



National Audit Office




REPORT

The Home Office's asylum accommodation contracts

A briefing by the National Audit Office

SESSION 2024-25
7 MAY 2025
HC 874



We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and we help improve public services through our high-quality audits.

This factual briefing has been prepared for the Home Affairs Committee as part of its inquiry into the delivery of asylum accommodation.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion. This represents around £17 for every pound of our net expenditure.



National Audit Office

The Home Office's asylum accommodation contracts

A briefing by the National Audit Office

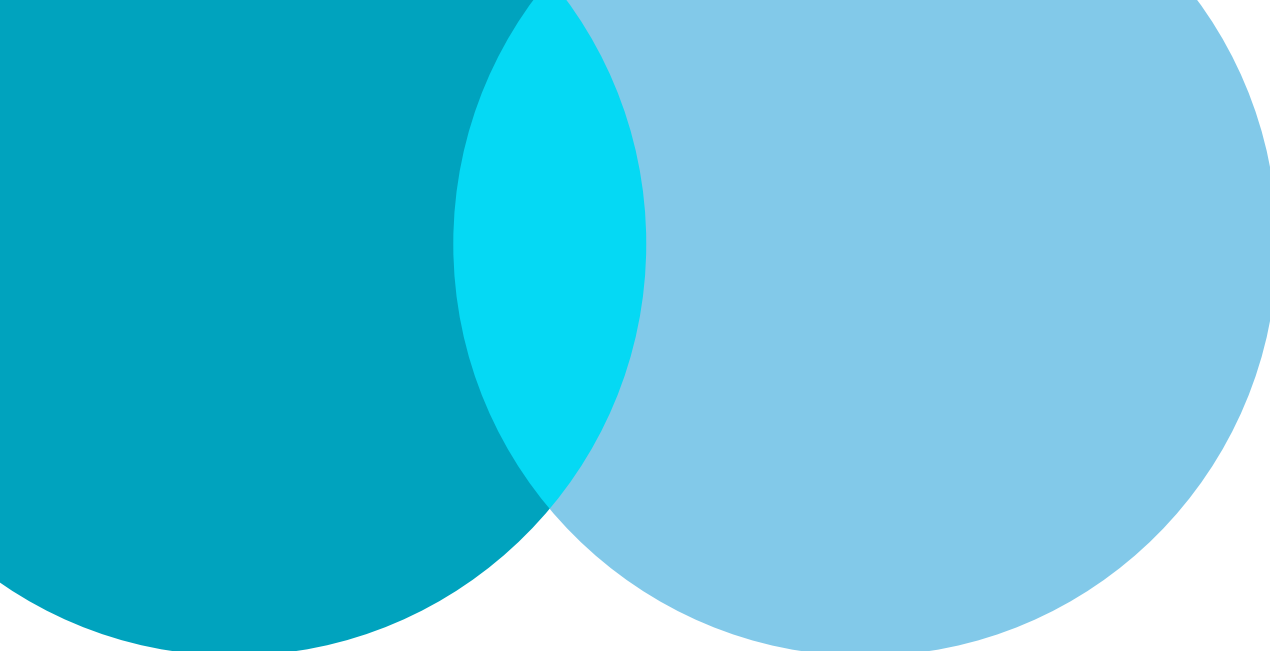
Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 6 May 2025

This report has been prepared under Section 6 of the
National Audit Act 1983 for presentation to the House
of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

28 April 2025



The material featured in this document is subject to National Audit Office (NAO) copyright. The material may be copied or reproduced for non-commercial purposes only, namely reproduction for research, private study or for limited internal circulation within an organisation for the purpose of review.

Copying for non-commercial purposes is subject to the material being accompanied by a sufficient acknowledgement, reproduced accurately, and not being used in a misleading context. To reproduce NAO copyright material for any other use, you must contact copyright@nao.org.uk. Please tell us who you are, the organisation you represent (if any) and how and why you wish to use our material. Please include your full contact details: name, address, telephone number and email.

Please note that the material featured in this document may not be reproduced for commercial gain without the NAO's express and direct permission and that the NAO reserves its right to pursue copyright infringement proceedings against individuals or companies who reproduce material for commercial gain without our permission.

Links to external websites were valid at the time of publication of this report. The National Audit Office is not responsible for the future validity of the links.



Contents

What this briefing is about 4

Summary 6

Part One

Overview of the asylum
accommodation service 9

Part Two

Performance and profitability
of the contracts 20

Part Three

The Home Office's oversight
of the service 34

Appendix One

Our approach 38

Appendix Two

Performance against key
performance indicators 40

This report can be found on the
National Audit Office website at
www.nao.org.uk


If you need a version of this
report in an alternative format
for accessibility reasons, or
any of the figures in a different
format, contact the NAO at
enquiries@nao.org.uk


The National Audit Office study
team consisted of:


Richard Lewis, Rebecca Mavin,
Annabelle Brown, Heather James,
with assistance from
Alex Thomson, under the
direction of Oliver Lodge.

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

 @NAOorguk

What this briefing is about

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 supporting destitute people seeking asylum, while it makes a decision on their asylum claim, by providing financial support and accommodation. The Home Office tries to source houses or flats for most of its accommodation, but when these are not available it uses hotels as a contingency measure.

2 From 2012 to September 2019 the Home Office provided support through six regional contracts, known as COMPASS. Through these contracts, suppliers identified and managed asylum accommodation on behalf of the Home Office. In 2019, the Home Office replaced COMPASS with seven similar regional contracts known as the Asylum Accommodation and Support Contracts (AASCs), plus a national contract for a new helpline and support service (AIRE – Advice, Issue Reporting and Eligibility). The Home Office awarded the AASCs to three suppliers – Clearsprings Ready Homes (Clearsprings), Mears Group (Mears) and Serco – who each took on two or three UK regions. Migrant Help won the AIRE contract.

3 The National Audit Office has previously reported on the Home Office's contracts for asylum accommodation. In 2014, we examined the transition to COMPASS contracts and found that suppliers had struggled to establish their supply chains resulting in poor performance, delays and additional costs.¹ In 2020, we assessed the replacement of COMPASS contracts with AASCs and found that performance was broadly in line with the contract, but that the Home Office faced challenges in adapting services to changing demand.²

4 The Home Office originally estimated that the total cost of the AASCs would be £4.5 billion over their 10-year term. Since then, the number of people seeking asylum and being accommodated by the Home Office has increased significantly. In 2024-25, the Home Office spent an estimated £1.7 billion on the AASCs, and its current estimate of total spend over 10 years is £15.3 billion.

¹ Comptroller and Auditor General, *COMPASS contracts for the provision of accommodation for asylum seekers*, Session 2013-14, HC 880, National Audit Office, January 2014.

² Comptroller and Auditor General, *Asylum accommodation and support*, Session 2019–2021, HC 375, National Audit Office, July 2020.

Scope

5 This briefing has been prepared for the Home Affairs Committee as part of its inquiry into the delivery of asylum accommodation. It covers the main contracts for asylum accommodation and support.

6 It describes:

- the Home Office's approach to accommodating people seeking asylum and the services provided by the contracts (Part One);
- the performance of the contracts and their profitability (Part Two); and
- the Home Office's oversight of the contracts (Part Three).

7 This briefing does not seek to evaluate the Home Office's management or oversight of the contracts or to conclude on their value for money. It also does not examine the Home Office's procurement of the contracts, which we covered in our 2020 report. This briefing uses historic data on performance and profitability reported by suppliers to the Home Office. We have not audited these data and they are subject to an ongoing audit by the Home Office.

Summary

Key findings

8 The Home Office's total spend on asylum accommodation is more than planned and it has few levers to control costs. The Home Office is responsible for supporting destitute people seeking asylum. It provides 'initial' asylum accommodation while it determines the need to provide ongoing support and 'dispersed' accommodation while it determines asylum claims. It delivers this through seven regional contracts. It originally estimated that the total contract cost would be £4.5 billion over 10 years. However, the current estimated total is £15.3 billion over the same period. The number of people seeking asylum who are accommodated by the Home Office increased from around 47,000 in December 2019 to around 110,000 in December 2024. People accommodated in hotels account for around 35% of all people in asylum accommodation and for around 76% of the annual cost of the contracts (£1.3 billion out of an estimated £1.7 billion in 2024-25). The Home Office has few levers to control the cost of hotels which may be more profitable for the suppliers than other forms of accommodation. It began using vessels and ex-military bases (large sites) in 2020 as an alternative to hotels but has now begun to close these (paragraphs 1.2 to 1.6, 1.14, 1.18 to 1.21 and Figures 1 to 4).

