

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 21 October 2015	<b>Meeting Name:</b> Education & Children's Services Scrutiny Sub- Committee
<b>Report title:</b>		Southwark Council's response to the closure of Kids Company	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		David Quirke-Thornton Strategic Director for Children and Adults	

**Purpose:**

1. At the request of the Chair, to provide the Committee with information on the Council's response to the closure of Kids Company.

**Background:**

2. Kids Company (officially Keeping Kids Company) was an incorporated and registered charity founded in 1996. The charity operated in London, Liverpool and Bristol.
3. In June 2015, Kids Company reported that they were working with 36,000 children and families, 97% of whom had self-referred, with 600 staff and 11,000 volunteers.<sup>1</sup>
4. On 5 August 2015, Kids Company ceased operating and announced that it would begin the process of placing itself into compulsory liquidation. On 20 August 2015, a winding up order was issued by the High Court and the Official Receiver was appointed as the liquidator of the company.

**Events leading up to the closure of Kids Company:**

5. On 22 May 2015, the Department of Education contacted the Strategic Director in his role as statutory Director of Children's Services (DCS), and a number of other DCSs at other Local Authorities, to advise confidentially that they had been informed that it was possible that Kids Company may cease operating very soon due to financial difficulties. The purpose of the contact was to request that DCSs prepared for that possibility in order to mitigate the impact on children, young people and families receiving services from Kids Company.
6. This information was shared with key officers within the Council's Children's Services, on a need to know basis, in order that arrangements could be prepared. The Lead Member received a confidential briefing.
7. The Safeguarding Lead at Southwark Council made contact with Kids Company and requested that they urgently provide us with the client data (name, date of birth and address) of the children and young people that they were working with in Southwark. This is the normal, confidential, route for such requests. However, Kids Company did not provide the information.

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<sup>1</sup> Kids Company, Child Wellbeing Hub Pilot document (June 2015)

8. Southwark Council is entitled to such information due to our duties and powers as a Local Authority with Social Services responsibilities. Kids Company's failure to provide the information significantly impeded the Council's ability to prepare for the possibility of the organisation's closure and to mitigate risk to children and young people.
9. Formal requests for the client data were made on three occasions – once by the Safeguarding Lead and twice by the Strategic Director. Kids Company did not provide the client data and eventually cited "data protection" as the reason for not sharing the information.
10. On 27 May 2015, the Chair of Kids Company informed the Strategic Director that imminent risk of closure had passed as they had secured interim funding and would not now be applying for insolvency. The Strategic Director and Chair of Kids Company agreed to keep in touch. The Strategic Director offered to meet the Chair and/or Kids Company representatives, if helpful, but on condition that the client details of Southwark children and young people be provided to Southwark Council in advance of any meeting.
11. On 2 June 2015, Kids Company sent three documents to the Strategic Director and the DCS at another Local Authority. The documents were 1) an excel spreadsheet listing numbers of "High Clients" by Local Authority, 2) a proposal for a Child Wellbeing Hub pilot and 3) an explanatory note and risk assessment on closure of Kids Company.
12. The "High Clients" spreadsheet reported that Southwark had 2,177 people being supported by Kids Company. No details or breakdown was provided.
13. The proposal for a Child Wellbeing Hub pilot offered to work with 16,250 vulnerable children in a local authority area (16,250 was referred to as the assumed need for children in any given local authority area requiring some significant level of intervention during their lives) for £11 million per annum, for three years.
14. The explanatory note and risk assessment on the closure of Kids Company identified very serious and highly dangerous repercussions. The Strategic Director considered the language used in the document as unjustifiable and offensive. The Strategic Director was very concerned by this document and raised those concerns with the Chair, a Trustee and the Medical Director of Kids Company that same day. Kids Company noted the concerns. The Strategic Director heard nothing further from Kids Company.
15. On 3 August 2015, the Department of Education contacted the Strategic Director and other DCSs and asked that we re-activate our contingency plans for the closure of Kids Company.
16. On 4 August 2015, the Department of Education convened a teleconference between DCSs and Kids Company. The purpose of the teleconference was to agree urgent plans for the highly likely and imminent closure of Kids Company. It was made clear to Kids Company that in order for Local Authorities to make adequate preparations, Kids Company must provide their client data to Local Authorities. The Department of Education provided written guidance to Kids Company on the basis for sharing the information. During this teleconference, Kids Company advised that they were supporting some 3,000 people "without status" (clarified as people who had either not applied for 'leave to remain' or had exhausted the process and not been granted

