big society that actually means something?

Some are already in place in the United States, which is way ahead in confronting the needs of its boomer generation. How about college programmes designed to help the transition from private to not-for-profit organisations? These could be targeted at the over-50s, taking into account existing skills and readiness; and the need for flexibility by, for example, mixing online learning and networking.

Or how about a version of Teach First, targeted at older people? Or gap years and internships for people in their fifties and sixties? The Purpose Prize in the US offers ten \$100,000 awards a year to social entrepreneurs who have set up a business effecting significant social change after the age of 60. There are also launch pad schemes providing \$5,000 grants to help older social entrepreneurs get off the ground.

How about a serious analysis of the kinds of socially-useful work that an ageing population will require – health navigator? energy auditor? chronic illness coach? – and helping older people themselves to fill the roles? How about flexible savings accounts to enable people to withdraw part of their pensions in order to do purposeful work? How about companies offering sabbaticals to give employees a taste of different kinds of work before they well before they retire? Or incentives for businesses to invest in socially valuable projects and involve their staff, who may go on to run community projects themselves?

What about a database of volunteering and third sector jobs, along the lines of the US-based idealist.org or Getinvolved.gov, specifically targeted at older people?

There's no shortage of ideas, only of commitment to them. There's a role here for philanthropy and for non-profit organisations, obviously, but it would be wrong to think radical change can be achieved without government. It is not enough for politicians to talk the talk and expect the big society simply to emerge: concerted effort is needed to create the conditions in which community involvement can flourish.

Gransnetters prove on a daily basis that they are intelligent, busy with their private lives but engaged with the world, culturally alert, and full of often hard-won wisdom. But they are also frustrated. They feel patronised; they report being pressured into 'voluntary' retirement and considered too expensive and experienced to be employed after the age of 50; they say that anyone retired is regularly condescended to.

Those of us in the second half of life are ideally placed to become the cornerstone of the big society; but for that to happen, attitudes will have to change, and for that, certain practical things also have to change, pathways to open up. Sorry, politicians, but it's not all about us: you do matter in this, after all.

*Geraldine Bedell will be speaking at "Leading by a Silver Standard: older people in the Big Society" a ResPublica public fringe series co-hosted with Independent Age and WRVS at Liberal Democrat conference: Sunday 18th September 2011 1pm, Jury's Inn Birmingham and Conservative conference: Tuesday 4th October 2011 12.30pm, the ResPublica Marquee, Manchester Central (secure zone).*

## Big Society: The Brand vs. the Ideas

**Hazel Blears, Labour MP for Salford and Eccles and Joint Chair of Labour's Social Action Taskforce**

Shortly before last year's General Election David Cameron announced with triumphant fanfare the launch of what he called the Big Society. This was a final attempt to try and show the electorate how Cameron's Conservatives were different from traditional right-wing Tories and was supposed to be the final detoxification of the Conservative brand.

In the short-term the Big Society failed to fill its political purpose – the Tories did not win an overall majority. The longer-term consequences are far more troubling. The emphasis that Cameron placed on the Big Society raised hopes across communities that they were to witness a golden age of localism and community empowerment. Sixteen months on, those hopes have been dashed by the complete failure of Cameron's Government to live up to his rhetoric.

Of course Cameron never really defined what the Big Society meant – instead it was construed to mean different things to different people. To his right-wing it meant the use of more socially acceptable language to describe establishing reducing the size of the state. Meanwhile his supporters on the left of the Conservative party saw it as a way of demonstrating that the Conservatives had embraced the electorally fertile centre ground and that there is such a thing as society.

Unfortunately Cameron took the unusual step of announcing the political branding first with the actual policies to follow later and – with the exception of the bedraggled and behind schedule Big Society Bank – we're still waiting to see the practical politics of the Big Society in action. Most people are no longer waiting with any great expectations.

Some of the reasons for the Big Society's failure are obvious.

The 'year zero' approach that Cameron took instantly generated suspicion from community and voluntary groups who suddenly found that after years of valuable service to their communities they were being lectured by Downing Street about the importance of volunteering.

