Dear Stephen

The Prime Minister has asked me to respond to your letter in which you raise concerns about the Government’s efforts to help build the Big Society.

I'm proud of what Monday's mid-term document shows: we've achieved a lot over the past two and half years, and are ambitious for what we can achieve in the next period.

We are opening up our public services so that charities, social enterprises and local groups can play their part. In Education, 80 new Free Schools have already been established by local parents, with another 102 due to open by September 2013. And we have provided the funding for a social enterprise - Teach First - to quadruple the number of teachers it trains every year. In Health, as a member of the NHS Future Forum, you are right to welcome the bigger role that the reforms allow charities to play. Mutuals in the NHS and across the public services are putting staff in the driving seat and are already delivering around £1b of services. The Work Programme’s payment-by-results requirement has been challenging for some providers, but it has allowed hundreds of charities to get involved in helping almost 200,000 to find a job. I know you'll welcome Chris Grayling’s plans for a 'rehabilitation revolution' that will allow the voluntary sector to help break the pernicious cycle of reoffending.

My proudest moment as a Minister has been in launching Big Society Capital, the world’s first social investment bank. Alongside the thirteen social impact bonds that have been established under this Government, I'm glad that you agree that we are "at the vanguard of the development of social investment across the world". With the recent launch of the new Social Outcomes Fund, we have shown that we are determined to continue to lead the world in this area which finances the voluntary sector to tackle social problems in innovative ways.

The Cabinet Office has an important role to play in ensuring this innovation. We are supporting ambitious charities through the Investment and Contract Readiness Fund, and the forthcoming programme of Contract Readiness
Masterclasses. We are supporting more intelligent commissioning through initiatives like the Social Value Act and the new Commissioning Academy. Underpinning all this is the need for reliable evidence of impact, which is why we have committed to working with the Sector in the long term Inspiring Impact programme.

I'm glad that you also recognise our efforts to put communities in control through the Localism Act. The new rights that this grants should indeed support charities to transform local places and services, while also giving local communities powers to do things for themselves, such as neighbourhood planning. We have created a new charity to run our waterways that will harness the support of local people to secure the future of this great national asset. We have also enabled the people of Bristol, Leicester and Liverpool to join London in choosing a directly elected Mayor, and have allowed people greater control over their local police through elected Police and Crime Commissioners. This has all been backed by a transparency plan to give people the information they need to take control. This has seen, for example, all local spending above £500 published, and new online crime maps that have received 500 million hits.

I have been closely involved in our efforts to make Britain an even more generous country in terms of giving time and money. You recognise the fact that we have given £600m new tax incentives to support philanthropy, including new support to enable more legacy giving and small donations to charities. We have backed new technology to make it easier to give, including making it possible to give at 12,000 ATMs. And as you recommend, we will improve and expand Payroll Giving. We are committed to encouraging more social action. Millions of people who want to work or volunteer will no longer have to go through intrusive criminal record checks. We have established National Citizen Service, a life-changing programme that supports teenagers to fulfill their potential and give back to their communities, and by 2014 90,000 will be able to take part in this. We are keeping the spirit of the London 2012 volunteers alive through our backing of a new charity, Join In, that has already supported over 300,000 people to get involved in their local sports clubs. I am excited by the potential for people to help tackle social problems and that's why we will be backing more campaigns such as the recently launched Dementia Friends, which aims to recruit one million volunteers to support dementia sufferers.

Harnessing the spirit of common purpose that we saw in 2012 so that together we can tackle our big social problems is a cultural change that will not happen overnight, especially in challenging economic times. But Britain is blessed to have some of the most generous people and the most innovative charities in the world. That’s why I’m optimistic that if we all work together we can build on the progress we’ve made already to create the bigger, stronger society we all want to be part of.

NICK HURD