'leave to remain') with housing and subsistence such as food vouchers. Kids Company said that they would not provide the details of these people to Local Authorities, as the Local Authorities would be obliged to share this information with the UK Border Force. The DCSs confirmed that Local Authorities would be obliged to share this information with the UK Border Force and expressed concern for people being supported 'under the radar' with the inherent risks therein. DCSs requested that information on all children, young people and vulnerable adults be shared with Local Authorities to ensure that no vulnerable persons were put at risk of harm.

17. Managers and key staff in Southwark's Children's Services were informed and commenced preparations.
18. The Lead Member, the Leader of the Council, chief officers and the Independent Chair of the Safeguarding Board were briefed.
19. MASH agency partners were briefed and commenced preparations. Southwark's MASH comprises colleagues from across our Children's Services, Adult Services, Housing, Police, Probation, a range of NHS services for physical and mental health, Drug and Alcohol services, Early Help, Family Support, Education, voluntary organisations specialising in domestic abuse and sexual exploitation. The MASH was strengthened for this operation with additional staff, CAMHS professionals, Adult Mental Health and DWP providing benefits advice and urgent support.
20. When a case is processed by MASH, the information and intelligence held by the partner agencies is checked and shared to inform a *shared intelligence view* of the child, young person, family and family connections. This informs decision-making on appropriate next steps to ensure the protection of children, young people and vulnerable adults.
21. As a number of DCSs were away on holiday and the response needed coordination, the Strategic Director was asked to lead the process for Local Government, supported by colleagues from the London Boroughs of Camden and Lambeth. The process that was agreed for London was for Kids Company to provide their client details for people south of the river (said to be the majority caseload) to Southwark and Lambeth MASHs and for people north of the river to Camden MASH. Alternative arrangements were made for Bristol and Liverpool.

#### **Events following the closure of Kids Company:**

22. On 6 August 2015, the Strategic Director attended a meeting at Kids Company Head Office with colleagues from Camden and Lambeth, the NHS and Department for Education. There was a lengthy discussion on the sharing of client information and written guidance in hard copy was provided to Kids Company. The meeting concluded with agreement that client information would be shared and the practicalities of the process were agreed.
23. The sharing of information commenced on 7 August 2015 with cases assessed by Kids Company as "high risk" handed over first. These cases were taken directly to MASH and screened by experienced colleagues that same day, working late into the night.
24. The client data shared was basic and brief, in some cases very limited or only partial making follow-up very challenging and time consuming in those cases. There were

also some duplicates in the bundles. However, it is acknowledged that the information was prepared by Kids Company staff at a very difficult time for them personally and that once agreement was reached to share the information with Local Authorities they were very cooperative and sought to be helpful thereafter. It was a considerable task. The efforts of a very small number of Kids Company staff and volunteers undertaking this task at such a difficult time deserves to be acknowledged and appreciated.

