



National Audit Office



REPORT

# The asylum and protection transformation programme

Home Office

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## Report by the Comptroller and Auditor General

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of Commons in accordance with Section 9 of the Act

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**Gareth Davies**  
**Comptroller and Auditor General**  
**National Audit Office**

**8 June 2023**

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The National Audit Office study team consisted of:


Gigs Banga, Christopher Barrett, Beth Bishop, Caroline Harper and Tosin Omole, under the direction of Oliver Lodge, with the assistance of Emily Crowston, Martin Eade and Rob Wilson.

For further information about the National Audit Office please contact:

National Audit Office  
Press Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

 020 7798 7400

 [www.nao.org.uk](http://www.nao.org.uk)

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## Key facts

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**£3.6bn**

estimated spend on asylum support in 2022-23 (unaudited at time of publication)

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**173,000**

people waiting for an initial decision on their asylum claim at the end of March 2023

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**£15.4bn**

expected benefits from the transformation programme by 2031-32, coming from faster processing of asylum claims and reducing the use of hotels

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**£430 million** expected cost of the transformation programme to the end of 2031-32, the period over which the Home Office is appraising it

**1,310** average number of asylum decisions made each week during April 2023

**2,200** number of decisions, on average, needed each week for the remainder of the year to clear the legacy backlog by December 2023

**350** average number of additional beds in dispersal accommodation for people seeking asylum needed each week to meet the programme's expectations

**48** average number of additional beds each week in dispersal accommodation in the 12 months to the end of April 2023

**Amber-red** the Home Office delivery confidence for delivery of the transformation programme in April 2023, meaning it was 'in doubt, with urgent action required and possible delays to delivery'

## Summary

- 1** The Home Office is responsible for asylum and protection in the UK, including ensuring compliance with the UK's legal commitments. It is responsible for processing claims and supporting people seeking asylum who are destitute, by providing financial support and accommodation.
- 2** People can stay in accommodation provided and funded by the Home Office until it makes a final decision about their claim. This can be 'dispersal' accommodation in residential areas or hotel accommodation where suitable alternatives are not available. At the end of March 2023, around 173,000 people (relating to about 134,000 asylum claims) were awaiting an initial decision, with the Home Office providing accommodation for around 109,000 of them.
- 3** The percentage of asylum applications that took more than six months to process has been generally increasing since 2018. At the end of March 2023, almost 129,000 (75%) people had waited more than six months for an initial decision, compared with 43% at the end of March 2017 and 61% at the end of March 2020. A report by the Independent Chief Inspector of Borders and Immigration found that it took on average nearly 15 months to reach an initial decision in 2021, and longer for unaccompanied children.
- 4** The Home Office spent approximately £3.6 billion on asylum support costs in 2022-23, nearly double the amount in 2021-22 and £2.2 billion more than the Home Office's funding for its Asylum and Protection Group. This has created pressure on the overall Home Office budget. Some of the costs associated with supporting refugees and asylum seekers qualify as Official Development Assistance (ODA), and the amount the government spends on ODA is around 0.5% of gross national income, so the increased spending on asylum also affects the funding available to support development overseas. The largest element of asylum support cost is accommodation. In 2022-23, the Home Office spent about £2.28 billion on hotels.

5 The Home Office has announced a series of policy changes, which it believes will improve the cost and fairness of the asylum system, including:

- **the New Plan for Immigration and Nationality and Borders Act:** The Home Office launched the New Plan for Immigration in March 2021 and set out a new framework for asylum decision-making, including treating people seeking asylum differently depending on how and when they arrived in the UK. This became law on 28 April 2022 through the Nationality and Borders Act, which then came into effect from 28 June 2022. Under the Act, the Home Office treats claims as ‘inadmissible’ if a person seeking asylum was previously present in, or had a connection to, a third country the Home Office considers safe. The Home Office does not have to consider inadmissible claims, but will consider them if it is ‘unlikely’ the person can be removed to a safe third country within a ‘reasonable’ period of time. The Home Office refers to claims received before 28 June 2022 as ‘legacy’ claims. Where we refer to ‘newer’ claims, we are referring to claims received after this date. These newer claims are dealt with under the Nationality and Borders Act;
- **the Migration and Economic Development Partnership with Rwanda:** In April 2022 the Home Office announced the Migration and Economic Development Partnership, which allows asylum claims that are deemed ‘inadmissible’ to be processed in Rwanda. From January 2022, individuals arriving in the UK via specific routes, for example those arriving by small boats from across the English Channel, can be considered for removal. As of May 2023, the Home Office has not removed anyone to Rwanda. There are ongoing legal challenges to the policy;
- **the Prime Minister’s statement on ‘illegal migration’:** In December 2022, the Prime Minister made a statement to Parliament which included an expectation that the Home Office would “abolish the backlog of initial asylum decisions” by the end of 2023. He also said that the use of hotels to house people seeking asylum must end; and
- **the Illegal Migration Bill:** In March 2023, the Home Secretary introduced the Illegal Migration Bill to change the law to allow the detention and removal of those arriving to the UK via routes deemed to be illegal, including those arriving via small boats from a third country the Home Office considers safe.



