

**Executive summary of Audit report on the  
Administration of the ‘Lambeth Children’s Homes Redress Scheme’**

1. **Terms of reference:** to undertake an audit of a random selection of files where awards had been made under the ‘Lambeth Children’s Homes Redress Scheme’ and to review the approach taken by Lambeth in the making of offers and the settlement of applications.
  
2. **The ‘Lambeth Children’s Homes Redress Scheme’:** the terms of the scheme are set out in 2 documents, namely, a substantive document (of 14 pages) which sets out the scope and terms of the qualifying criteria, and a document setting out 4 compensation bands/tariffs, which in turn provide the parameters for settlement of particular categories of claims.
  
3. **Method of selection of the files to audit:** I was provided with a list comprising the names of all applications which have been settled under the scheme (approximately 150) and I identified 76 of the files on an entirely random basis, of which 53 were sent by courier to my Chambers on the basis that they were concluded and could therefore be released. I have not seen the remaining 23 files, which I understand are not yet concluded.
  
4. **Method of review:** I have read through all sections of the 53 files with a particular focus on the following documentation:
  - (i) the evidence provided by the applicants of their experiences of abuse, which is typically presented in one or more of the following ways:
    - within the scheme application forms
    - in witness statements attached to the scheme application forms, or in some cases provided at a later date
    - accounts given by applicants to medical experts where a medical report has been requested under the terms of the scheme;

(ii) other evidence which might be available to corroborate/elaborate upon the evidence provided by the applicants about their experiences and which might include:

- social work records [although in many cases these have not been retained and were not therefore available]
- GP and other medical records
- witness statements from family members;

(iii) summaries of the above evidence compiled by the file handlers as part of their process of analysis, which is typically documented by the following methods:

- file notes
- advice letters to Lambeth
- offer letters to the applicants
- attendance notes of discussions with Solicitors acting for the applicants
- in 4 of the cases, attendance notes of discussions with litigants in person

(iv) general inter parties correspondence.

5. **The evidence provided by the applicants:** the evidence provided by the applicants was inevitably anecdotal and there were significant variations in the quality, quantity and detail of the accounts given by the applicants. It was also common for scant detail to be given in the first instance, then to be supplemented at a later date upon further consideration. There was a clear recognition by the file handlers that the evidence presented in support of applications might not always be as complete in the first instance as it might be on further reflection. In the vast majority of cases additional evidence was presented further down the line as a matter of course and the file handlers would then simply undertake a reassessment of quantum on the basis of the new evidence. Where

offers were made but not accepted, the file handlers always pointed out in correspondence that they would be happy to consider any additional evidence if it was provided.

6. **The piecemeal nature of the evidence provided:** although the vast majority of applicants were represented by Solicitors, the impression given is that most of them were left to their own devices to fill out the application forms rather than being guided by their Solicitors in this task. The lack of detail provided in the early stages meant that the full picture of the abuse in terms of its nature, frequency, duration and effects would often not emerge until later in the process. It is entirely common for survivors of abuse to be unable or unwilling to make sensitive disclosures at the first time of asking and in particular, psychological effects are often overlooked because it is a well-known defence mechanism for survivors to seek to minimise the disabling effects of abuse.
7. **Evidence in respect of the analysis of the evidence:** in all cases the analysis of the file handlers was clearly set out and documented. It was therefore possible to understand the basis upon which quantum had been assessed and, where appropriate reassessed, with reference to the different compensation bands.
8. **The status of the evidence provided:** the anecdotal evidence presented by the applicants was taken at face value and there are no examples in the 53 files of file handlers seeking to be judgmental on the grounds of credibility or any other basis. To the extent that issues of credibility may have become relevant, these were raised by the jointly instructed Psychiatrists in the context of their written medical reports and such issues were never flagged at the instigation of the file handlers or Lambeth. In all 53 cases the file handlers adopted a straightforward interpretation of the facts in favour of applicants when seeking to categorise the abuse within the appropriate compensation bands and range.
9. **The approach generally to the quantification of the claims:** the scheme is an alternative to litigation at common law and, whilst setting an evidential threshold, the correspondence and telephone discussions between the parties around the issues of quantification were without

exception conducted on a non-combative collaborative basis. The file handlers always made it clear they would be happy to reconsider any offers/counter-offers upon receipt of additional evidence and in many instances, the provision of further evidence did result in higher offers being made. The 2 main reasons for offers being increased from their starting point was the provision of further evidence which suggested: **(i)** a greater duration/frequency/severity of abuse than previously indicated and; **(ii)** specific psychological effects, whereas initial accounts may have omitted to mention such information.

10. **The stages at which offers were made:** in many cases the applicants' Solicitors requested that offers should be made immediately and without the necessity to obtain medical evidence. In other cases applicants chose to wait for medical reports to be available to inform the psychiatric picture. Where Lambeth was invited to make offers this was done on the basis of the evidence then available. All offers were prefaced with the clear instruction that, should they be considered to be insufficient, Lambeth would be happy to receive additional evidence from the applicants or wait for a medical examination. All cases in which initial offers were not acceptable were subsequently resolved by higher offers being made following the provision of further evidence. In a small minority of cases where applicants made counter-offers which were clearly excessive and outside a reasonable range of assessment, resolution was achieved by Lambeth going some way to meet such demands, justified as being in the interests of conciliation, to spare further trauma to the relevant applicants and in the interests of reducing the financial costs associated with ongoing disputes. As with most compensation schemes, there will always be applicants who consider their claims to be exceptional and who are reluctant to fit into the designated tariffs, and where such applicants emerged here, a pragmatic view was taken by Lambeth to appease rather than enter into conflict.
11. **The significance of legal representation:** the vast majority of applicants had the benefit of legal representation and it can reasonably be assumed that offers were only accepted in accordance with appropriate legal advice.

12. **The level of offers/settlements:** on my analysis all of the settlements are within an objectively reasonable range based on the information provided and, whilst in 2 of the cases, initial offers were made at the lower end of a reasonable range, the vast majority of initial offers were made at the higher end of a reasonable range. The tariffs set out in the compensation bands are not susceptible to precise definition and, in common with the assessment of damages in any action for personal injury, the ultimate figure will always fall within a bracket and sometimes within a relatively wide bracket. I also identified several examples of offers which were arguably too high and possibly higher than an objectively reasonable range, although these aberrations were recognised by Lambeth at the time and accepted for various reasons set out above.

13. **Litigants in person:** 4 of the 53 files that I reviewed involved litigants in person; one who was in Prison at the time; one deceased whose estate was represented by his daughter, one who had fallen out with her Solicitor and the fourth who simply preferred to represent himself. The interactions of the file handlers with this cohort of applicants is well documented and a number of positive points are evident:

- all were repeatedly informed that they could have access to their own legal advice paid for by Lambeth
- all were given careful explanations of the working of the scheme and the process
- all were told there was no pressure and that they could have as much time as required to consider offers
- all were told they were at liberty to introduce further evidence and make any counter-offers as they saw fit
- vulnerabilities were recognised e.g. by prompt responses to enquiries and correspondence; by the provision of helpline numbers where concerns were raised about an applicant being distressed and by the thoughtful and sensitive tone of the correspondence and discussions

- all of these settlements fell within an objectively reasonable range of assessment.

14. **Non-financial compensation:** all applicants were also properly informed as to the availability of non-financial compensation (apologies, meetings etc.) as set out in the scheme.

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Dated this 23<sup>rd</sup> day of August 2019