9 The Home Office has made progress in achieving a more proportionate distribution of people seeking asylum across the country, but 70 local authorities (19% of them) do not have any asylum seekers in initial or dispersed accommodation as of December 2024. All local authorities in England, Scotland and Wales have updated targets for accepting people seeking asylum. During 2024, the Home Office reduced the number with no accommodated asylum seekers from 30% (109 local authorities in England, Scotland, Wales and Northern Ireland) in January to 19% (70) in December (paragraphs 1.18 to 1.19).³

³ The Home Office includes Northern Ireland in its reporting. All 350 local authorities in England, Scotland and Wales have dispersal targets. The 11 districts in Northern Ireland do not have dispersal targets.

10 Between September 2021 and August 2024, the 'service credit' points awarded for underperformance of the accommodation contracts averaged 3% of the maximum possible. As of 31 March 2025, the Home Office has deducted £4 million from suppliers' revenue since 2019-20 for underperformance.⁴

The Home Office receives performance data from the Asylum Accommodation and Support Contract (AASC) suppliers. Data show that suppliers usually met targets for providing initial accommodation and maintaining properties, but sometimes missed targets for identifying suitable dispersed accommodation and transporting people. Performance data suggest that overall service credit points awarded for underperformance ranged from 0% to 7.8% of the maximum possible between September 2021 and August 2024. This does not reflect performance at large sites, which the Home Office does not measure. As of 31 March 2025, the Home Office has deducted £4 million from the suppliers' revenue (less than 1% of the suppliers' revenue from the contracts) in response to the reported underperformance since 2019.⁵ The service credit points for the AIRE (Advice, Issue Reporting and Eligibility) service were 14% to 50% (January 2022 to December 2024), and despite relaxing the standard for answering calls to the call centre, it has never met the amended timescales (paragraphs 2.2 to 2.10 and Figures 5 to 8).

11 AASC supplier profit margin, as reported by suppliers, has averaged 7%.

Supplier profit is at the lower end of the Home Office's original estimate (5% to 13%) but each supplier's reported profit is slightly higher than the operating profit reported in its accounts (3% to 7%). Data from suppliers suggest that hotels may be more profitable than other forms of accommodation. In 2024, the Home Office commissioned a third party to audit the way suppliers report performance data, and the amount of profit they declared. Profit-sharing thresholds differ across contracts and the data reported by suppliers show that five contracts have exceeded their profit share thresholds. This is subject to the Home Office's audit, and the Home Office expects to agree the amount of profit to be returned once it is complete in June 2025. The AIRE service has reported profit of 5%, below the threshold to return profit (paragraphs 1.18, 2.12 to 2.15 and Figure 9).

⁴ Performance against each key performance indicator (KPI) is converted to a number of 'service credit' points, with zero points awarded if the target is met, and higher points added for greater levels of underperformance. The contract caps the number of points that can be awarded. Based on the data provided by suppliers, the points awarded for underperformance averaged 3% of the maximum that could have been awarded had all seven regions missed each KPI by the maximum amount each month.

⁵ Due to a time lag between agreeing performance and applying associated service credits, deductions are not always applied in the year that underperformance occurred.

12 The Home Office has governance and contract management processes in place and intends to strengthen its financial controls. It has contract management plans, regular governance forums and risk registers in place to manage each contract. It has around 120.5 employees (on a full-time equivalent basis) managing the contracts, including around 50 in its service delivery teams and 60 in a dedicated assurance team. It also has 10.5 in a wider commercial contract management team. Staff numbers have approximately doubled since 2023. The Home Office has made use of open book clauses to receive data on suppliers' costs and profits and told us it made some use of should-cost modelling to challenge the cost of hotels. It analyses assurance activity, such as property inspections, to identify trends. During our audit of the Home Office's 2023-24 financial statements, we found issues with evidence supporting hotel invoicing, and the Home Office committed to improve its processes (paragraphs 3.2 to 3.7).

13 The Home Office has established a hub to gather data on safeguarding incidents but does not systematically collect data on outcomes. The legal responsibility for safeguarding people seeking asylum lies with the relevant local authority, but the Home Office recognises the need to safeguard those in its accommodation. The contracts require the suppliers to proactively monitor the people within their care to identify those who may have specific safeguarding needs and require compliance with policies. But the Home Office does not measure their performance, and the contracts do not specify performance deductions related to safeguarding outcomes. The Home Office told us that its safeguarding hub receives up to 4,000 referrals a week. The Home Office has started to categorise referrals but does not consistently produce management information that would allow it to identify trends. Separately it received over 700 notifications from suppliers about urgent or serious incidents between July 2024 and January 2025. The Home Office has produced high-level analysis of these (paragraphs 3.8 to 3.10).

14 Reviews and audits have recommended improvements to contract management, safeguarding and data monitoring which the Home Office has taken steps to respond to. We analysed recommendations from the National Audit Office, Committee of Public Accounts, Independent Chief Inspector of Borders and Immigration, and the Government Internal Audit Agency. Recommendations cover themes such as contract management, planning, safeguarding, risk management and data monitoring. The Home Office has responded to recommendations, for example, by developing a cost model to support AASC renegotiations, publishing a safeguarding framework, and evaluating its data management system. It also has work ongoing in a number of areas such as reviews of its 10-year accommodation strategy, risk management framework, AASC key performance indicators and supplier safeguarding policies (paragraphs 3.11 to 3.12 and Figure 10).

Part One

Overview of the asylum accommodation service

1.1 This part sets out the Home Office's approach to accommodating people seeking asylum.

Types of asylum accommodation

1.2 Under the Immigration and Asylum Act 1999, the Home Office is responsible for providing accommodation and support for people claiming asylum who would otherwise be destitute (**Figure 1** on pages 10 and 11). The Home Office provides:

- initial accommodation, where people stay while the Home Office determines whether it needs to provide ongoing support and while longer-term accommodation is located – this is generally hostel-type accommodation;
- dispersed accommodation, where people stay until their claim is resolved, including during the course of any appeals – dispersed accommodation is usually houses or flats in residential areas; and
- contingency accommodation, where people stay when there is not enough dispersed accommodation available to move people into – the Home Office uses hotels and large sites such as vessels and ex-military bases as contingency accommodation.

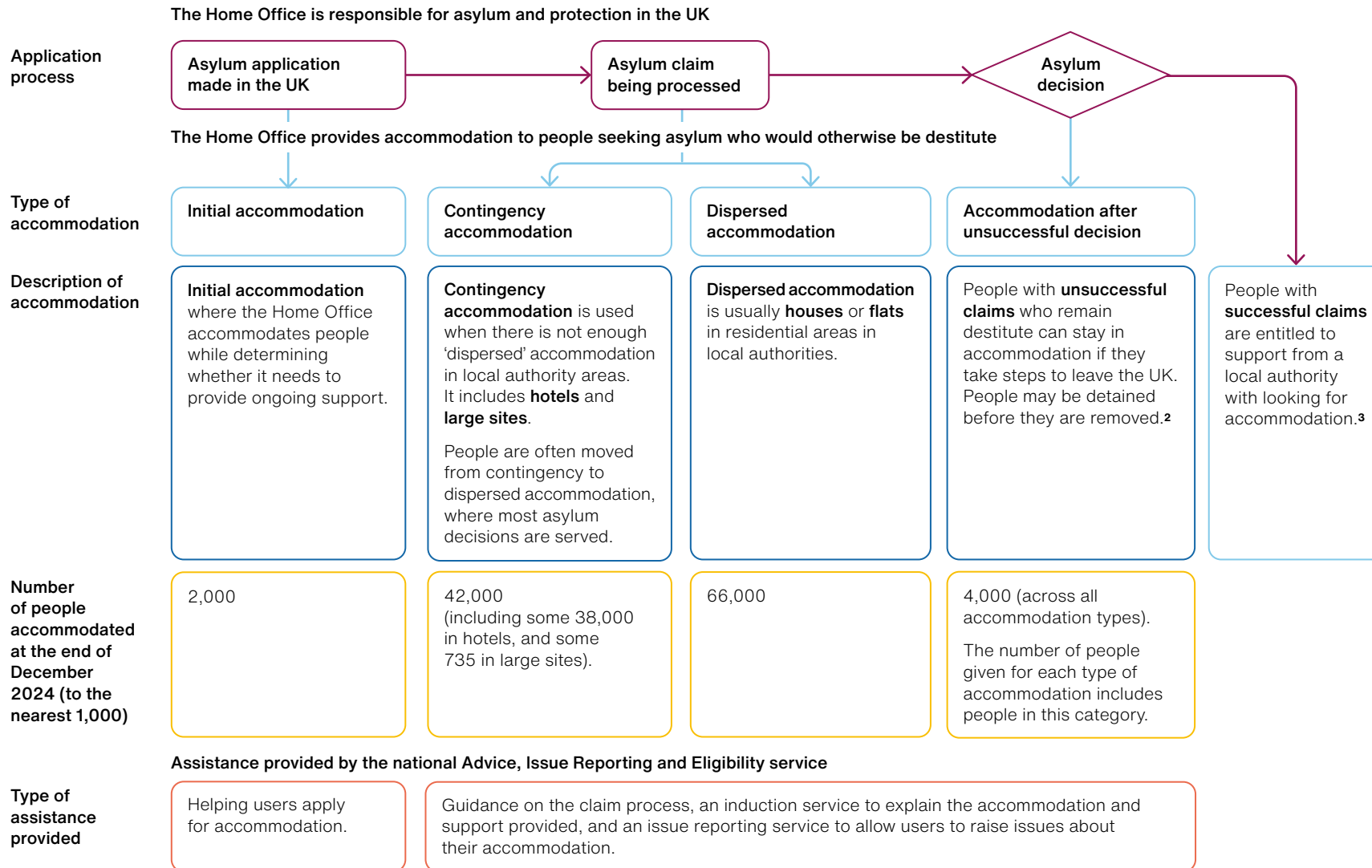
1.3 The Home Office has used contracts to find and maintain accommodation since 2000-01 when contracts were agreed through the National Asylum Support Service. In 2006 the Home Office replaced these with 22 contracts, known as 'target', with 13 suppliers. In 2012, it replaced these with six larger regional contracts, also including transportation, known as COMPASS. We reported on COMPASS in 2014 and concluded that suppliers had struggled to establish their supply chains, resulting in poor performance, delays and additional costs.

