

Local Government Association Briefing

Asylum accommodation contracts

House of Commons

10 October 2018



Key messages

- Councils continue to work hard to support and deliver the many programmes for refugees and asylum seekers currently in operation. Councils want to work with central government to find sustainable solutions that minimise the pressures on local authorities, their communities and vulnerable individuals.
- The Home Office's initial engagement process as part of the development of the Asylum Accommodation Support Transformation (AAST) Project was welcome. However, councils are concerned that some of the issues and complexities associated with the current asylum system will be replicated in the new contract arrangements which are due to be announced in November 2018. The current model of provision for asylum seekers does not provide the necessary funding for councils, and is likely to place further pressures on specific areas of the UK.
- The procurement exercise for the AAST Project provides an opportunity to reframe the relationship between local authorities and the Home Office in order to address these concerns. Genuine collaboration across national, senior and strategic level is required in order to identify and mitigate risks and pressures within communities. Partnership structures need to be established as a matter of urgency that will allow local authorities and regions to work with the Home Office and contractors to better manage the impacts of dispersal on local authorities, their partners, and on asylum seekers themselves.

Further information

Local government and the future of asylum accommodation and support

Ensuring accountability and transparency: councils have a shared agenda with central government on managing the impact of migration and asylum. Councils also have a key role as conveners of local partnerships that form part of the dispersal process.

Local government had called for formal involvement in the entire procurement process for the contracts. Clarity around governance, oversight and transparency now needs to be built into the contracts, with clear mechanisms for checks and balances. This needs to be based on shared, transparent and real time data and information. It should allow local authorities to express concerns around decisions that will impact on their communities and then have these acted upon as a matter of priority, with clear consequences for contractors if not.

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More equitable dispersal: we need to move from a contracting model that places undue focus on low-priced accommodation. Local authorities should be asked to take asylum seekers based on their capacity, rather than on the cost of accommodation in their area. Government needs to consider more sustainable solutions on how best and where to house and support asylum seekers and refugees regardless of costs. We should also avoid transferring the problem to other deprived areas with potentially similar issues around capacity, resilience and cohesion in an attempt to reduce current and cumulative pressures on the councils involved in the programme.

Supporting integration: one of the aims of the Home Office dispersal process should be to deliver good outcomes, both for the asylum seekers themselves and for the local areas in which they are placed. A new partnership approach to dispersal must also include the provision of adequate funding to allow councils and their partners to support the integration of individuals and families in new communities. Councils are best placed to bring new communities together, as well understand and mitigate any impact on existing communities. For example, the Controlling Migration Fund provides match funding for 'Local Authority Asylum Support Liaison Officer' posts. This assists those granted refugee status and provides them with information and support. This demonstrated how funding should be directed to councils to help asylum seekers transition from Government-provided accommodation to mainstream society.

Learning from the current asylum system

Engagement: it is not clear how the early engagement activity carried out in advance of the current procurement process resulted in tangible changes that addressed councils' concerns. Better engagement with local leaders during the current procurement exercise could have provided further opportunity to learn from councils' concerns, and created joint objectives for a more effective and equitable system. Given this lack of involvement, the same issues that concern local government in the current contracts are likely to be replicated in the new system.

Recognising the impacts: the Government's COMPASS contracts have resulted in the dispersal and concentration of asylum seeking families and adults in just a few areas.¹ This can only increase given the growing pressures on low cost or affordable housing. It is imperative that there is an urgent recognition of the significant impact on particular councils, their local partners, on communities and on cohesion of disproportionately high numbers of dispersed asylum seekers in certain areas. These include:

- concentration of asylum seekers in areas already dealing with significant social and economic challenges;
- increased and unpredictable pressure being placed on local statutory and voluntary services that are seeking to provide services with little or no funding to do so; and
- negative public perceptions and media coverage as a result of the additional pressure being placed upon communities and services.

Key pressures: whilst we have welcomed the various Parliamentary inquiries that focused on allegations around the use of substandard accommodation under the COMPASS contracts, these often missed the other more operational pressure points in the system. The new contracts should seek to address the particular challenges that have emerged including issues around with contingency, including the use of hotels. The extensive use of sub-contracting, with a resulting impact on partners' ability to establish accountability and tackle issues as they arise, rather than after the event, was also a concern.

Funding: there was significant concern about the level of funding provided through the current COMPASS contract particularly for support. A key concern is that funding for the provision of asylum accommodation and associated services was driven down to such levels that this affected the quality of the service and, indeed, fundamentally undermined the delivery of services as set out in the contract. The impact of this is being felt not only by asylum seekers, but also by the communities to which they are being dispersed. This also acted as a 'cost shunt' with local areas having to fill in the gaps in service provision. Councils' ability to do this will be reduced as a result of current well known resource pressures on councils.

Move on support: an extension to the current 28 day 'move on' period would be in line with current legislation around homelessness reduction, including the Homelessness Reduction Act. This would allow additional time for those who receive a positive decision on their asylum claim and are awaiting access to alternative accommodation and mainstream benefits. It would reduce potential costs for councils of any delay. We also need better partnership between the Home Office and DWP to allow benefits to be paid promptly.

The end of the process: it is vital that there is recognition of the costs incurred by local authorities that are currently dispersal areas. These are particularly significant at the end of the asylum process, both in cases when refugee status is granted and when there is a negative decision.