The speed of cuts to local government funding and the political decision to frontload these cuts – any economic rationale is now disproven by almost non-existent growth figures – meant that suddenly community services were being closed across the country. It's hard for people to volunteer in their local library when they find it has been shut down.

And the failure to establish a framework for the Big Society to operate within has proven those who saw it as a cover for orthodox conservatism and the creation of a DIY society correct. The voluntary sector does not exist in a vacuum, and the funding shortfall facing charities will show the Prime Minister that many organisations operate in a symbiotic relationship with the state. Cutting off support frameworks will mean voluntary organisations are now simply being abandoned and left to fail.

The Big Society brand is dead. It's no coincidence that in the aftermath of the riots the Prime Minister looked a lot more comfortable as a traditional Tory talking about law and order values and lamenting a 'sick society'. This is quite the shift from his days of hugging hoodies, and reflective of a Conservative party that, safe in the comfort of government, has reverted to traditional uncompassionate conservatism and community isolationism.

The tragedy is that, stripped of the political branding and isolated from the failures of the government to create a climate in which they could thrive, the ideas behind the Big Society are broadly positive and embraced by politicians of all parties and the public alike.

Few people would argue against giving communities the right to own local assets, creating a broader role for social enterprises and a more ethical style of capitalism and encouraging people to spend some free time volunteering in their local area, and indeed these cross traditional dividing lines.

There are some communities that have a proud history of social action. I recently visited Balsall Heath in Birmingham and was shown the transformation that local people have brought to their community. This is not one of the Prime Minister's 'Vanguard Communities' but does show why localism has to be left to local people. It's a shame that rather than listen to the experts – the people who have driven social action for decades – the government chose to start afresh and try to implement localism from Whitehall, an approach destined to fail.

Fail it has, but the demise of the Big Society should not be confused with the demise of some of the values underpinning the concept, many of which transcend traditional politics and will continue regardless of any specific support from the Conservatives – they are certainly not to be mistaken for traditional Tory values.

Indeed values of collectivism, community and social action were behind the formation of the Labour Party, and Cameron's attempt to adopt those values was a clever political ploy, although one that left some of his natural allies a little uneasy.

It's no wonder that the right-wing Tories are so delighted to see the demise of Cameron's Big Society and the abandonment of these values.

**It's time for Labour to reclaim them.**

*Hazel Blears will be speaking at "Has the 'Big Society' missed a trick? Lessons for community from international peacebuilding", a ResPublica public fringe event co-hosted with International Alert at Labour conference: Tuesday 27th September, 8.00pm, PanAm Bar and Restaurant, Britannia Pavilion, Albert Dock, Liverpool. A corresponding event will be held at Conservative conference.*

## Big, Bigger or Great? What sort of society do we really want?

**Simon Bottery, Director of Fundraising, Policy and Communications, Independent Age**

When President Lyndon B Johnson launched his vision of a 'Great Society' in 1964 he did not hold back on the rhetoric. The Great Society, he said, "demands an end to poverty and racial injustice... It is a place where every child can find knowledge to enrich his mind and to enlarge his talents. It is a place where leisure is a welcome chance to build and reflect, not a feared cause of boredom and restlessness. It is a place where the city of man serves not only the needs of the body and the demands of commerce but the desire for beauty and the hunger for community. It is a place where man can renew contact with nature."

Wow. President Johnson's speech came at a time when the United States saw itself as on the threshold of an era of economic and political dominance, of affluence and ambition, so we can perhaps forgive him the overblown language. His aim was to find a way to use the country's burgeoning wealth and power to deal with its urgent social problems.

So, in a very different time of global austerity, perhaps it was not just traditional British modesty that had Prime Minister David Cameron promote the notion not of a 'Great' society but a 'Big' one. His speech – to Liverpool Hope University – was a little lighter on the rhetoric than Johnson's and the tone more in keeping with a country trying to find a way to pay its bills. It was more modest in its range and ambition: "The Big Society is about a huge culture change where people, in their everyday lives, in their homes, in their neighbourhoods, in their workplace don't always turn to officials, local authorities or central government for answers to the problems they face but instead feel both free and powerful enough to help themselves and their own communities. It's about people setting up great new schools. Businesses helping people getting trained for work. Charities working to rehabilitate offenders. It's about liberation – the biggest, most dramatic redistribution of power from elites in Whitehall to the man and woman on the street."

