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National Asylum Support Service: The provision of accommodation for asylum seekers
SUMMARY AND CONCLUSIONS
Providing suitable accommodation for asylum seekers is one of the most complex and difficult tasks Government has to do. Nearly 34,000 people applied for asylum in the United Kingdom in 2004, along with 7,000 dependants. The National Asylum Support Service (the Service) within the Home Office provides accommodation for those asylum seekers who are destitute (or likely to become destitute), plus money for day to day expenses whilst their application is considered by the Home Office. According to Home Office statistics, the Service received 33,790 applications for support from the Service in 2004, of which over half were for accommodation.

The Service has limited influence over the number of people who declare that they are asylum seekers and require accommodation and, as a consequence, its work is demand led. According to records held by the Service, the number of destitute asylum seekers and dependants in accommodation provided by the Service increased from 27,800 people in March 2001 to nearly 67,200 by March 2003. This substantial increase led to significant pressures on the Service to find suitable accommodation so that individuals did not end up sleeping in the streets. Although the Service managed to deal with this pressure, a subsequent Ministerial review concluded that the organisation had under-performed.

Whilst there is a limit to the degree of sophistication and fine tuning possible in any system which is demand driven, improvements were required.

The number of asylum seekers requiring accommodation and financial support has begun to decline since March 2003. According to Home Office records, the number of asylum seekers and dependants in accommodation has since reduced to 46,000 by December 2004 (a reduction of 32 per cent). The reduction has enabled the Service to start re-negotiating its existing contracts, and the National Audit Office carried out an examination to determine whether the Service had learnt lessons from its early experiences and modified its approach to provide a better quality of service at a more economical cost. Accommodation costs remain considerable: the Service paid out £439 million for short term and longer term accommodation across the country in 2003-04. This report focuses on the progress made by the Service in improving the way it provides suitable accommodation for asylum seekers.

2 The numbers in accommodation provided by the Service include those in emergency accommodation and induction centres plus those in dispersal accommodation.
Main conclusions of our report

4 The Service had to deal with an unprecedented increase in its workload during its first few years and, because it did not have sufficient, experienced staff, it was stretched to the limit in order to provide sufficient accommodation to keep asylum seekers off the streets. The number of asylum seekers and their dependants requiring accommodation each night has now begun to settle into a more consistent pattern and the Service has recruited additional staff to get its business into better shape.4 Drawing on past experience, the Service needs to change the way it works with the organisations that provide it with accommodation. Improvements will involve transferring more of the risks and responsibilities onto the other organisations, reducing the prices it pays for accommodation, putting in place more effective performance monitoring arrangements and taking action when performance is below standard. The Service also needs to co-ordinate its work better with other parts of the Immigration and Nationality Directorate.

Our findings in more detail

The balance of risks between the Service and its accommodation providers needs to change

5 The Service relies on charitable organisations and local authorities to provide short-term accommodation to house destitute asylum seekers when they arrive in the United Kingdom. Once their paper work is processed and they are considered fit to travel, the Service will then disperse the asylum seekers to accommodation around the country supplied by its dispersal accommodation providers. Matching the requirements of asylum seekers to the accommodation has proved difficult, however, and only a minority of asylum seekers are moved out of short term accommodation within two weeks of arrival. The time spent in short term accommodation can be detrimental to the asylum seekers and the local authority, and expensive to the Service.

6 Our analysis of the main risks in trying to transfer asylum seekers from short term accommodation into dispersal accommodation indicate that any costs arising are likely to fall on the Service rather than its contractors. Under existing contracts, many dispersal accommodation providers are paid irrespective of whether the properties they make available to the Service are occupied or not. The outcome of the negotiations and subsequent operation of these interim contracts is an opportunity for the Service to assess the willingness of the accommodation providers to take on additional risks. If the revised contracts prove successful, a more effective solution for the next phase of contracts might involve transferring responsibility for matching people to places onto the accommodation providers instead.

The Service has achieved significant savings by re-negotiating its contracts

7 The Service acknowledges that because of the changes in the number of asylum seekers, the contracts it let originally with accommodation providers in 2000-01 have not always proved to be value for money. In October 2004, the Service managed to remove over 16,000 empty ‘bed-spaces’ from its list, which it estimates will save it over £37 million in payments in 2004-05. Most of the savings have come from terminating its contracts with Roselodge Ltd and Accommodata Ltd. The Service has also re-negotiated existing contracts with eight contractors and expects to make savings of around £37 million in 2005-06.

8 We commissioned Atkins Management Consultants to examine the prices paid by the Service and compare them to the typical market rates in areas throughout England, Scotland and Wales. Their analysis suggests further savings can be achieved – in particular the prices paid for accommodation required to house families. Our analysis of the data provided by Atkins Management Consultants’ identified a difference of at least £25 million between the prices paid by the Service and the market rates. In practice, the difference in prices does not take account of the fact that many landlords and property agents are unlikely to accept asylum seekers and it is unlikely there would be sufficient properties available at the market rate. Their work does suggest, however, that there is considerable scope for the Service to make savings when it lets new contracts with providers by 2006, although the extent of the savings will depend on market conditions at that time.