1.4 In 2019, the Home Office awarded seven regional contracts for asylum accommodation. The contracts are known as Asylum Accommodation and Support Contracts (AASCs) and were awarded to three suppliers. We reported on the introduction of the AASCs in 2020. We found that performance was broadly in line with the contract, but the Home Office faced challenges in adapting services to changing demand.

Figure 1

The current asylum accommodation process

The Home Office provides accommodation for people claiming asylum who would otherwise be destitute while it processes asylum claims



- Stage of application ◇ Decision on application □ Type of accommodation □ Description of accommodation □ Number of people in accommodation
- Description of assistance provided by the Advice, Issue Reporting and Eligibility service → Progress of application → Movement into accommodation

Figure 1 *continued*

The current asylum accommodation process

Notes

- 1 Accommodation is only provided to people seeking asylum who would otherwise be destitute.
- 2 The Home Office can detain people if their asylum claim is unsuccessful and it expects to be able to remove the person within a reasonable period of time.
- 3 Families and vulnerable adults may also be accommodated by local authorities under homelessness duties.

Source: National Audit Office analysis of Home Office information about the process and contracts

1.5 At the same time as awarding the AASCs, the Home Office awarded a contract for a national help and advice service known as the Advice, Issue Reporting and Eligibility service (AIRE). The aim of the AIRE service is to provide impartial and independent information, advice, guidance and assistance to help people claiming asylum. It helps people:

- understand the claim process;
- understand how to access local facilities such as healthcare; and it
- gives people in accommodation a way to raise issues to a party independent of both the accommodation supplier and the Home Office.

The distribution of people seeking asylum across the country

1.6 The number of people seeking asylum who are accommodated by the Home Office increased by 134% between December 2019 and December 2024, from around 47,000 to around 110,000 people. This is due to an increase in people entering the UK by crossing the English Channel and a rise in people claiming asylum who were previously detained under the Illegal Migration Act 2023.⁶

1.7 The Home Office aims to distribute the asylum seekers that it accommodates in a way that manages the impact on local authorities. While local authorities are not signatories to the Home Office's contracts, the contracts include requirements for the supplier to:

- liaise and consult with the relevant local authority regarding the location of accommodation;
- ensure it obtains any required housing licences before using properties as dispersed accommodation; and
- escalate any issues to the Home Office.

⁶ The Illegal Migration Act became law in July 2023. It sought to detain and then remove people who arrived in the UK by small boats or other irregular means. In July 2024 the Home Office published regulations to allow asylum claims to be processed.

1.8 Since March 2023, the Home Office has set all authorities in England, Scotland and Wales targets for the number of people seeking asylum to be housed in their area.⁷ These targets are based on a range of factors including availability of housing and wider social factors such as homelessness. The Home Office updated these targets in 2024.

1.9 As of December 2024, Home Office data show that 70 local authorities out of 361 (19%) in England, Scotland, Wales and Northern Ireland had no people seeking asylum in either initial or dispersed accommodation, compared with 109 (30%) in January 2024.

The current asylum accommodation contractual model

1.10 This section sets out the key aspects of the current asylum accommodation contracts (**Figure 2** on pages 13 and 14). It includes how the contracts specify the amount of accommodation to be provided, and how the contract pricing mechanism works.

Accommodation provided under contracts

1.11 The contracts limit the amount of accommodation that the suppliers must provide each year. Across the seven regions the contracts require initial accommodation for a total of 1,750 people. In the South region, the supplier also provides additional short-term initial accommodation until the Home Office decides which region to send people to.⁸ The contract allows for any empty spaces in initial accommodation to be used temporarily as dispersed accommodation.

1.12 The amount of dispersed accommodation that the suppliers are required to provide was expected to grow up to a final cap. The cap was originally set at 70,000 people and, following renegotiations, stands at 100,300 as of December 2024.

1.13 As of December 2024, Home Office data show that some 1,800 people were in initial accommodation (slightly higher than the cap of 1,750) and some 66,000 people were in dispersed accommodation. The total number of dispersed accommodation spaces was some 34,000 below the contractual cap (**Figure 3** on pages 16 and 17).

⁷ The 11 districts in Northern Ireland do not have dispersal targets. The Home Office only allocates people arriving in these districts to the Northern Ireland region.

⁸ This is different from the processing centre at Manston, which is operated under a separate contract.

Figure 2

Key characteristics of the Home Office's main contracts for asylum accommodation

There are seven regional contracts for asylum accommodation, and a national advice service for people seeking asylum

	Asylum Accommodation and Support Contracts	Advice, Issue Reporting and Eligibility contract
Government contract signatory	The Secretary of State for The Home Department	The Secretary of State for The Home Department
Supplier(s)	Clearsprings Ready Homes Ltd, Mears Ltd, Serco Ltd	Migrant Helpline (operating as Migrant Help)
Number of contracts	7	1
Geographical scope	Each contract relates to a region of the UK	National service
Main services	Identifying and maintaining suitable accommodation, and transporting people there	Helpline to raise complaints or ask questions, and providing advice and guidance on the application process
Home Office's original estimate of total contract value (2019–2029, not adjusted for inflation)	£4.5 billion Clearsprings <ul style="list-style-type: none"> • South: £0.7 billion (16% of original estimated value of all regions) • Wales: £0.3 billion (7%) Serco <ul style="list-style-type: none"> • Midlands and East of England: £1.0 billion (22%) • North West: £1.1 billion (24%) Mears <ul style="list-style-type: none"> • North East, Yorkshire and the Humber: £0.8 billion (18%) • Scotland: £0.5 billion (11%) • Northern Ireland: £0.1 billion (2%) 	£235 million
Home Office's latest estimate of total contract value (2019–2029, not adjusted for inflation)	£15.3 billion Clearsprings <ul style="list-style-type: none"> • South: £7.0 billion (46% of the total estimated value of all regions) • Wales: £0.3 billion (2%) Serco <ul style="list-style-type: none"> • Midlands and East of England: £3.5 billion (23%) • North West: £2.0 billion (13%) Mears <ul style="list-style-type: none"> • North East, Yorkshire and the Humber: £1.5 billion (10%) • Scotland: £0.6 billion (4%) • Northern Ireland: £0.4 billion (3%) 	£229 million