Yet despite this moderation of ambition (or perhaps because of it), the response to the concept of Big Society has been at best lukewarm and, at worst, outright hostile. The Big Society agenda has, at varying times, been portrayed as a glib and meaningless label, a brazen attempt to take credit for something that already exists (and which doesn't need reinventing) or a crude camouflage for a savage reduction in the welfare state. Sometimes all three. Many will remember the joke doing the rounds at last year's party conferences: the similarity

between the Big Issue magazine and Big Society is that no one buys either of them.

Yet at Independent Age we think the principles behind the concept of Big Society are good ones and that older people, in particular, are already putting them into action. Without older people, as this report makes clear, many of our charities would stop functioning, our politicians would lack a mandate to govern and our grandchildren would run amok in the streets (we have perhaps exaggerated that last one).

The report argues that just because Big Society describes ways of behaving that already exist, it doesn't mean that we shouldn't highlight them. We should identify them and encourage more of them. In our report we show how older people are already in the vanguard of Big Society activity but also demonstrate how they and others could do more, more effectively. We say that much, though by no means all, Big Society activity requires state funding but that government support doesn't always have to be financial – it can perform a valuable underwriting role for activities that will take years or even decades to embed. And we highlight the type of Big Society activity that surely no one can take issue with – the person who clears ice for an older neighbour or drops by occasionally to see that they are OK. We see plenty of this already but hope to see more.

In a sense, we argue that Society is already Big but could still get Bigger. Johnson's idea of a truly Great Society may have passed but there is still scope to enlarge and enrich our society – let's not waste the opportunity while we argue about the term itself.

*ResPublica and Independent Age will be co-hosting a public event series, "Leading by a Silver Standard: Older people in the Big Society" at Liberal Democrat Conference: Sunday 18th September, 1pm, Room 106, Jury's Inn Birmingham and Conservative conference: Tuesday 4th October, 12:30pm, The ResPublica Marquee, Manchester Central (secure zone).*



## Civil Unrest and the Big Society: Lessons from International Peacebuilding

Phil Champain, Director of Programmes, International Alert

Recent rioting in London and other cities in England took many people by surprise – not only those living in these cities who suffered most, but also those who look to the UK as a beacon of peace and stability. As Gauri Pradhan (spokesperson and commissioner for the National Human Rights Commission in Nepal) said in the Kathmandu Post<sup>1</sup>, the riots have ‘not only destroyed the peace and order of London, but also disturbed the rest of the world which has been inspired by its progress, safety and prosperity’.

He goes on to list riots which have taken place in many other cities during the past decade including ‘the Mumbai riots of 1992-93, Gothenburg riots of 2001, Los Angeles riots of 1992, Jakarta riots of 1998, Greek riots of 2008, Bangkok riots of 2010, Nairobi riots of 2008, Sydney riots of 2005, Bradford riots of 2001 and Xingjian riots of 2011’.

What interests those like Gauri Pradhan who are working to build peace in their own troubled countries (a Maoist led uprising resulted in the fall of the monarchy in Nepal and the consequent rewriting of the constitution – a context which remains fragile and volatile) is the experience of those dealing with similar problems to their own. ‘If we don’t learn a lesson from ... the London riots’, he says, ‘it will be too late to scratch our heads to find a way out of such urban violence’.

In England we are, perhaps, not so well disposed to drawing lessons from elsewhere. Violent conflict is something which happens ‘over there’. One can perhaps understand the reasons why the trajectory of knowledge transfer is, taking the example from Nepal above, more England to Nepal than Nepal to England. England has many of the conditions in place which enable its society and citizens to manage and anticipate conflict without violence. So those in other countries are interested in how a seemingly peaceful country like England deals with civil unrest. Compared to countries dealing with widespread violent conflict, people in England have a justice system they trust, they have a disciplined and principled police force, they have jobs and housing, they feel safe when they walk the streets, and they can choose their leaders by voting their politicians in and out of power.

