

An 'unusual jewel'

Reflections on the demise of Kids Company

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8th December 2015

**Who or what is *most* responsible for the demise of Kids Company, out of the following...
(pick only one!)**



1 (Chair)

**THE
SPECTATOR**

2 (media)



3 (Chief Executive)



4 (PM, Big Society)



5 (regulators)



6 (Oliver Letwin)

The basic argument

- Recounting the demise of Kids Company – timeline
 - Theory: failure, fields
 - Field processes: animation, translation, escalation, distinction
 - Settling accounts: a hegemonic account, based on governance failure and financial vulnerability
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An unusual jewel?

it was a very unusual jewel in our funding crown. It seemed to draw a lot of political interest. It seemed to draw a lot of annual public money. It had unorthodox methods. It seemed to operate outside the statutory framework in local authorities...Ministers are entitled to fund innovation. It seemed to have low reserves and therefore coming to us was always slightly last-minute

(Richard Heaton, former Permanent Secretary, Cabinet Office, 2.11.15)

‘Big Society Poster Girl’
(Tim Loughton, MP, 19.11.15)



Kids Company (2014)

Campaign launched 24.6.14
after Centre for Social
Justice report “*Enough is
enough*” highlights state
failure in child protection



...This isn't about Kids Company, and we don't claim to have all the answers. We are aiming to mobilise the public to demand the formation of a cross-party government task force to outline a 15-year recovery programme for our statutory children's services....

The task force will be independent of Kids Company. However, Kids Company will submit its model into the bank of brilliant ideas for scrutiny alongside other ideas. In the meantime, Kids Company will keep trying to raise much-needed funds in order to continue working until the task force decides whether it should or should not be part of the national plan

(Kids Company, 2014: 3, 28).

Timeline 2015

- Late June: Cabinet Office civil servants request ‘ministerial direction’ over grant to Kids Company; given by Letwin and Hancock)
- 2.7: Reports of government withholding £3m ‘restructuring’ grant unless Chief Executive steps down
- 30.7: £3m grant released; Metropolitan Police announce investigation
- **5.8: Kids Company closes down - insolvent**
- 6.8: Media appearances by Batmanghelidjh and Yentob
- 21.8: Charity Commission announces statutory inquiry
- 15.10: Public Admin ctte evidence hearing (Yentob and Batmanghelidjh – a ‘torrent of verbal ectoplasm’)
- 29.10: NAO report on Kids Company published
- 2.11: Public Acc’ts ctte evidence hearing (civil servants)
- 13.11: Public Acc’ts ctte report on Kids Company published
- 19.11: Public Admin ctte evidence hearing (Letwin and Loughton)
- 3.12: Alan Yentob to step down from role as BBC creative director

Managing the fall out (1)

Government and sustainability

- *“The government has supported Kids Company over the last seven years to help it deliver services for vulnerable young people and so we are disappointed it has been unable to move to a sustainable financial position” (Government spokeswoman, 5.8.15)*
- *“The government thought it was the right thing to do to give this charity one last chance of restructuring to try and make sure it could continue its excellent work. Sadly that didn’t happen....I think the government was right to say let’s have one last go trying to keep this charity going, given the work it’s done for so many young people” (David Cameron, 6.8.15)*

Managing the fall out (2)

Kids Company and 'state failure'

- Demise was a result of *'rumour-mongering civil servants, ill-spirited ministers and the media'* (Camila Batmanghelidjh, 6.8.15)
- *"People inside government think I am a bit too outspoken. Elements of government want to support us and other elements want us to disappear"* (ibid.)
- *"What are these cases doing being at my door when they should be at their door...I am still left with these kids and their unmet needs. It is devastating. Where is the Prime Minister of this country saying what is going to happen to these children?"* (ibid.)
- *"We are in danger of obsessing over a faulty sticking plaster, rather than the gaping wound it failed to cover. The frightening thing is that we now have one less way to stop the bleeding"* (Gaby Hinsliff, The Guardian, 6.8.15)

Theories of failure

Sector level

- ‘Voluntary failure’: particularism, paternalism, insufficiency, amateurism - Salamon (1987)
- ‘Mellow weakness’ - Seibel (1989)

Organisational level

- Integrative account of organisational failure:
 - *“any attempt to explain organisational failure will not be complete unless the interplay between contextual factors and organisational dynamics is taken into account”* (Mellahi and Wilkinson 2004: 34)
 - *“Within the limits of external constraints, organizational leaders still make choices that affect chances of success and failure. Likewise, except in cases of extreme mismanagement, bad strategic choices are rarely the only cause of an organization’s demise”* (Wollebaek 2009: 268)

Fields

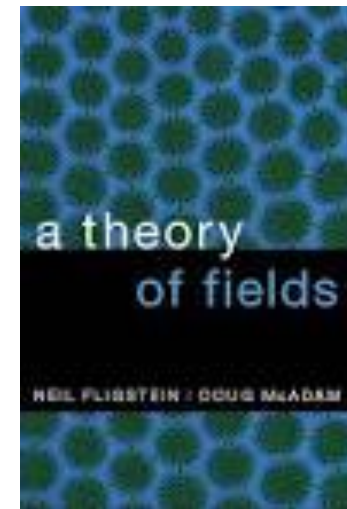
- Bourdieu: highlighting change, conflict and domination
- The relational struggle for position and 'room'
- Meso-level collective concepts: field, ecology, system, market...