Figure 2 *continued*

Key characteristics of the Home Office's main contracts for asylum accommodation

	Asylum Accommodation and Support Contracts	Advice, Issue Reporting and Eligibility contract
Home Office's estimated annual spend (2024-25) ²	£1,667 million Clearsprings <ul style="list-style-type: none"> • South: £889 million (53% of spend in all regions) • Wales: £14 million (1%) Serco <ul style="list-style-type: none"> • Midlands and East of England: £263 million (16%) • North West: £182 million (11%) Mears <ul style="list-style-type: none"> • North East, Yorkshire and the Humber: £182 million (11%) • Scotland: £82 million (5%) • Northern Ireland: £55 million (3%) 	£52 million
Contract duration	January 2019 to 31 August 2029 (Each region started in January 2019 with a mobilisation period. The service runs for 10 years from September 2019) May be terminated at any time by giving 270 days notice (may require payment of supplier costs if exercised earlier than seven years after mobilisation is complete)	January 2019 to 31 August 2029 (The contract started in January 2019 with a mobilisation period. The service runs for up to 10 years, assuming all extensions are used, from September 2019) May be terminated at any time by giving 180 days notice (may require payment of supplier costs)
Pricing approach	Mainly volume-based with some fixed elements <ul style="list-style-type: none"> • Unit prices (per person per night for accommodation, or per journey for transport) by cohort • Fixed 'management fees' (and mobilisation payments in the first year) All prices linked to inflation (a mix of indices are used) The number of people accommodated under usual accommodation is capped, with contingency accommodation, such as hotels, expected to be used if the cap is exceeded	Mainly volume-based with some fixed elements <ul style="list-style-type: none"> • Unit prices for nine services (fees per unit of activity such as providing advice, interpretation and completing forms) • Fixed 'management fees' (and mobilisation payments in the first year) All prices linked to inflation (via an average weekly earnings index) No cap on usage
Number of significant subcontractors	Clearsprings: 12; Serco: 2; Mears: 29	4

Notes

- 1 Total contract values are the Home Office's latest estimate. The estimate for the accommodation contracts was last updated in summer 2024. The actual spend will depend on the number of people using the service over the life of the contract.
- 2 Annual spend data provided by the Home Office from its accounting system are estimates. We have not audited the way these data were extracted. They do not include spend on large sites, which totalled £40 million (including spend through other contracts).
- 3 Number of significant subcontractors based on data provided to the Home Office by suppliers.
- 4 Key performance indicators and profit share clauses are described in Part Two.

Source: National Audit Office analysis of the Asylum Accommodation and Support Contracts and the Advice, Issue Reporting and Eligibility contract, and other Home Office information

1.14 The Home Office set up the contracts so that temporary dispersed accommodation (or 'contingency accommodation', typically in hotels), is used when there is not enough dispersed accommodation available. Home Office data show that suppliers had contracted 222 hotels on 1 January 2025, accommodating around 35% of all people in asylum accommodation (around 38,000 people). In comparison, suppliers had 348 hotels available on 1 January 2024, accommodating around 46,000 people.⁹

1.15 The contracts state that contingency accommodation should be used on a short-term basis only. Data show that 98 (44%) of hotels are on rolling contracts with a three month notice period and another 89 are due to be renewed in 2025. The suppliers are responsible for finding the hotels and agreeing the contracts. But the use of contingency accommodation must be agreed and approved by the Home Office.

The pricing mechanism

1.16 Much of the price paid under the AASCs for initial and dispersed accommodation is determined by the number of people being accommodated, which means it is not directly controllable by the Home Office. The suppliers receive a fixed management fee (which varies by region and in total was some £22 million in 2024-25, around 5% of the cost of non-hotel accommodation), but most of the payment is directly linked to the number of people accommodated. The Home Office designed the contract so it would only pay for occupied accommodation spaces. The contract defines a range of per-person-per-night fees for initial and dispersed accommodation. A similar mechanism determines the price paid to suppliers for transporting people in accommodation, with prices determined by the number of journeys completed and their distances.

1.17 The per-person rates are fixed in the contract, and may vary based on the following factors.

- The number of people accommodated each month: Once volumes exceed a threshold, a different unit price may be charged.
- Certain characteristics of people accommodated in dispersed accommodation: Different rates are charged for people accommodated as families, and for ex-Foreign National Offenders released on criminal bail.
- The level of general inflation: Prices increase each year with inflation, as measured by a weighted average of the Consumer Price Index (CPI) and the Consumer Price Index including owner occupiers' housing costs (CPIH).

⁹ The data on number of hotels in use was provided by the Home Office. It told us that these data change daily. We have not verified these data.

Figure 3
Number of people living in different types of asylum accommodation, December 2024

Some regions have significant numbers of people in hotels, despite being under the contractual limit on the number of people in dispersed accommodation (DA, which is usually houses or flats)

People in different types of asylum accommodation

Number of people accommodated



	Contract region and supplier							Total
DA	11,729	3,194	13,327	16,666	14,785	4,271	2,290	66,262
Hotel	22,869	97	6,566	4,216	2,662	1,390	413	38,213
Other contingency	2,604	-	-	-	126	141	-	2,871
Large sites	735	-	-	-	-	-	-	735
Initial accommodation	424	130	294	382	286	247	38	1,801
Total	38,361	3,421	20,187	21,264	17,859	6,049	2,741	109,882

The contractual limit on dispersed accommodation

Number of places



	Contract region and supplier							Total
People in DA	11,729	3,194	13,327	16,666	14,785	4,271	2,290	66,262
Difference between DA in use and contractual cap on DA	13,371	2,406	5,573	5,334	3,215	3,429	710	34,038

- Notes**
- There are seven regional contracts for asylum accommodation. The first graph shows the number of people in each type of accommodation provided by the contracts. The contracts have a 'cap' on the number of spaces in dispersed accommodation (DA) which is shown in the second graph. The size of initial accommodation is also fixed in the contract. Other types of accommodation are not subject to a cap.
 - Data show people by regional strategic migration partnership area, which does not always align with the contract areas. We have aligned the data to the contract region using a combination of Office for National Statistics data tables and manual data matching.
 - Large sites comprise Napier Barracks and Wethersfield. Other large sites are no longer used for asylum accommodation.
 - Does not include people staying at the Manston processing centre, which the Home Office intends to be used for people arriving on small boats.

Source: National Audit Office analysis of Home Office administrative data

1.18 The contracts specify that contingency accommodation is priced on a site-by-site basis.¹⁰ People accommodated in hotels account for 76% of the annual cost of the contracts (£1.3 billion out of an estimated £1.7 billion in 2024-25).¹¹ Data reported by suppliers suggests that hotels may be more profitable than other forms of accommodation. To help control costs, the Home Office has worked with suppliers to maximise the number of usable beds. For example, it shared more data about demand, such as family sizes, and estimates that this, along with other measures such as greater use of room-sharing, has helped suppliers increase occupancy from 75% to 80% between November 2023 and June 2024, avoiding £109 million being spent on hotels. This has meant that the Home Office has taken a greater role in matching people to accommodation spaces than was anticipated in the contract as originally drafted.

Changes to the Asylum Accommodation and Support Contracts

1.19 The Home Office has modified the contracts 257 times (across all seven regions) between 2019 and January 2025. The changes relate to managing the impact of COVID-19 (around 48% of changes), adding large sites (16%), other changes relating to increasing volumes (12%), and other changes including administrative activities such as suppliers changing the key staff named in the contract. The Home Office does not have a documented negotiating strategy for agreeing contract changes and agrees changes with the three suppliers on a case-by-case basis.

1.20 The most significant change to the contract was the introduction of large sites. The Home Office began using large sites as contingency accommodation in 2020 (**Figure 4**). This was partly in response to the COVID-19 pandemic, which made it difficult to move people out of asylum accommodation, adding to already rising volumes. The Home Office announced an expansion of the use of large sites in April 2023 as part of its efforts to reduce its reliance on hotels. It modified the AASCs to allow the suppliers to manage operations at some large sites. Unlike other forms of accommodation, the sites and buildings are owned or leased by the Home Office. Suppliers are paid based on a mix of actual costs, with some fixed- or volume-based elements.

1.21 The Home Office no longer plans to use large sites other than Wethersfield. It found that costs increased and has now recognised that accommodating large numbers of people near small local communities is difficult to manage. We reported on the Home Office's work to establish large sites in March 2024, and concluded that, in rapidly progressing its plans, it incurred nugatory spending and increased risk.¹²

¹⁰ The Home Office agreed a single cost for some hotels used within the Clearsprings contracts.