But as I come to the end of this list of ‘peace factors’ I realise something is not quite right. I know that there are people in England, and in other parts of the UK for that matter, for whom the list does not ring true. In countries like Nepal, the number of people in this category is larger and the scale of the challenge greater. How then do they deal with the problem? It’s about time we asked them and

explored what we might draw from their experiences.

One way to frame this task is to consider how those working to improve the lives of those living with violence in countries like Nepal, Sri Lanka, the Democratic Republic of Congo, Kyrgyzstan and so on, work within what are confusing, dynamic and uncertain environments. Following the recent riots in England many commentators rightly counselled us not to jump to conclusions, not to rush the task of answering the question ‘why did this happen?’ In contexts where the challenge of dealing with violence is scaled up, the need for an answer to this question is more acute, levels of confusion and uncertainty are higher, and the pressure on those working to find solutions is more intense. So how do they operate in such a context? What approaches do they take? How do they work with confusion and uncertainty?

There is limited space here to do justice to the work of those tackling violent conflict in trouble spots around the world and to make sense of what we can learn from it. However, let me offer up three interconnected principles which I know are valued by those working for peace elsewhere and which would serve us well also as we work out how best to act in the aftermath of recent civil unrest in England.

First principle: Recognise that if you think you understand then you probably don’t. Concentrate on asking the right questions, because it is from asking the right questions that the right answers will come. Finding the right questions to ask is surprisingly difficult, particularly in confused and unpredictable contexts where there is pressure on leaders to find quick solutions. It takes skill and nerve to hold back from making quick judgments. And as Dan Smith points out in his piece following the riots ‘a resilient and balanced understanding of it all will not come out of one head, one article, one brilliant writer: components will come but to find the proper balance they must be in dialogue with each other.’<sup>2</sup> So...

Second principle: Believe in the power of dialogue. Dialogue is a much used word, but in contexts dominated by fear of violence, it takes on a specific value and shape which is often poorly understood. Dialogue in these contexts needs to be well prepared (often requiring substantial analysis and research), involve the right people (those behind the violence, those affected by it and those seeking solutions), use a place which is different to which participants are used to (a playing field which is unbalanced will skew the dialogue process), and



should develop a momentum which indicates progress, otherwise there is a danger that frustration will undermine the process.

And the third principle: Nurture the process over time. There will be no short cut. Finding solutions to problems rooted in complex, confused and uncertain contexts takes time. Peacebuilders working in other countries sometimes refer to the need for 'a marathon mentality'. As questions are generated and dialogue takes shape, we need to ensure the process can be sustained.

We have seen a plethora of opinions searching for meaning as to why recent civil unrest in England happened aired across newsprint, blogs, TV channels and the streets as diverse as 'wanton criminality'; to 'parenting'; to 'cuts'. Responses from the political parties have been equally wide-ranging. Amongst this plethora of opinions lies the ongoing debate about governance at the local, community level. The 'Big Society' is a label for this debate which takes on a new significance now given the recent rioting in English cities. With severe cuts in public spending (including for example to the Education Maintenance Allowance for 16-19 year olds which many regard as an important mechanism for addressing issues related to civil unrest) and the challenges

facing community groups which the recent riots have highlighted, the efforts of government to improve active citizenship through devolving power to local authorities, service providers and individual citizens needs a fresh look.

The complexities and uncertainties which surround recent civil unrest in England require us to look for new ideas as to how to strengthen our capacities to manage and anticipate conflict without violence. Gauri Pradhan sets us an example. We need to look to other peacebuilding experiences. The meeting organised by Respublica and International Alert will provide such an opportunity.

<http://www.ekantipur.com/2011/08/18/oped/looking-at-london/339282.html>

<http://www.international-alert.org/news/alerts-secretary-general-reflects-england%E2%80%99s-riots> )

*ResPublica and International Alert will be co-hosting a public event series, "Lessons for community from international peacebuilding" at Labour Conference: Tuesday 27th September, 8.00pm, PanAm Bar and Restaurant, Britannia Pavilion, Albert Dock, Liverpool and Conservative conference: Tuesday 4th October, 5.00pm, The ResPublica Marquee, Manchester Central (secure zone).*

## Powerful People, Responsible Society

**Lord Rennard, Former Chief Executive of the Liberal Democrats and Chair, ACEVO Big Society Commission**

There is much cynicism about the phrase 'Big Society'. It is clear that it is actually undermining of the Big Society concept for anyone to imply that it is new, or that its origins are with a certain type of political thinker or that overall responsibility for it might lie with any level of government, any particular politician or party programme. David Cameron certainly did not claim ownership of the concept when he made his first speech as Prime Minister on the subject of the Big Society in Liverpool a year ago.