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4 Whilst the number of people in accommodation has reduced from 67,200 in March 2003 to 46,000 in December 2004, the number of staff increased from around 900 in March 2002 to 1,100 by December 2004.
The Service must actively monitor the performance of its contractors and take action where appropriate.

The existing contracts with short term and dispersal accommodation providers do not enable the Service to monitor their performance adequately. The existing performance measures do not set targets for the proportion of asylum seekers referred to accommodation providers that should be housed and there is no requirement to provide regular standardised management information on progress. The Service does inspect properties to confirm they comply with its contract conditions, and terminated its contract with Landmark because of concerns over performance. The Service has not imposed any direct financial penalties on other providers, however, for supplying sub-standard or inappropriate accommodation.

The introduction of induction centres has demonstrated that a more pro-active approach can help to speed people through the process more quickly. Forty-nine per cent of asylum seekers in induction centres are transferred to dispersal accommodation within two weeks; asylum seekers in emergency accommodation at the end of December 2004 had typically stayed there for around six months. The Service has put in place measures to reduce the average time spent in emergency accommodation significantly in 2005, in particular by putting in place a dedicated ‘longstayers review team’ to resolve cases where asylum seekers had been in such accommodation for more than six months.

Better co-ordination of the actions required before an asylum seeker can be transferred out of short term accommodation and into dispersal accommodation would reduce costs and provide a better service. For example, 29 per cent of asylum seekers and their dependants remain in short term accommodation because their paperwork has not been completed. Working with the voluntary partners to get asylum application forms completed promptly and working with the Immigration Service to screen applicants promptly could reduce this delay. If the Service could limit the length of stay in emergency accommodation to two weeks before transferring the asylum seeker to dispersal accommodation, the Service would save £3.6 million a year.\(^5\)

The Service must co-ordinate its work more effectively with other parts of the Immigration and Nationality Directorate.

One of the key reasons behind the establishment of the Service was to make sure the provision of accommodation and support was more closely linked to the asylum application process to improve efficiency. Difficulties remain in practice, however, and any delays in completing the paperwork required for each new asylum seeker means the Service has to keep the applicant and their dependents in short term accommodation longer; this can be expensive and impacts on the efficiency of the Service’s work. Dispersal accommodation providers have also raised concerns that delays in being notified when an applicant has failed to be granted asylum makes it more difficult for them to evict the individual from their property.

The Home Office’s five year strategy for asylum and immigration published in February 2005, sets out plans for a new asylum model which would introduce faster and more tightly managed processes for all new asylum applicants.\(^6\) Key features include a new screening process for asylum applicants to identify those that should be sent directly to a fast track detention centre, the use of specialist case managers, and a clear strategy for maintaining contact with each applicant until a decision is made.

The introduction of the new asylum model is an opportunity for the Service to improve its performance. A re-organisation of existing arrangements and processes could reduce the time asylum seekers spend in short term accommodation. Basing immigration officers at each induction centre, for example, would mean the Service no longer has to pay for applicants to travel to immigration offices in Croydon and Liverpool and would reduce the risk of delay if the asylum seekers claimed they were unable to travel. Better information on the whereabouts and status of each asylum seeker should also mean the Service receives more timely data on failed applicants which could immediately be passed on to the relevant accommodation providers.

In the absence of any service level agreement between the Service and the rest of the Immigration and Nationality Directorate, any changes in performance of the Immigration Service impact on the financial costs and performance of the National Asylum and Support Service.

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5. The calculation assumes that instead of an average of six months in emergency accommodation, the asylum seekers would spend two weeks in emergency accommodation and 5.5 months in dispersal accommodation.

The Home Office and National Asylum Support Service should:

i. Use the re-negotiation of existing contracts to assess whether accommodation providers are willing to take on the responsibility for identifying suitable accommodation for asylum seekers.

ii. Develop a database of properties and asylum seekers that temporary accommodation and dispersal accommodation providers can update directly themselves. More timely information would help the Service to improve its matching of asylum seekers to vacant properties.

iii. Set a clear target for how long an asylum seeker and dependants should spend in short term accommodation and monitor performance regularly. The Service needs to identify each case that exceeds this target and the reasons why, so that action can be taken to resolve problems before a backlog of cases build up.

iv. Re-negotiate the terms and prices of the Service’s contracts with dispersal and emergency accommodation providers. The Service will need to build up an awareness of typical regional prices so that it can negotiate competitive rates.

v. Revised contracts with accommodation providers need to include specific, measurable, and relevant performance measures that can be used to assess performance and include a structured penalty point system so that action can be taken if performance is below standard. The performance measures should include outcome measures, such as what proportion of asylum seekers referred to them have been placed in suitable accommodation, as well as operational measures, such as the nature and frequency of management information required from each contractor.

vi. Encourage the Service’s inspectors to work more closely with local authority housing inspectors to clarify basic standards required and to minimise the administrative burden on dispersal accommodation providers.

vii. Consider the potential benefits of having immigration officers based at each of its induction centres so that cases can be processed more quickly and without the need to pay for asylum seekers to travel to offices in Liverpool or Croydon.