¹¹ The amount spent during 2024-25 has not yet been finalised.

¹² Comptroller and Auditor General, *Investigation into asylum accommodation*, Session 2023-24, HC 635, National Audit Office, March 2024.

Figure 4

Home Office large accommodation sites as of March 2025

Two large sites remain in use as asylum accommodation, and one is still under development

Site	Previous usage	Location	Opened	Current status	Supplier managing the site	Contract type
Napier	Former barracks	Folkestone, Kent	September 2020	In use – planning permission for use is in place until September 2026	Clearsprings	Contract variation
Wethersfield	Former RAF base	Wethersfield, Essex	July 2023	In use – planning permission for use is in place until April 2027	Clearsprings	Contract variation
Bibby Stockholm	Barge	Portland, Dorset	August 2023	Closed – contract expired in January 2025	CTM	New contract
Scampton	Former RAF base	Scampton, Lincolnshire	N/A	Never opened – in September 2024 the Home Office announced it no longer planned to use the site	Serco	Contract variation
Northeye	Unused	Bexhill, East Sussex	N/A	Never opened – as of December 2024 the Home Office was investigating options to sell or transfer the site	N/A	N/A
Huddersfield	Former student accommodation	Huddersfield, West Yorkshire	N/A	Under development as of February 2025	Mears	Contract variation

Note

- 1 Napier and Wethersfield are the only sites remaining in use. Management of those sites was added to the Clearsprings asylum accommodation contract. The Bibby Stockholm barge was being managed under a separate contract before being taken out of use. The Home Office negotiated some amendments to Serco's asylum accommodation contract to cover management of the Scampton site.

Source: National Audit Office analysis of Home Office information about large sites

Future plans

1.22 The AASCs were approved by HM Treasury on the grounds that the Home Office consider how it could manage costs in the longer-term. The Home Office is currently reviewing its 10-year accommodation strategy. We have previously recommended that the Home Office start planning sufficiently early for the next procurement of asylum accommodation contracts to allow time for ministers to consider changes to the model.¹³

13 Comptroller and Auditor General, *Asylum accommodation and support*, Session 2019–2021, HC 375, National Audit Office, July 2020.

Part Two

Performance and profitability of the contracts

2.1 This part sets out performance of the Asylum Accommodation and Support Contracts (AASCs) and the Advice, Issue Reporting and Eligibility service (AIRE) against key performance indicators (KPIs), and the profit reported by the suppliers.

Performance against key performance indicators (KPIs)

KPIs for the AASCs

2.2 The AASCs contain nine KPIs, which are reported as 10 quantified measurements each month (**Figure 5** on pages 22 and 23).¹⁴ The KPIs cover the key property-related parts of the contract, including identifying accommodation; transporting people there; maintaining it to ensure it is safe, habitable and fit for purpose; resolving complaints and providing management information to the Home Office.

2.3 We analysed the performance data reported by suppliers covering September 2021 to August 2024. The contract specifies that performance against each KPI is converted to a number of 'service credit' points, with zero points allocated if the target is met, and higher points added for increasing levels of underperformance.

2.4 Based on the data provided by suppliers, the points awarded for underperformance averaged 3% of the maximum that could have been awarded had all seven regions missed each KPI by the maximum amount each month (**Figure 6** on pages 24 to 26).

¹⁴ The KPI for proposing suitable accommodation is reported as two measurements, one for proposing initial accommodation and one for proposing dispersed accommodation.

2.5 Further information about performance against each KPI is available in Appendix Two. In summary, the suppliers reported the following.

- **Consistently achieving contractual targets for locating initial accommodation and providing management information:** The provision of initial accommodation has always been reported as 100%, in every region, against a target of 98%, and suppliers never reported exceeding the contractual allowance of up to two late or inaccurate submissions of management information each month.
- **Missing targets for identifying dispersed accommodation and transporting people to accommodation several times:** For example, reported performance for identifying dispersed accommodation was 42% in the South region in October 2022.
- **Generally responding to maintenance issues within contractual tolerances, although there have been disputes over the data in the South:** The contract defines three severities of defect, from issues rendering the property unsafe, to more minor issues, and allows greater time to fix less severe issues. Suppliers generally met these timescales, although there were 133 reported failures in Mears' Scotland region in July 2022, and performance in the South is marked as under dispute in some months, where the Home Office and Clearsprings disagreed on the severity of an issue. Resolving complaints within required timescales was missed in some months, particularly in Serco's regions in 2022.

2.6 The Home Office has not revised AASC KPIs and performance thresholds since the contracts began. The KPIs cover initial, dispersed and contingency accommodation. The Home Office started a review of these in December 2024. In our 2024 report, we noted that KPIs for large sites had not yet been agreed and that the Home Office was still developing specific KPIs for large sites. The suppliers provide monthly performance packs for Wethersfield and Napier, but, while they track occupancy rates, they do not include any measurements of performance.

2.7 The Home Office also considers the performance of AASC subcontractors. In March 2025, the Home Office informed the AASC supplier Clearsprings that it must exit arrangements with its subcontractor Stay Belvedere Hotels Ltd due to poor performance and behaviour. When managing contracts, the Home Office must balance any enforcement with the need to maintain continuity of service for people seeking asylum. On 25 March 2025, the Home Office announced in Parliament that it is conducting a full audit of the AASC supply chain.

Figure 5

Key performance indicator (KPI) definitions for the Home Office's Asylum Accommodation and Support Contracts

The Home Office's accommodation and support contracts have nine KPIs, which are reported as ten measurements, and one performance indicator

KPI measurement	KPI name	Contract area	Requirement being measured	Target	Measured by	Maximum points that can be awarded for under-performance	Maximum points are awarded when failures are: ⁴
1a	Initial Accommodation (IA) proposals	IA	Proposing suitable accommodation within the timescale specified by the Home Office ¹	≥ 98% success	Percentage of people for whom accommodation was proposed with the correct information and within the timescale requested by the Home Office	750	≥ 14%
1b	Dispersed Accommodation (DA) proposals	DA	Proposing suitable accommodation within the timescale specified by the Home Office ¹	≥ 98% success	Percentage of people for whom accommodation was proposed with the correct information and within the timescale requested by the Home Office	750	≥ 14%
2	Dispersal of Service Users	DA	Transporting the person to dispersed accommodation within the timescale specified by the Home Office ¹	≥ 98% success	Percentage of people accommodated within the timescale requested by the Home Office	1,250	> 12%
3	Move-in services	DA	Providing an induction service to people moving into accommodation	≥ 98% of people provided the service	Percentage of eligible people provided the required service	750	≥ 14%
4	Transport	Transport	Providing transport service to people, where requested by the Home Office	≥ 98% of people provided the service	Percentage of eligible people provided the required service	3,000	> 12%
5	Safe accommodation	IA and DA	Providing accommodation that is safe to live in (free from most severe defects)	No unresolved issues	Number of issues rendering accommodation unsafe (the supplier avoids recording a failure by resolving the issue fast enough, or relocating the people to alternative accommodation)	2,250	≥ 10 issues
6	Habitable accommodation	IA and DA	Providing accommodation that is habitable (free from medium-severity defects)	No unresolved issues	Number of issues rendering accommodation uninhabitable (the supplier avoids recording a failure by resolving the issue fast enough, or relocating the people to alternative accommodation)	2,000	≥ 21 issues
7	Fit for purpose accommodation	IA and DA	Providing accommodation that is fit for purpose (free from lowest-severity defects)	At most four unresolved issues	Number of issues rendering accommodation unfit for purpose (the supplier avoids recording a failure by resolving the issue fast enough, or relocating the people to alternative accommodation)	750	≥ 37 issues
8	Complaint resolution	Management	Resolving complaints from people in accommodation within five working days	≥ 98% success	Percentage of complaints resolved within five working days	1,000	> 12%
9	Management information	Management	Submitting accurate information to the Home Office within the required timescale. (The nature of requests can include, for example: safeguarding, complaints, KPI data or data security)	At most two failures	Number of instances of providing inaccurate or late submissions	1,000	≥ 12 issues
Performance Indicator 10 ³	Service user experience	Not applicable	Monitoring of the service user experience	Not applicable	Not a KPI, but a requirement to conduct a quarterly survey and report the results	No service credits apply	No service credits apply

Notes

- The contracts allow the Home Office to specify the timescales for proposing accommodation and moving people to dispersed accommodation (DA). The contracts state that in most cases the supplier would propose accommodation in nine days and transport them to dispersed accommodation in five days. Data on how long it takes are not reported, as the KPIs are based on a single assessment of whether the timetable was met or exceeded.
- The contract defines nine KPIs. All suppliers report the first KPI as two measurements: KPI 1a for initial accommodation (IA), and KPI 1b for DA. This approach has not been taken for KPI 5, KPI 6 or KPI 7 but the contract states that service credits for those KPIs should also be assessed for IA and DA separately.
- The contract states that the KPIs apply to contingency accommodation. With the exception of KPI 5, KPI 6 and KPI 7, the contract allows suppliers and the Home Office discretion to determine whether some KPIs are not applicable due to the nature of the contingency accommodation.
- Each KPI assigns more service credit points for greater levels of underperformance, up to a limit. For example, for KPI 1a the maximum points are awarded once performance falls below 86%.