Many people considering what the Big Society may be about point to the role that voluntary organisations already play in Britain. There are an estimated 900,000 voluntary sector organisations (that is charities, social enterprises, housing associations, mutuals, research

organisations, co-operatives and other not-for-profit organisations). They already help to provide much of the structure for social action.

Some people will point to a history of charitable giving in this country that goes back to Elizabethan times, the middle ages or even earlier. Others will point to the co-operative movement in the middle of the 19th century and previous government initiatives to give much more support to the voluntary sector. The church has a strong claim to say that the 'Big Society' is at least partly what it has been about for 2000 years. And faith is certainly the basis of many people's commitment to what might be called Big Society principles.

ACEVO set up the “Commission on the Big Society” in order to help the third sector leaders that it represents help to define a vision of what the Big Society should mean. Our aim was to recommend practical steps that government (at all levels), third sector organisations and others need to take to make that vision a reality.

We did not want to be hung up on labels and we wanted to be clearly focussed on helping to define what we think are the values of the Big Society, identifying barriers to achieving that vision and recommending steps that the voluntary sector itself and government at all levels can undertake to empower individuals and communities.

The below is taken from the executive summary of our report.

### **More definition**

People are not clear on what the big society is. Our polling found that 78% of adults in the UK believe the Government has failed to give people a clear idea of what the big society is, whilst over 30% of voluntary sector CEOs say they are unclear. The result of the Government’s failure to communicate its own big society vision consistently and compellingly has fuelled high levels of cynicism and we believe that it has meant inconsistent policy-making. We believe the Government should articulate a clearer definition of what it is that it is trying to achieve. Our own vision is a society in which, at every level in our national life, individuals and communities have more aspiration, power and capacity to take decisions and solve problems, and where all of us take greater responsibility for ourselves, our communities and one another. We are clear, however, that this vision should not be equated with reducing the size of the state, or lead to the state abdicating its responsibilities, particularly with regard to the most vulnerable.

### **Better partnership with the voluntary sector**

Our view is that the big society agenda is about shifts in power and responsibility, and is not synonymous with the promotion of the voluntary sector. However it is clear that voluntary organisations will act as crucial vehicles for people, individually and collectively, to take more power over their lives and to take responsibility for the world around them. If the big society is to be a success, the Government needs to adopt a consistent and supportive attitude to the voluntary sector that recognises the need for partnership and respect, including for appropriate professional roles within the sector.

We recognise that the voluntary sector itself will also need to change if it is to continue, and grow, its role as a vehicle for people to take responsibility for the world around them. It will need to be self-critical as to the degree to which it is genuinely empowering people rather than

encouraging dependency. It needs to become more transparent and accountable to the public and become more efficient in a time of austerity. It also needs to adapt to generational change and its implications for how people will increasingly view and interact with the voluntary sector.

We recommend that umbrella bodies in the voluntary sector such as ACEVO and NCVO take a lead in promoting these changes, and that Government implement the EU directive on VAT which would make it easier for voluntary organisations to collaborate in seeking efficiencies, without facing financial penalties for doing so.

### **More statecraft**

We agree with the Prime Minister that “we need a government that actually helps to build up the Big Society.” In playing that role, we believe the Government needs to show more statecraft (understood as the art of conducting state affairs).

To date there has been insufficient coordination across Whitehall, with insufficient definition of, measurement of and accountability for success or failure in fostering the big society. We also believe that Government could better align and target resources towards this agenda.

We make recommendations to the Cabinet Office’s Behavioural Insight Team, the Prime Minister, the Chief Secretary to the Treasury, and the National Audit Office on issues relating to definition of, measurement of, and accountability for success in fostering the big society. We also recommend a new, reformulated, big-society focused version of the Invest to Save Budget to invest in ground-breaking big society-related initiatives.