Councils have a statutory responsibility towards failed asylum seekers who have no recourse to public funds. However, they receive no funding to cover the costs of accommodation and subsistence. The average number of days on unfunded support per household continues to increase and now stands at over two years. Two thirds of all households financially supported by a local authority will go on to be awarded leave to remain with recourse to public funds.ⁱⁱ There may be significant unfunded community, social and economic costs of destitute failed asylum seekers who are subject to removal but are not removed and left without means of support by the Home Office having exhausted all means of appeal.

Sharing the learning: Strategic Migration Partnerships (SMPs) are funded by the Home Office and act as a conduit between UK Government, providers, councils and other statutory service providers as a means of supporting the strategic planning of asylum dispersal. Operating at both an operational and strategic level with regard to asylum and refugee issues, SMPs are well placed to comment on the current asylum system and on some of the challenges that it currently presents for local authorities.

Key risks and next steps: the councils with the highest concentrations of asylum seekers already face the cumulative impacts of the dispersal process and may decide to withdraw from it. This will place even greater pressures on those continuing to provide support. It will also act as a significant impediment to any new local authorities agreeing to become dispersal areas, particularly in the face of other pressures facing councils.

A discussion is needed at national level as to how we encourage new areas to become dispersal areas, and how contractors will then procure in those areas. This needs to confirm how specific issues will be identified and collectively addressed as they emerge, such as housing costs, the negative perceptions of the current scheme and a disjointed approach across programmes will be addressed and any additional resources needed. We also need a cross governmental discussion on what structural support is needed in areas that do not have previous experience, infrastructure and capacity and how existing funding across current resettlement programmes could be used to build this.

Learning from and joining up other Home Office programmes

There are multiple schemes in operation for supporting refugees. The programmes include a corresponding number of asks of local government and communities to support such schemes. It is vital that all schemes are fully aligned and funded, to ensure councils are able to offer proper support and continue to provide vital services for their local communities. There will be an impact on cohesion if local services become or are perceived to be overstretched. We have welcomed government's increasing recognition of the need to link across related programmes and hope that the current procurement exercise offers a further chance to explicitly acknowledge the need to align programmes.

The Syrian Resettlement Programme has highlighted the willingness of local authorities to play their part on a voluntary basis, particularly when programmes are developed and planned jointly, adequately financed and local authority led. Many councils have indicated that the lack of funding to provide services to asylum seekers is a real impediment to their involvement in dispersal.

The Syrian Resettlement Programme sees funding provided to local authorities over a five year period and the current imbalance and inequity between the two systems must be addressed. This must not be result in diluting the resettlement funding to support asylum seekers but providing sustainable levels funding to any councils that are willing to support and integrate refugees and asylum seekers.

Background on the dispersal process and our work with the Home Office

Dispersal is the process by which the Home Office moves an asylum seeker to accommodation outside London and the South East, to specified local authority areas across the UK. They are first moved to initial accommodation while their application for asylum support is processed. Once the application has been processed and approved they are moved on to dispersal accommodation.

Accommodation and associated support to asylum seekers in the city is currently provided by a range of contractors and sub-contractors. The current contract for the provision of these services finishes in 2019. A new contract procurement process is currently underway, with contracts being awarded from 2019-2029.

The UK Government would like to see an increase in the number of local authorities that are dispersal areas. This is due to the concentration of asylum seekers in some regions and local authority areas and the impact that this can have on communities. The team has been facilitating discussions between the Home Office and local authorities about becoming dispersal areas.

The Home Office is designing, developing and procuring the future model for asylum accommodation and support, replacing the existing COMPASS arrangements. The scope covers the end-to-end 'asylum support business', including the provision of accommodation and welfare services, back office processing, compliance and inspections. The Home Office launched a procurement for the future model for asylum accommodation and support. It will be broadly similar to the current arrangements with a single contractor providing initial accommodation, dispersed accommodation, transport and welfare services in seven regional contracts, with a separate contract for advice to be tendered at a later date. The Home Office aim to announce the results in November and December More information is available onlineⁱⁱⁱ.

The need for effective engagement going forward have been discussed at the LGA Asylum, Migration and Refugee Task Group. The member led LGA Asylum, Refugee and Migration Task Group is made up of regional member and RSMP

representation covering all of the English regions, Northern Ireland, Wales and Scotland and focuses upon the issues around the asylum, refugee and migration agenda from a local government perspective. The LGA, via the Task Group, has been involved in discussions with Government and with regions for a long period of time on how to work together to find sustainable solutions that minimise the pressures on local authorities, local communities and vulnerable individuals.

The LGA view is that aligned regionally coordinated programmes can meet the needs of vulnerable children and families, more quickly whilst minimising the impact on local communities; and utilising and funding central, regional and local governments' strategic and operational expertise and innovative practice.

ⁱ Table 16g, Support provided to asylum seekers, Immigration Statistics year ending June 2018, <https://www.gov.uk/government/publications/immigration-statistics-year-ending-june-2018/how-many-people-do-we-grant-asylum-or-protection-to#support-provided-to-asylum-seekers>

ⁱⁱ No Recourse to Public Funds Network data, June 2018, <http://www.nrpfnetwork.org.uk/News/Pages/NRPF-data-2018.aspx>

ⁱⁱⁱ Asylum Accommodation Support Transformation Briefing Note - November 2017, https://www.local.gov.uk/sites/default/files/documents/Home%20Office_AAST%20Briefing%20Note%20November%202017_FINAL.pdf