Figure 6 *continued*

Contractual performance of the Asylum Accommodation and Support service, September 2021 to August 2024

Notes

- 1 There are seven regional contracts for asylum accommodation: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).
- 2 This graph is a measure of reported contractual underperformance across the whole system. Regions have been sorted to group those with the same supplier together. There are 10 performance measurements in each of the seven contract regions each month. Each measurement is allocated points (up to a limit, which varies for each measurement) for missed performance targets, with more points awarded for greater levels of underperformance. The graph shows the percentage of the maximum points applied for each month: 100% would only occur if every region was allocated the maximum underperformance on every measurement.
- 3 Points are used to calculate the deduction to the suppliers' revenue, and the Home Office may waive the deduction after a discussion with the supplier.
- 4 The data shown are as reported by suppliers and may reflect the suppliers' view of whether there was a performance issue. For example, some reports state that data exclude instances where there is ongoing disagreement or discussion about the number of failures that should be counted, whereas other reports include instances of failures but state that the Home Office has agreed to waive any deduction.
- 5 We have not audited these data. The Home Office has commissioned an independent assurance exercise to verify the data; it expects to have the results later in 2025.

Source: National Audit Office analysis of contract performance data reported by suppliers to the contracts' quarterly governance forums

KPIs for the AIRE contract

2.8 The AIRE contract contains 16 KPIs, which are measured each month. The KPIs cover the main services provided but focus on the provision and timeliness of the service rather than quality or outcomes. The Home Office has, at times, relaxed the measurement of some KPIs, for example, between December 2022 and December 2023, it relaxed the time taken to answer phone calls to the call centre from 90% in one minute to 80% in 10 minutes. Despite the amendment, the supplier never achieved the KPI between January 2022 and December 2024.

2.9 The contract specifies that performance against each KPI is converted to 'service credit' points, with zero points allocated if the target is met. More points are added for worse performance. Overall, the AIRE service has performed below expected levels, and the total service credit points ranged from 14% to 50% of the maximum points that could have been awarded had KPIs been missed by the maximum amount in each month (**Figure 7** on pages 28 to 30). For example, between January 2022 and December 2024:

- two KPIs, which relate to answering phone calls quickly enough, were missed and were allocated the maximum points for underperformance nearly every month, despite the target being relaxed;
- the time to submit forms recording changes of circumstances averaged nine days, against a target of five days; and
- as shown by the data, there were more than 1,300 failures to provide an induction service to new arrivals within the required timescales.

Service credits for reported underperformance

2.10 As of 31 March 2025, the Home Office has reduced the amount paid to the AASC suppliers by £4 million since 2019-20 due to the reported underperformance (**Figure 8** on page 31).¹⁵ The contracts allow the Home Office to deduct amounts from the total payment to suppliers based on the reported underperformance against each KPI. The Home Office can waive the deduction, in full or in part, where the supplier can show there are mitigating circumstances. Over the life of the contracts, the total amount deducted is less than 1% of the Home Office's total spending on the contracts and is less than the maximum the Home Office could have deducted, given the level of reported underperformance. The contract caps the maximum deduction for underperformance as follows.

- A limit is placed on the number of points that can be awarded for each KPI.
- Each KPI is assigned to one of four contract areas, and the total for each area is capped at 3,000 points.
- The deduction can be up to 12% of the monthly service payment for each area multiplied by the points for that area divided by 3,000.

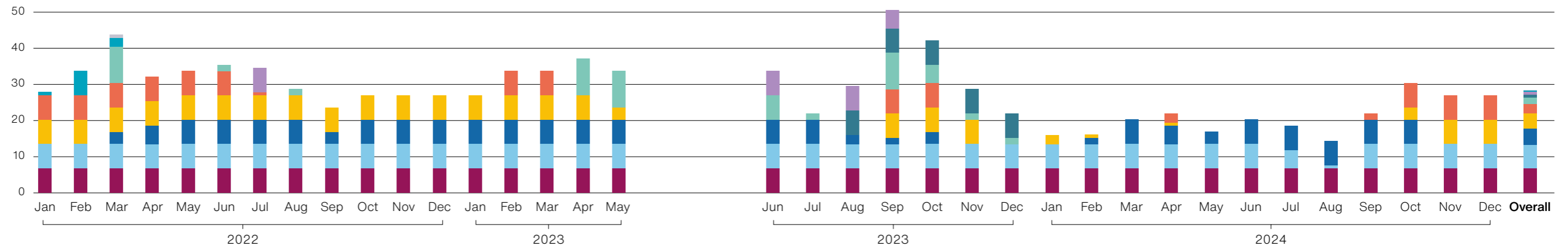
2.11 As well as imposing deductions, the Home Office can require suppliers to develop performance improvement plans, but it has not always done so. The Home Office provided evidence of discussions with suppliers regarding performance issues, but these did not contain milestones or specific actions.

¹⁵ Due to a time lag between agreeing performance and applying associated service credits, deductions are not always applied in the year that underperformance occurred.

Figure 7
Advice, Issue Reporting and Eligibility contract performance, January 2022 to December 2024

Two key performance indicators (KPIs) have been persistently missed, and service credit points awarded for underperformance ranged from 14% to 50% of the maximum

Service credit points awarded (percentage of maximum possible points across all KPIs)



KPI ¹	2022												2023					2024					Overall																				
Points awarded for underperformance by KPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec							
KPI 4b (maximum points: 2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	72,000						
KPI 4a (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	69,750						
KPI 7b (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	48,750						
KPI 2 (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	45,250						
KPI 1a (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	27,500						
KPI 3 (3,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000						
KPI 8 (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000						
KPI 5 (partial) (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	7,500						
KPI 1b (2,000)	250	2,000	750	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,000						
KPI 11 (750)	250	2,000	750	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	250						
KPI 5 (full) (3,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
KPI 6 (750)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
KPI 7a (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
KPI 9 (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
KPI 10 (2,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
KPI 12 (750)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000							
Total service credit points awarded	8,250	10,000	13,000	9,500	10,000	10,500	10,250	8,500	7,000	8,000	8,000	8,000	8,000	10,000	10,000	11,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	6,500	8,750	15,000	12,500	8,500	6,500	4,750	4,750	6,000	6,500	5,000	6,000	5,500	4,250	6,500	9,000	8,000	8,000	302,000
Maximum points available	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	1,089,000	
Overall underperformance (service credit points awarded as percentage of maximum)	27	33	43	31	33	35	34	28	23	26	26	26	26	33	33	36	33	33	36	33	33	33	33	33	21	29	50	41	28	21	16	16	20	21	17	20	18	14	21	30	26	26	28

Colours in the table indicate relative numbers of points awarded: ● 0 ● 1-667 ● 668-1,334 ● 1,335-2,001 ● 2,002+

Figure 7 *continued*

Advice, Issue Reporting and Eligibility contract performance, January 2022 to December 2024

Notes

1 The contract has 16 key performance indicators (KPIs):

- KPI 1a: submitting the application form for dispersed accommodation;
- KPI 1b: submitting the application form for initial accommodation;
- KPI 2: providing induction guidance to people entering initial accommodation;
- KPI 3: passing reported issues to the party responsible for fixing them;
- KPI 4a: time to answer phone calls;
- KPI 4b: routing calls to an advisor;
- KPI 5 (full): availability of issue reporting service, based on total availability of the service;
- KPI 5 (partial): availability of issue reporting service, based on partial loss of service;
- KPI 6: providing advice and guidance that resolves the issue at first contact;
- KPI 7a: submitting forms for accommodation for people whose claim has been refused;
- KPI 7b: submitting forms relating to changes of circumstances;
- KPI 8: providing support for people whose claim has been decided;
- KPI 9: timely delivery of all services (based on a sample of people);
- KPI 10: waiting time for interpretation services;
- KPI 11: resolving complaints (against this contract); and
- KPI 12: providing timely and accurate management information.