National government and local government also need to be consistent. The effect of the way in which many local councils are cutting spending on the voluntary sector threatens to undermine big society principles.

To counter this danger, we propose an amendment to the Public Services (Social Enterprise and Social Value) Bill, the urgent adoption of guidance to avoid disproportionate local government cuts to the voluntary sector, and the recommendation that if it chooses to provide many services directly rather than via external providers, local government must be required to demonstrate reasons for doing so relating to public interest or long-term value for money.

In addition, building the big society will also require a different kind of state – different attitudes and skills of public sector workers and the use of public sector assets as a platform for social action for example. The Government has embarked on an enormous public sector reform programme – but we fear that it risks missing the opportunity to put the big society at its heart.

To seize that opportunity, we recommend a programme to support culture change and workforce training in local government, a new focus for the Government's £10 million support programme for new mutuals, a cross-government strategy led by DCLG, Cabinet Office and Treasury on use of public sector assets, and that the big society be put centre-stage in the upcoming Public Service Reform White Paper.

Finally, some communities will be better placed than others to make the big society vision a reality. To address this in the short term, we recommend that the Government repeat, for March 2012, the £100 million Transition Fund but target it at the most deprived communities. In the longer term we recommend that the Government formulate a comprehensive strategy for ensuring that all communities, of place and of interest, have the capacity to achieve the Government's big society vision.

### **Harnessing the power of the private sector**

It is clear to us that it is not just from individuals and communities that we should be asking for greater social responsibility, but from businesses too. We see enormous potential for businesses to empower people, and we see some examples of excellent practice. But we also see too much 'Corporate Social Responsibility' (CSR) which is tokenistic, more about marketing than making a difference. We make a series of recommendations to the Government, the CBI, IoD and Business in the Community to work together to catalyse a sea change in business leadership.

We also fear that changing patterns of working hours risk depriving a significant proportion of the population of the time and opportunity to have a 'community life' – i.e. time and opportunities to engage with and contribute to the communities they live in.

We recommend that rather than launching a 'national day to celebrate and encourage social action',<sup>1</sup> the Government amend the Employment Rights Act 1996 to extend employees' existing right to take reasonable time off for certain public duties (e.g. to serve as magistrates, councillors or on the governing bodies of schools) to service to voluntary organisations. We also recommend that brokerage between business and voluntary organisations be scaled-up, and that Government incentivise employers to encourage and facilitate employee engagement with charitable giving.

Finally, we see a special role for the banking sector in acting as the 'engine for social action'. The banks need to reconnect with the communities they operate in, rely on, and, in theory, serve. The Project Merlin talks were a historic opportunity for the banks to do that on a voluntary basis – but they did not take it. We

recommend that the Government introduce a UK version of the American Community Reinvestment Act, using transparency to promote responsible lending to the financially excluded and voluntary organisations, and that the Treasury introduce new tax incentives to encourage such 'social investment'. We also call on all UK banks to commit to reinvesting 1% or more of their pre-tax profits for social benefit.

*The full report of ACEVO's Big Society Commission, 'Powerful People, Responsible Society' is available at <http://www.acevo.org.uk/document.doc?id=1515>.*

*Lord Rennard will be speaking at "Civic Limits: How much more involved can people get?" a ResPublica public fringe event at Liberal Democrat conference: Sunday 18th September, 8.00pm, Room 106, Jury's Inn Birmingham.*

## Holding Out Hope for the Next Generation

**Steve Wyler, Chief Executive Designate, Locality**

There was a time when it seemed an obvious and universal principle that parents wanted their children to do better than themselves.

Children were the means for parents to realise their hope and aspirations, to compensate for any failures or disappointments.

Importantly this principle was never solely confined to the middle classes, to those who were already comfortable, but was found also and often most strongly in low-income working class families and in new immigrant communities.

What a hopeful attitude this was! However bitter the frustrations experienced in one generation, the next generation always held out the possibility of a step up, of social and economic progress.

And so parents would invest in their children, and do whatever they could to grow a child's confidence and sense of purpose, to inculcate principles of hard work and excellence, of positive social behaviour, a belief in themselves, and in their future.