**6** Alongside these policy changes, the Home Office started developing the asylum and protection transformation programme (the Programme) in 2021. The Programme’s vision is to create a system “that is fair, supportive and efficient, where decisions made are right first time and customers in need of protection receive it quickly, and all are treated with dignity and respect”. It has four core objectives: improving the customer journey; improving working experience; improving public and partner trust; and creating a flexible, sustainable and efficient asylum system. The Home Office intends to achieve these objectives in part by increasing the speed of processing asylum claims and the quality of decisions, and increasing the supply of dispersal accommodation. The Home Office expects the Programme to cost around £430 million and achieve savings of £15 billion in the 10 years to 2032.

**7** This report examines the Home Office’s progress in delivering the asylum and protection transformation programme. The report does not evaluate the wider policy changes, but it does discuss the potential impact of the Programme on parts of the wider asylum system. We consider the wider asylum system to include any parts of the Home Office and other government organisations that a person who has applied for asylum may need to interact with. The report sets out:

- the scale of the challenge in the asylum system, and the Home Office’s plans to transform it (Part One);
- the risks to achieving the benefits of the Programme (Part Two); and
- progress to date in delivering the Programme (Part Three).

## Key findings

Risks of delivering the asylum and protection transformation programme

**8 The Home Office plans to reduce its own costs by reducing the time it takes to make asylum decisions, but this will create pressures in other parts of the wider asylum system.** The Programme aims to increase the speed at which decisions are made, which means the Home Office will be granting and refusing more claims per month than before the Programme, as it works through the backlog. By making decisions on asylum claims more quickly, the Home Office will pay for accommodation and support costs for shorter periods of time for each person seeking asylum. However, it may also increase pressure elsewhere. Specific pressures will be felt around:

- **appeals:** People who are refused asylum by the Home Office can appeal the decision in immigration and asylum tribunals, administered by HM Courts & Tribunals Service (HMCTS). The increased number of refusals brought about by more decisions being made each week is likely to increase the number of appeals. Those who would otherwise be destitute can claim support with accommodation and living expenses until the outcome of their appeal is decided. The Home Office estimates the number of appeals in progress could quadruple to 75,000 between July 2022 and March 2025. The Home Office has agreed to provide funding for the first six months of 2023-24 to help HMCTS increase its capacity to hold immigration and asylum hearings by almost 50%. HMCTS's modelling suggests it will require additional capacity beyond this if the Home Office successfully meets its recruitment and productivity targets; and
- **removals:** Immigration Enforcement (part of the Home Office) is responsible for detaining and removing people whose asylum claims have been refused. The Home Office expects that the increase in asylum decisions per week brought about by the Programme will increase the caseload of people referred to Immigration Enforcement. It has told us it is recruiting around 1,000 additional caseworkers and related staff, representing a 20% increase on its overall staffing level, and developing two new removal centres. The Home Office estimates that only 0.4% of people referred to Immigration Enforcement are immediately suitable for enforced returns and the remainder will need additional casework before a return can be considered (paragraphs 2.3, 2.11 to 2.15 and Figure 11).