In the table, the number in brackets indicates the maximum points that can be awarded each month for underperformance against that KPI.

2 Each measurement is allocated points (up to a limit, which varies for each KPI) for missed performance targets, with more points awarded for worsening performance. The graph shows the percentage of points awarded each month: 100% would only occur if every KPI was allocated the maximum underperformance. Points are used to calculate the deduction to the supplier's revenue, after a commercial negotiation between the Home Office and the supplier.

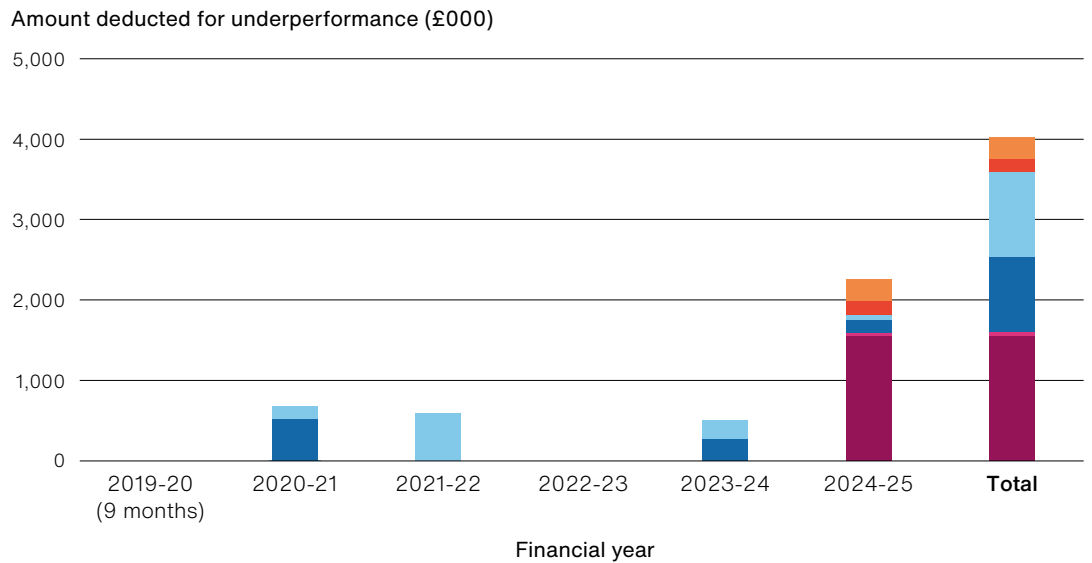
3 We have not validated these data, which are reported by the supplier.

Source: National Audit Office analysis of contract performance data reported by the supplier to the contract's quarterly governance forum

Figure 8

Service credit deductions for the Asylum Accommodation and Support Contracts imposed by the Home Office, 2019-20 to 2024-25

As of 31 March 2025, the Home Office has reduced the amount paid to the suppliers by £4 million as a result of reported underperformance



Supplier	Region	2019-20 (9 months)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Clearsprings	South	-	-	-	-	-	1,552	1,552
	Wales	-	4	-	-	-	45	49
Serco	MEE	-	519	-	-	272	154	945
	NW	-	162	589	-	222	70	1,043
Mears	NEYH	-	-	-	-	-	169	169
	Scotland	-	-	-	-	-	271	271
	NI	-	-	-	-	-	1	1
Total		-	685	589	-	494	2,262	4,030

Notes

- 1 There are seven regional contracts for asylum accommodation: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).
- 2 Due to a time lag between agreeing performance and applying associated service credits, the deduction does not always relate to the year of underperformance in which it is made.
- 3 We have not audited these data. The Home Office has commissioned an independent assurance exercise to verify the data; it expects to have the results later in 2025.

Source: National Audit Office analysis of Home Office data

The profit earned by the Home Office's suppliers

2.12 The total reported profit of suppliers was £383 million between September 2019 and August 2024. In the first five years of the contract, available data from suppliers show annual profit margins ranging from a loss of 2% to a profit of 17% (**Figure 9**). This is equivalent to an overall 7% profit margin across the whole service, which is:

- at the lower end of the 5% to 13% range estimated by the Home Office when the contracts were awarded; and
- slightly higher than the 3% to 7% operating margin reported in the suppliers' accounts.¹⁶

Figure 9

Contract profit in the Home Office's Asylum Accommodation and Support Contracts, September 2019 to August 2024

Reported profit margin has averaged 7% across the seven contracts

Supplier	Clearsprings		Serco		Mears			Overall
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
Profit margin reported for:	South	Wales	MEE	NW	NEYH	Scotland	NI	
Sep 2019 to Aug 2020	(0.2)	7	9	8	2	0.2	N/A	4
Sep 2020 to Aug 2021	5	3	3	5	4	4	N/A	4
Sep 2021 to Aug 2022	8	2	2	0.02	11	11	N/A	7
Sep 2022 to Aug 2023	7	3	6	3	No data	(2)	17	6
Sep 2023 to Aug 2024	No data	No data	10	7	No data	No data	14	9
Regional profit margin	7	4	7	4	7	3	15	7
Overall profit margin	7		6		8			7

Notes

- 1 There are seven regional contracts for asylum accommodation: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).
- 2 The table shows data as reported by suppliers to the Home Office. We have not audited these data. The Home Office has commissioned an independent assurance exercise to verify the data; it expects to have the results later in 2025.
- 3 The Northern Ireland contract region has no requirement to provide open book data for the first three years.

Source: National Audit Office analysis of open book data reported to the Home Office by suppliers

¹⁶ Operating margins in published accounts of the suppliers are 2.8%, Serco Ltd, year ending 31 December 2023; 4.6%, Mears Ltd, year ending 31 December 2023; and 6.7%, Clearsprings Ready Homes Ltd, year ending 31 January 2024. These include other contracts and activities.

2.13 The data provided by suppliers to the Home Office are not in a consistent format, and different suppliers have provided the Home Office with different levels of detail. The data are self-reported, and in 2024 the Home Office commissioned a private sector firm to audit the way suppliers report performance data, and the amount of profit they declared. It expects to conclude this work in June 2025.

2.14 The AIRE supplier reported annual profits ranging from 1% to 12%, with an average of just under 5%. The reported data do not give the Home Office information on which elements of the AIRE service are most profitable.

Profit share clauses

2.15 The AASCs include profit share clauses. The contractual clauses trigger when mark-up, which is defined as profit divided by cost, exceeds a per-region threshold. Profit share thresholds differ across the contracts. The data reported by suppliers show that five contracts exceeded their respective thresholds in individual years, totalling seven times between September 2019 and August 2024. The Home Office expects to confirm and agree the amount of profit to be returned once the audit (paragraph 2.13) is completed. Two of those contracts exceeded their profit share threshold mark-ups in an individual year, but because the mechanism operates cumulatively, below-threshold mark-ups at the start of the contracts offset results in later years. The AIRE service has a similar profit share clause that is triggered at 5% mark-up, and this has not yet been triggered, according to the data we have seen.

Part Three

The Home Office's oversight of the service

3.1 This part sets out how the Home Office manages the contracts, oversees performance and how it has responded to recommendations from reviews and audits.

Contract management arrangements

3.2 The Home Office manages each contract through three types of regular governance forums:

- monthly contract management groups, which discuss day-to-day operational issues and the performance of the service;
- quarterly strategic relationship management boards, which discuss and agree performance and other issues that may affect strategic direction; and
- quarterly executive oversight boards, which cover all the regions operated by each supplier.

There is no board that considers the service as a whole, but the Home Office has internal boards to review performance of its major contracts.

3.3 The Home Office has contract management 'plans' in place for each contract. These provide information about the key contractual terms and are in a consistent format. The Home Office agrees joint risk registers with each supplier to track the highest risks relating to the service. They are in a different format for each supplier.

3.4 The Home Office has a dedicated assurance team to scrutinise the suppliers' performance, including through its own inspection regime. It aims to inspect initial accommodation every six months and 25% of dispersed accommodation each year. The Home Office uses these inspections to check supplier performance, particularly in relation to the key performance indicators around maintaining properties. The Home Office analyses this activity to identify trends. The assurance team has 88 roles, of which 25 were vacant as of March 2025.