By and large, this was reflected in – and reinforced by – the behaviour of wider society. Successive governments introduced free universal education and free public libraries. There was a massive expansion of university places. Youth clubs and youth work programmes and playgrounds proliferated. Child protection became a priority. Governments reinforced the view that children and young people represented our future, were the means towards national progress. The slogans and the programmes reflected this: “education, education, education”, “sure start”, “every child matters”. And public investment followed.

Somehow, it all feels very different now. Of course, the majority of parents remain aspirational for their children, and most continue to invest in their children as best they can, but now it feels that they are going against the grain, that public policy is against them almost every step of the way.

Now, young people face debts in the region of £50,000 if they go to university. Sure start centres, nurseries, and libraries are closing. Youth work is high on the list of cuts by cash-strapped local authorities. Thousands of playgrounds and sports facilities have been lost – for example, in August last year the government halted the Playbuilders programme designed to create 3,500 community playgrounds.

The commodification of childhood, where even the youngest children are encouraged to equate self-worth with material acquisition, has been accompanied –disastrously- by a widening poverty gap. Even in a relatively prosperous city such as Bristol, over a quarter of all children now live below the poverty line. Youth unemployment stands at more than one in five.

All this is accompanied by a public discourse that has become overwhelmingly negative. We hear a great deal about “out of control” and “feral” youth, of ‘hoodies’, of gang cultures, of stabbings and shootings, of inner city classrooms populated by insolent underachievers.

The extraordinary “exemplary” sentences handed out by judges and magistrates in the wake of the recent riots, pandering to the rhetoric of politicians and the short term public mood, certainly sent out a message to the young looters, to other young people, and to the wider public, but perhaps not the one intended. It was a message from the old to the young, from the comfortable to the impoverished, from to past to the future – we do not believe in you.

How can we reverse this? Demonising and criminalising young people is no solution. That is the politics of retreat and despair, and ultimately can only demoralise those who are trying their best, and further alienate those without hope.

There is an alternative. It is for government and others to develop a more positive and forward-looking narrative and a set of policies, which re-asserts a public pride and confidence in children and young people, and therefore in our future.

At the heart of this should be a local ‘whole community’ approach. Only at neighbourhood level it is really possible to see how problems are interconnected, how needs are indivisible, and how the solutions need to be particular and based on personal relationships.


As David Robinson founder of the pioneering organisation of Community Links in Newham writes, “It is impossible to help a young person struggling at school without knowing about and tackling problems at home. Relationships in the family may be excessively stretched by financial problems, perhaps a pending eviction or mounting debt. Addressing any one of these problems on its own may be of limited value”.

He goes on to emphasise the value of early action interventions, without negative labels attached. “When

a parent takes a child swimming or to the park they don't think of it as a diversion from crime. They think of it as fun, part of a happy childhood. Also perhaps as a safe and stimulating activity, constructive, or healthy, or educational, or maybe even, in a rocky period, as a stitch in time". (Out of the Ordinary, 2011)

A positive narrative about children and young people, with policies to match, driven from the top of government, accompanied by Investment in capable, local, community organisations like Community Links, that is the way to reverse the negative trend, to encourage good parenting, to build confidence and aspiration, to hold out hope for the next generation.

*Steve Wyler will be speaking at "Reshaping Services 4Children: Bringing a bigger society to our smaller society", a ResPublica public fringe event co-hosted with 4Children at Conservative conference: Tuesday 4th October, 8.00pm, the ResPublica Marquee, Manchester Central (secure zone).*



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## The ResPublica Fringe at Conservative Party Conference

All ResPublica public fringes will take place in the ResPublica Marquee, an exclusive space outside the Charter Foyer Entrance (secure zone)



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### Sunday 2nd October

6.30pm

#### Beyond the bill: Next steps for urban localism

Rt Hon Dr Greg Clark MP, Minister for Decentralisation; Chris Murray, Core Cities; Phillip Blond, ResPublica

8.00pm

#### Is there 'such a thing as society'? New approaches to Community

Senior Party Representative; Speakers from ResPublica, The Fabian Society and CentreForum; Mary Riddell, The Telegraph (Chair)

