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Dear Richard

Kids Company


Thank you for your letter of 26 June 2015, setting out your advice as Accounting Officer on the request from Kids Company for an additional grant of £3m. We are grateful for the work the Department has put into investigating this urgent issue.

We have noted your concerns about the confidence we can place in Kids Company's ability and capacity to restructure in a way that will secure its long term viability, based on the Department's previous experience, and therefore the value for money of making this payment. But equally, we are very mindful of the inspirational work that Kids Company does with young people, for which reason the Government has contributed to it for several years. We also take confidence from the changes that Kids Company has undertaken to make in terms of its leadership, management and governance, which we judge do give it a realistic prospect of long-term viability so it can continue to deliver for vulnerable young people.

We have therefore decided that the Department should proceed with providing additional funding of £3m to Kids Company, and direct you to proceed accordingly. We have agreed between us a set of clear conditions that will be placed on this funding, which we believe will help to protect Government's additional investment.



OLIVER LETWIN



MATTHEW HANCOCK