**9 The business case for the Programme is based on a range of highly uncertain assumptions, and only considers costs and benefits within the Asylum and Protection team.** Investment decisions should take account of both costs and benefits, but measuring benefits is challenging in the asylum system because of the range of policy and operational changes and the complexity of the wider asylum system. The business case is based on assumptions about the number of people seeking asylum in the future. This is difficult to predict, particularly when considering how demand may change with respect to other policy changes and initiatives. But the Home Office has to date completed only limited analysis around how the economic benefits would change under different assumptions, for example about the number of people seeking asylum and the number of decisions caseworkers make. The business case does not consider wider costs to other areas of the Home Office, for example the costs of more detentions and removals, or those faced by local authorities or courts. Additionally, it does not include any benefits from quicker decisions allowing people seeking asylum to move into work and contribute to the economy. The Home Office plans to include more analysis around how the economic benefits could change, and more information about the impact on the wider asylum system when it updates its business case in summer 2023 (paragraphs 2.4 and 2.5 and Figure 9).

**10 The Home Office has not been able to reduce the risks to the Programme.** In April 2023, the Home Office gave the Programme a delivery confidence of amber-red, meaning it was ‘in doubt, with urgent action required and possible delays to delivery’. Many risks identified by the Home Office have remained high. These include demand for accommodation exceeding supply, inconsistent and incomplete data affecting reporting of progress against Programme plans, staffing capacity in parts of the Home Office that need to support the Programme, and a shifting policy environment (paragraphs 2.9, 2.10 and 3.4).

Progress in delivering the asylum and protection programme

**11 In line with its current plans, the Home Office has prioritised reducing the backlog of outstanding asylum claims and reducing hotel use, and is developing work around its other Programme objectives.** Senior staff described how pressure to deliver on short-term priorities made it hard to focus on the longer-term strategy. The business case for the Programme acknowledged that projects supporting some objectives, including those on improving the experience of people seeking asylum, are less well-developed. The Home Office does not routinely monitor progress against the core objectives of the Programme such as improving working experience for caseworkers, improving public and partner trust and improving the experience of people seeking asylum. Instead, it focuses on measures of decisions, caseworker activity and accommodation. It is commissioning a broader evaluation of the Programme, and expects to have interim findings by December 2023 (paragraphs 1.11, 2.4, 2.7 and 2.10 and Figure 7).

**12 By the end of April 2023, around 138,000 asylum claims were awaiting an initial decision.** The Home Office is starting to reduce the backlog of 'legacy' claims, from more than 100,000 at the beginning of July 2022 to about 77,000 by the end of April 2023. However, to achieve this it has decided to abandon its ambition to make decisions on 'newer' claims within six months, meaning the backlog of 'newer' claims is growing. The Home Office estimates the number of 'newer' claims awaiting a decision will increase from almost 61,000 in April 2023 to around 84,000 by the end of December 2023 (paragraphs 3.13 and 3.14 and Figure 13).

**13 The Home Office is increasing the number of asylum caseworkers but only around one-fifth of those deciding claims are fully trained and working independently.** The Home Office will only clear the backlog if it can recruit and retain sufficient fully effective caseworkers. The Home Office planned to have around 1,350 full-time equivalent caseworkers by April 2023 (up from 800 in April 2022) with 62% making decisions. By April 2023, it had around 1,270 full-time equivalent caseworkers, but only around 50% were deciding claims, and only around 140 of those deciding claims were fully trained and working independently. It can take six months to train a caseworker to be effective in their role so retaining staff is critical. The Home Office has reduced annual turnover of caseworkers from 46% in March 2022 to 25% by April 2023, in part by introducing a retention allowance (paragraphs 3.5 to 3.8 and Figure 9).

**14 The Home Office has nearly doubled the number of asylum decisions it makes each week from about 690 in July 2022 to about 1,310 in April 2023.** The Home Office expects that average weekly decisions will increase over the rest of 2023. Based on its current progress, we estimate that to clear legacy claims by December 2023, it needs to make an average of 2,200 decisions per week from May 2023. As part of its efforts to increase decisions, the Home Office has simplified processes for specific cohorts of people seeking asylum, such as the five countries where claims are most likely to be granted. It has also developed a separate process for claims from people from Albania, as the government states it is a safe country. While these processes have assisted the Home Office to increase the number of asylum decisions, it is not clear whether these improvements will be replicable for other groups with different characteristics (paragraphs 3.11 to 3.13 and Figures 12 and 13).