### Monday 3rd October - RESPUBLICA'S BUSINESS AND ECONOMY DAY

12.30pm

#### NOT a jobsless recovery: Matching skills to the needs of local economies?

John Hayes MP, Minister of State for further education, skills and lifelong learning; Harriett Baldwin MP; Julian Acquari, Monster; Andrew Cave, Federation of Small Businesses; Rajay Naik, Open University

6.30pm

#### Investing, Innovating, Instructing? Whose responsibility is skilling up Britain?

Charlotte Leslie MP, Co-Chair Associate Parliamentary Skills Group and member of Education Select Committee; Matt Lambert, Microsoft; Rajeeb Dey, Founder and CEO, Enternships.com

5.00pm

#### Affording pensions and healthcare: Can Europe defuse the demographic time-bomb?

Damian Green MP, Minister of State for Immigration; Vicky Ford MEP, Conservative Spokesman on Economic and Monetary Affairs, European Parliament; Andrew Dilnot CBE, Chair, Commission on Funding of Care and Support; Phillip Souta, Business for New Europe

8.00pm

#### The next generation: How can the UK meet its climate change commitments and keep the lights on through electricity market reform?

Senior party representative; Rhian Kelly, CBI; David Green OBE, UKBCSE; Matthew Spencer, Green Alliance; Pat O'Doherty, ESB International; Peter Lilley MP; Dr Phillip Lee MP

### Tuesday 4th October - RESPUBLICA'S BIG SOCIETY DAY

10.30am

#### Interactive Workshop launching Civic Limits: How much more involved can people get?

6.30pm

#### New models, new partnerships: Care and Support in the Big Society

Senior party representative; Phillip Blond, ResPublica; Rachael Byrne, Stonham Services; Jenny Edwards, Homeless Link

12.30pm

#### Leading by a Silver Standard: Older people in the Big Society (Launch of a ResPublica report)

Nick Hurd MP, Minister for Civil Society; Antonia Cox, ResPublica; Geraldine Bedell, Gransnet; Janet Morrison, Independent Age

8.00pm

#### Reshaping Services 4Children: Bringing a bigger society to our smaller society

Senior party representative; Graham Allen MP, Early Intervention Review Team; Steve Wyler, ResPublica/Locality; Anne Longfield, 4Children

5.00pm

#### Lessons for the Big Society: How can the UK learn from international peacebuilding approaches to community?

Senior party representative; Phillip Blond, ResPublica; Phil Champain, International Alert

8.30pm

#### ResPublica ResCeption

Invitation only. To request an invitation please email [fringe@respublica.org.uk](mailto:fringe@respublica.org.uk)

### Wednesday 5th October

12.30pm

#### Super Charging social finance: the Big Society Bank and beyond

Senior party representative; Nick O'Donohoe, Government Adviser on the Big Society Bank (TBC); Phillip Blond, ResPublica; Filippo Addarii, Euclid Network; Catherine Howarth, Fair Pensions

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ResPublica is an independent, non-partisan UK think tank founded by Phillip Blond in November 2009. We focus on developing practical solutions to enduring socio-economic and cultural problems of our time, such as poverty, asset inequality, family and social breakdown, and environmental degradation.

Our research combines a radical, civic philosophy with the latest insights in social policy analysis, economic modelling, behavioural economics, management theory, social psychology and technological innovation to produce original, implementable solutions. We would like to foster new approaches to economic inequality, investment and group behaviour, so that the benefits of capital, trade and entrepreneurship are open to all. We believe that human relationships should once more be the centre and meaning of an associative society, and that we need to recover the language and practice of the common good. Our work seeks to strengthen the links between local individuals, organisations and communities that create social capital.

We have had demonstrable success with innovative research that has been seen to make an impact on the policy landscape. Our reports have received widespread acclaim from policy-makers and practitioners, the media, and politicians from both sides of the political spectrum. We regularly host events and discussion forums that facilitate debate and extend our outreach. ResPublica is also a membership organisation, offering personal membership packages as a means for interested and like-minded individuals to engage with ResPublica in a way that is tailored to their own interests. The ResPublica Business Network is a programme for our organisational stakeholders, as a platform for elevated engagement with ResPublica and fellow network members with the common goal of innovative policy debate and solutions.



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