25. The process of information sharing continued most evenings throughout August, as Kids Company released the client information in batches, as they processed it internally.
26. The Children's Commissioner for England contacted the Strategic Director on 6 August 2015 to offer advice and assistance. The Children's Commissioner also offered practical support in the form of an independent freephone helpline and email address supported by experienced advisors, that could be used by anyone affected by the closure of Kids Company. These details were shared with Kids Company.
27. On 6 August 2015, the Cabinet Office and London Youth convened a meeting of voluntary sector organisations to facilitate the development of a voluntary sector offer to support children, young people and families affected by the closure of Kids Company. Southwark Council was represented at this meeting. Very swiftly, helpful signposting information was made available on the London Youth website <http://www.londonyouth.org.uk/youth-services-signposting>
28. On 12 August 2015, Southwark Council convened a follow-up meeting with local voluntary organisations working with children and young people to develop a local offer for Southwark children, young people and families affected by the closure of Kids Company. The meeting was attended by local voluntary organisations and a Kids Company representative to help clarify the need and where it was in the borough. A proposal was developed by Southwark Council in partnership with Betwin Road Adventure Playground, Cambridge House, From Boyhood to Manhood Foundation, Groundwork, Hollington Youth Centre / Youth Futures and St Giles Trust. Local MPs were very supportive and lobbied for funding.
29. The Cabinet Office approved £82,500 to support Southwark and the local voluntary sector programme has commenced.
30. The Head of Community Safety at Southwark Council developed a plan for the assessment and management of risk in relation to gangs, as a result of the closure of Kids Company, and discussed it with the Home Office and Cabinet Office.
31. The Strategic Director regularly liaised with the Cabinet Office, the Department for Education, the Association of Directors of Children's Services, the Association of London Directors of Children's Services, London Councils and DCSs in Bristol and Liverpool.
32. Updates were provided to the Lead Member, Leader of the Council, Councillors, chief officers, Council staff, local MPs, and the public. Significant support was provided throughout by the Council's Communications Team.
33. There was intense media interest and the Leader of the Council and Lead Member agreed that several statements and interviews were given to the press. These were carefully considered and based on the need to ensure an accurate and fair picture was being presented to the public.

### **The former Kids Company clients:**

34. In total, Kids Company handed over 1,699 client details to Local Authorities in London.
35. 299 clients were from, or had a connection with, Southwark.
36. 58 clients were adults and these were reviewed by colleagues in Adult Social Care and Adult Mental Health Services. Support, advice and guidance were provided as appropriate.
37. 33 clients were open to Children's Social Care and colleagues already working with these children, young people and families picked these up. The support packages for these 33 clients were reviewed in the light of the closure of the charity and enhanced where deemed appropriate.
38. MASH processed the remaining 208 clients. 35 met the threshold for assessment and were picked up by Children's Social Care. 76 were No Recourse to Public Funds only and were signposted to the No Recourse to Public Funds service. 91 were supported by the Early Help service and have stepped down to on-going support from partner organisations (voluntary sector or schools) or were closed with no further action agreed. [Note: 6 clients yet to be determined as they are actively being assessed, therefore the final outcome of referral numbers are subject to change]
39. The direct impact of the closure of Kids Company in Southwark was limited, as the Council did not refer children or young people to the charity, or commission services from the charity. Kids Company provided open access services in the borough and Alternative Provision (AP) Education to people from all over London and beyond. Southwark Council took a decision in 2012 to only use Ofsted registered AP providers and, as Kids Company was not registered with Ofsted, Southwark Council was not using Kids Company for this provision.

### **Safeguarding:**

40. None of the 299 Southwark cases were escalated to Child Protection.
41. The systematic process undertaken by Southwark's MASH in responding to the closure of Kids Company was compliant with the London Child Protection procedures and the Council's policies and procedures. MASH agencies took action, responding to assessed risk and to safeguard children, young people and vulnerable adults.
42. The Strategic Director commissioned a review of a case that was raised as a concern, for assurance.
43. On 30 July 2015 the Metropolitan Police commenced an investigation into a number of allegations involving Kids Company. The complex case team of the Sexual Offences, Exploitation and Child Abuse Command is undertaking the investigation. In response to child protection allegations, we have held two strategy meetings under the London Child Protection procedures and are due to hold a third strategy meeting on 19/10/15 as part of joint investigations with the Police and other Local Authorities. No further information can be provided to the Committee at this stage due to the on-going investigations. Southwark Council arranged for a helpline to be provided by the NSPCC for anyone affected by the safeguarding allegations and promoted that helpline widely.