Fligstein and McAdam (2011, 2012):

*A general theory of social change and stability rooted in a view of social life as dominated by **a complex web of strategic action fields...***

... in which actors (who can be individual or collective) are attuned to and interact with one another on the basis of shared (which is not to say consensual) understandings about the purpose of the field, relationships to others in the field (including who has power and why), and the rules governing legitimate action in the field

(Fligstein and McAdam, 2012: 2, 9).



Field concepts

- A theory of interest, power and position
- Russian dolls: multiple, overlapping fields at different scales and across sectors
- Frames, narratives and conceptions of control:
“The winners of the internal power struggle are those with a compelling vision of how to make the firm work internally and how to interact with the firm’s main competitors....a conception of control is a story about what the organization is and its location vis-à-vis its principal competitors. It is also an interpretive frame used to interpret and justify actions vis-à-vis others” (Fligstein 2001: 69).

Field dynamics

- Endogenous change – ‘iterative strategic dance’; jockeying for position
- Exogenous change – interdependence of fields:
“like a stone thrown in a still pond, sending ripples outward to all proximate fields”
- *“When a big ship sinks, it doesn’t just slide quietly beneath the waves. It creates a whirlpool, a sort of vortex threatening to suck everything else down with it....And that’s rather how it feels, seeing Kids Company go down”* (Gaby Hinsliff, Guardian, 6.8.15)
- Emergent fields – Stable/settled fields - Unsettlement/crisis - Restoration?

Three problems in fields

1. Fields as material relations or social constructions
2. What are the boundaries of fields and who are the participants?
 - Remote influence
 - Centre and periphery
 - Field 'animation'
3. Primacy given to exogenous shocks (inert entities hit by external forces) over endogenously generated change... followed by adjustment and re-settlement
 - Why not both?
 - Why not endogenous change creates wider shocks?
 - Appreciation of process?

Process	Description
Animation	where the stakes in a field are raised, heightening interest and concern (amongst a wider range of participants – field extension)
Translation	where field actors intervene and seek to form a convincing narrative of a situation or event (using their own ‘conceptions of control’ in the field)
Escalation	where a situation or event is taken beyond its immediate context and generalised to a broader set of fields and phenomena (from N=1, to N=many more, tends to accompany translation)
Distinction	where actors disaffiliate or disassociate themselves from a specific (difficult) situation or issue (asserting identity, linked to de-escalation)

Animation

Intensity – lots at stake: interests, reputations, credibility

Energy metaphor – a charged situation or set of events

Participants drawn into the field, though not necessarily on a permanent basis:

- Media and the BBC?
- Academic research and consultancy (LSE)
- The role of audit
- The wider public?

‘Casing’ (Ragin): what is the Kids Company story a case of?

- political betrayal?
- state interference in an independent charity?
- poor regulation?
- failed public brinkmanship?
- financial mismanagement?
- a fragile and under-capitalised third sector? (‘threadbare finances’)
- a reckless business model and chaotic service provision?
- poor governance?
- policy failure - in children’s social work and child protection?

Translation

- *“Trustees must be prepared to be criticised for their public silence, and for those outside the organisation to fill that silence with comments of their own”* (Karl Wilding, The Guardian, 7.8.15)
- Founder syndrome: *‘the ultimate example of a charismatic charity leader: her organisation is synonymous with her image’* (Lyn Cadman, 3.7.15); *‘personal fiefdom’* (PACAC evidence, 12.11.15)
- Governance: *“there are recurrent governance problems that are widely recognised in the charitable sector – which is why, alas, the tale of Kids Company has a feeling of déjà vu about it...the position of trustee requires something more than a desire to be seen to be a good egg. The work demands time, commitment and ability. It is not a role for amateurs”* (The Guardian, editorial, 6.8.15)
- Rationalisation and mergers: Martin Narey (BBC, 7.8.15); Financial Times editorial (26.9.15) and Richard Litchfield *‘The Good Merger Index 2014-15’* (10.11.15)
- Financial sustainability: Charity Finance Group (17.8.15)

Escalation

- *“The departure of Camila Batmanghelidjh as chief executive of Kids Company **raises much bigger issues** about the role of charities, accountability and user involvement in childcare and beyond”* (Peter Beresford, The Guardian, 3.8.15, emphasis added)
- Disproportionate cuts (NCVO): 11% decrease in government grants and contracts for all voluntary organisations 2010-2013; yet 18% fall for children and young people’s charities (from £2.86bn to £2.35bn)
 - *“something’s going to give...either organisations aren’t able to meet the demands made of them or they are stretched too far”* Karl Wilding, NCVO, quoted in The Observer, 9.8.15
 - Organisations opting out of contracting: *“This market model is running up to the buffers because there is no profit left”* Kathy Evans (Children England), quoted in The Observer, 9.8.15

Distinction

- *“After a summer of criticism of the voluntary sector, I think it’s worth explaining why Kids Company was atypical of the vast majority of charities...The fact that Kids Company was in receipt of government grants even after concerns had been raised about its management is more a reflection of its founder’s relationship with Whitehall than a representation of the sector more generally”*
(Karl Wilding, NCVO, ‘Why all charities aren’t Kids Company’, 15.10.15)
- *‘imagining all charities were like Kids Co would be like thinking all British men were like James Bond’*
(Joe Saxton, nfpSynergy, 29.10.15)
- Large and small charities

Settling accounts

- Field processes and outcomes
 - how will the field actually be re-shaped?
 - what changes will take hold, and what things absorbed?
- Translation and traction
 - what accounts gain purchase and why?
- Towards a discursive ‘settlement’
 - A coagulating story around governance, financial oversight and management
 - Intertextual constructs, cf. ‘post-war consensus’ and ‘marketisation’
 - What will our long term memories of Kids Company be ?