**15 The Home Office is failing to secure enough accommodation to end the use of hotels for people seeking asylum.** To reduce its use of hotels, the Home Office needs to work with local authorities to identify alternative accommodation. The Home Office expects to provide local authorities with around £283 million over the course of the Programme to incentivise them to make more accommodation available and to help fund the local services that people seeking asylum use. In March 2022 the Home Office set an ambitious target to find 500 additional beds a week by October 2022. At the time, the Home Office believed that this would allow it to stop using hotels by December 2023. It has since reduced its target to finding an additional 350 beds a week between April 2023 and March 2025, although in the year to the end of April 2023 it has only found an average of 48 additional beds a week. The Home Office now acknowledges that it is unlikely to achieve its accommodation targets and is looking at how it can increase its supply and identify different sources of accommodation (paragraphs 2.17, 3.17, 3.19 and 3.20 and Figures 9 and 14).

**16 The Home Office has not effectively coordinated its range of work to identify asylum and resettlement accommodation, straining relationships with local authorities.** Alongside the Programme, the Home Office is also seeking to identify sites for larger accommodation centres. However, the Home Office has not coordinated work across its own teams, which has created competition for limited sites and strained relationships with local authorities due to multiple approaches from the Home Office. The Home Office has recently developed a strategy to consider its accommodation needs more widely, and is looking at how it might bring all its accommodation activity together in a single portfolio. It has longer-term plans to introduce a 'place-based approach' to better coordinate accommodation services across government. More recently, the Home Office has made changes to its senior leadership team that affect responsibility for asylum policy and operations, which risks creating uncertainty about reporting lines (paragraphs 3.21 to 3.23).

**17 The Home Office has been slow to implement its new casework technology, leading to duplicated effort.** The new system, known as Atlas, is being delivered through a separate programme, which is behind schedule. At the time of our fieldwork, asylum caseworkers told us they had to use two systems to enter or update the same information. Weaknesses with the technology mean that the Home Office does not have all the data it requires to manage the Programme effectively. Delivering the new system will require balancing other priorities across the Home Office due to limited design and digital capacity (paragraphs 3.15 and 3.16).

## **Conclusion on value for money**

**18** The Home Office expects the asylum and protection transformation programme to reduce its costs by making asylum decisions more quickly, so it supports people seeking asylum for a shorter time; and by increasing its supply of dispersal accommodation, to reduce its reliance on costly hotels. It is making some progress, but it is a long way from meeting its ambitions. While the Home Office has nearly doubled the number of decisions made each week, it is not clear whether this is sustainable, or whether it will be enough to clear the backlog of older asylum decisions by the end of 2023. The Home Office is failing to meet its targets for securing accommodation in local authorities. It is not yet monitoring progress against its full set of objectives, but has recently assessed the Programme as amber-red risk for delivery. The Home Office is not on track to achieve the full benefits it expects of the Programme.

**19** The changes the Home Office plans to implement through the asylum and protection transformation programme are necessary, but not on their own sufficient, to address the pressures in the asylum system. The changes will only work if all parts of the end-to-end asylum system can effectively manage the demands placed on them. Ultimately, to achieve value for money, the Home Office needs to better coordinate and manage the impacts of the full range of changes it is implementing. Failing to do this risks moving backlogs and cost pressures to other areas, rather than resolving them.

## **Recommendations**

**20** The Home Office should:

- a put in place a performance measurement system for the Programme that gives a comprehensive overview of performance across all of its objectives.** In particular, in its programme reporting, it should include measures of the flexibility and sustainability of the system, staff morale and retention, public and partner trust and the experience for people seeking asylum. This would allow those with responsibility for the Programme to make informed decisions around trade-offs;
- b build on its work to understand the wider impacts of changes to the asylum system by using this dynamically to inform decision-making within the Programme and more widely.** It should:
  - routinely collect the necessary data to understand the flow of demand through the wider asylum system, including local authorities, Immigration Enforcement and HMCTS, and the impact of changes on people seeking asylum;

- regularly update its analysis about the projected impact of the Programme and other policy changes on the wider asylum system and on the individuals moving through it; and
  - use this understanding to inform its decisions and share the analysis with other organisations affected by operational changes within the Home Office to support better planning in the wider asylum system;
- c clarify how the governance and oversight of the asylum system will operate within the Home Office.** Given the extent and speed of change in asylum policy and operations, and the challenges it faces securing accommodation, the Home Office needs to embed a structure that will allow it to coordinate multiple strands of activity and secure buy-in from all organisations involved. It should be clear about the implications of the move to a place-based approach, the reorganisation of its accommodation work, and recent changes in senior leadership responsibilities to provide certainty about accountability and reporting lines so that it can identify and manage any trade-offs.