## **Lessons from this experience:**

44. Not all of the lessons that follow are directly within the gift of this Committee but in taking the opportunity to scrutinise the response to the closure of Kids Company by Southwark Council the Committee may wish to consider and comment, or not, on some important policy and practice issues affecting children and young people, including children and young people in Southwark.
45. The processes, procedures, practice and above all the team (including MASH partners) at Southwark Council were able to cope with a surge in urgent activity thanks to the dedication of colleagues and good support from operational managers.
46. The wider system was very supportive with generous and practical offers of assistance from Council colleagues, Councillors, local MPs, Community Action Southwark (CAS) and local voluntary organisations, Southwark CCG, the wider NHS, the Association of Directors of Children's Services, the Association of London Directors of Children's Services, the Children's Commissioner for England, the Cabinet Office and the Department of Education.
47. Importantly too there was oversight and challenge from local politicians, chief officers, the Independent Chair of the Safeguarding Boards and Government.
48. Locally, and wider, people are still trying to make sense of what happened and how Kids Company came to close. It will be important for people to have time to digest and process these events and experiences. Colleagues will continue to be sensitive in working with former clients and staff of Kids Company, treating people with dignity and respect, and helping where possible.
49. It is essential that in order to prepare well for, or safely respond to, significant events, such as the closure of a provider organisation working with children, young people or vulnerable adults, that such organisations cooperate fully with Local Authorities and assist them rather than hinder them in contingency planning. Impediments such as failure to provide client details potentially puts at risk the safety and welfare of children, young people and vulnerable adults. 'Data Protection' must never be used as an excuse in such circumstances. Government guidance is clear on this point.
50. Kids Company employed some 600 people and was providing financial support to many clients, including many of their Southwark clients. Sudden closure without provision having been made to mitigate or manage transition had a significant impact on many people. It may be helpful for charities directly providing services to children, young people and vulnerable adults to be required to hold adequate reserves (perhaps a specified % or amount proportionate to the size of the organisation or the assessed risk) or to have some form of underwriting to address these risks.
51. Kids Company was providing services, including therapy, directly to children and young people yet unlike the vast majority of organisations operating in this sector Kids Company was not regulated by Ofsted or the Care Quality Commission. In the best interests of children and young people, this blind spot needs to be addressed and could easily be rectified by regulations being extended to include such provision. An alternative approach would be for Local Authorities to be given powers to register and regulate such provision akin to when Local Authorities had Registration and Inspection (R&I) functions in the past.
52. It is not possible to comment on any lessons arising from the safeguarding aspect at this time. When the Police and safeguarding investigations are concluded, the

Southwark Safeguarding Children's Board and the Southwark Safeguarding Adults Board can consider any lessons arising, as appropriate.

**Acknowledgements:**

- 53. The Strategic Director would like to sincerely thank colleagues in Southwark's Children's and Adults Services for their remarkable efforts and professionalism in responding to the closure of Kids Company. The support and priority assistance of colleagues across the Council and MASH partners was very helpful and much appreciated.
- 54. This event took place during the August holiday period and, when considered against the normal day-to-day activity of the service, this really tested the resilience of the team and our local MASH. Colleagues worked incredibly hard and pulled together to support each other, sustaining a high motivation to mitigate the impact of the closure of the charity for local people, and beyond Southwark, across London.
- 55. The Strategic Director would like to acknowledge the considerable support and assistance provided by the Cabinet Office and Department of Education in managing the response to the closure of Kids Company.

Background Papers	Held At	Contact
None		

**APPENDICES**

No.	Title
None	

## AUDIT TRAIL

*This section must be included in all reports.*

<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children and Adults	
<b>Report Author</b>	David Quirke-Thornton, Strategic Director for Children and Adults	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
List other officers here		
<b>Cabinet Member</b>	Yes/No	Yes/No
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### **Note: Consultation with other officers**

If you have not consulted, or sought comments from the director of legal services or the strategic director of finance and corporate services, you must state this in the audit trail.