3.5 The Home Office has around 120.5 employees (on a full-time equivalent basis) overseeing the contracts. This includes around 50 employees in three operational service delivery teams, each headed by a dedicated grade six for each supplier, and 60 employees in its assurance team. It also has 10.5 employees, including seven permanent and 3.5 consultant employees, in its wider commercial contract management team.¹⁷ Home Office data suggest it has approximately doubled the number of employees managing the contracts since 2023. The Home Office told us that it had increased the number of commercially qualified staff, and that 51 people in the service management team are undertaking the Cabinet Office's recommended contract management training. The Home Office said that increasing its capability had allowed it to better challenge suppliers' performance. In January 2025, it started to recruit six more civil servants for its commercial contract management team. The Home Office has also established a separate team to manage large sites, including managing other contracts relating to each site, and has a dedicated senior responsible officer based on-site at Wethersfield.

Financial oversight

3.6 As part of testing on our audit of the Home Office's 2023-24 financial statements, we reviewed a selection of Clearsprings monthly invoices for hotels. The Home Office was not able to provide a complete evidence trail to support the amounts being charged that were higher than the original agreement. By extrapolating the difference in amounts across the three Asylum Accommodation and Support Contract (AASC) suppliers, we estimated that £58 million was potentially unsupported for that financial year. Although not material, this suggested basic invoicing controls could be improved to reduce the risk of overpayment. We recommended the Home Office review the controls in place and ensure records (including modifications) are maintained on a shared drive. The Home Office committed to improve its documentation.

3.7 The Home Office has not exercised its contractual right to benchmark the service but has used financial models to challenge costs in some instances.¹⁸ It told us it has modelled what providing accommodation should cost and used this to challenge suppliers when negotiating changes. It has used open book access rights to receive data on suppliers' costs and profits (see Part Two). It also maintains records of hotel prices and requires suppliers to provide details of how prices are broken down.

¹⁷ These numbers are approximate and include some people who also work on other contracts.

¹⁸ The contract allows the Home Office to commission an independent review of the services being received, comparing them with other similar services (to be decided by the reviewer using its professional judgement). It allows a review of the contract each year, starting from the third year. The Home Office would need to pay for such a review, but could recover costs if the service was found to not be good value.

Safeguarding

3.8 The legal responsibility for safeguarding people seeking asylum lies with the relevant local authority, but the Home Office recognises the need to safeguard those in its accommodation. The contracts require the suppliers to proactively monitor the people within their care to identify those who may have specific needs or may be at risk. The Home Office also requires suppliers to comply with its policies, provide staff with adequate training, and report serious incidents to the Home Office. However, it does not measure suppliers' performance in safeguarding people, and the contracts do not specify performance deductions related to safeguarding outcomes.

3.9 In 2017, the Home Office established an asylum safeguarding hub which, it told us, receives and triages up to 4,000 referrals of safeguarding concerns a week. Hub staff can escalate concerns where necessary, and record issues on individual immigration case-working files. The Home Office has also put systems in place for suppliers to notify it about urgent or serious incidents – such as the death of a person in asylum accommodation, serious self-harm or violence – through High-Profile Notifications (HPNs) and We Are Aware (WAA) processes. The Home Office received over 700 notifications (690 HPNs and 37 WAAs) between July 2024 and January 2025.

3.10 The Home Office has produced high-level analysis of serious incidents, finding that incidents did not appear to be more common in accommodation overseen by any particular supplier. It has also started to categorise referrals to the safeguarding hub but does not consistently produce management information that would allow it to identify trends, proactively monitor lower-level safeguarding concerns or monitor the outcomes of incidents and referrals. The Home Office told us that, given it does not have a statutory obligation for safeguarding, the hub does not consistently monitor the outcome of referrals.

Review and audit recommendations

3.11 The Home Office's management of the AASCs has been scrutinised by multiple reviews and audits, including by the National Audit Office, the Committee of Public Accounts, the Independent Chief Inspector of Borders and Immigration and the Government Internal Audit Agency. **Figure 10** sets out recommendations made in these reviews and the Home Office's response.

3.12 The Home Office has received recommendations on contract management, planning, safeguarding and data monitoring. It has set out work undertaken to address these alongside ongoing work. This includes reviews of its 10-year accommodation strategy, risk management framework, AASC key performance indicators (KPIs) and supplier safeguarding policies, as well as a data management project to bring supplier data into a single platform.

Figure 10

Recommendations made to the Home Office between 2020 and 2024

The Home Office's management of the Asylum Accommodation and Support Contracts (AASCs) has been scrutinised through multiple reviews and audits

Recommendation theme	Home Office response
Contract management – such as reviewing and improving compliance and assurance checks and ensuring staff have the necessary skills.	The Home Office is undertaking a review of key performance indicators (KPIs) which it expected to be complete by February 2025. In February 2025, 51 staff were undertaking contract management professional training.
Planning – such as reviewing its 10-year strategy and planning for the renegotiation and procurement of contracts.	The Home Office is currently reviewing its 10-year accommodation strategy. It developed a cost model for AASC renegotiations and began reviewing options with stakeholders in spring 2024 for the contracts due to run until autumn 2029.
Safeguarding – such as publishing its safeguarding assurance framework and improving the safeguarding of vulnerable service users.	In May 2022, the Home Office published a safeguarding framework to protect service users. It is undertaking a review of suppliers' safeguarding policies, procedures and guidance and has launched an inspection pilot to ensure these are adhered to on site. It expects the pilot to be completed in early 2026.
Data monitoring – such as ensuring it has effective data monitoring systems in place to understand supplier performance.	The Home Office evaluated its system to assure AASC performance in June 2023. It since developed a Property Centric Platform project which aims to bring data from suppliers into a single platform by the end of 2026.
Risk management – such as ensuring effective risk management processes are in place.	The Home Office has developed an overarching strategy and review of risk management, which is yet to be finalised. It is also developing a framework to define roles and responsibilities for risk management, to be implemented in spring 2025.
Inspections – such as ensuring it has enough resources to conduct inspections of accommodation sites.	The Home Office has recruited 12 inspectors to focus on contingency accommodation inspections. All initial accommodation (including contingency) will be inspected within one to two months of coming online and then at least every six months thereafter. It reported that, as of February 2025, 13% of contingency sites were overdue for a repeat inspection.
Stakeholder management – such as working with stakeholders to facilitate the accommodation delivery and resolve problems raised by local authorities	The Home Office worked with local authorities to develop local authority dispersed accommodation plans. It also gains assurance on service delivery and minimises the impacts of accommodation sites on local services and communities through a multi-agency forum with local authorities and other stakeholders.
Transparency – such as publishing more information about the service's performance, cost and improvement plans to provide greater transparency.	The Home Office publishes KPI data online, and monthly management information is shared with relevant stakeholders. In 2021, the Home Office stated it was developing a customer experience dashboard with data from its customer experience survey and that this would be shared with stakeholders.

Notes

- 1 Recommendations have been grouped thematically and summarised from a range of published reports from the National Audit Office, the Independent Chief Inspector of Borders and Immigration, the Government Internal Audit Agency and the Committee of Public Accounts.
- 2 The Home Office's responses to recommendations have not been verified or evaluated.

Source: National Audit Office analysis of publicly available and Home Office information

Appendix One

Our approach

Scope

- 1 We produced a factual briefing on the Home Office's asylum accommodation contracts. The briefing has been prepared for the Home Affairs Committee as part of its inquiry into the delivery of asylum accommodation.
- 2 In response to a request from the Committee, we have set out:
 - the Home Office's approach to accommodating people seeking asylum and the services provided by the contracts;
 - the performance of the contracts and their profitability; and
 - the Home Office's oversight of the contracts.
- 3 We have not evaluated the Home Office's management or oversight of the contracts or concluded on their value for money. We did not examine the Home Office's procurement of the contracts, which we covered in our 2020 report.¹⁹
- 4 We conducted our fieldwork between February and March 2025. We used data held by the Home Office, some of which are self-reported by suppliers. We have not audited these data, and they are subject to an ongoing audit by the Home Office.

Methods

- 5 In examining these issues, we drew on a variety of evidence sources. We reviewed key documents including:
 - the Asylum Accommodation and Support Contracts (AASCs), the Advice, Issue Reporting and Eligibility contract, and records of key contract changes since 2019, to understand the contractual terms, including the pricing mechanism, profit share clauses, performance regime and intended operation of the contracts;
 - performance data provided by the suppliers to the quarterly governance forums for the last three years to understand the performance against contractual key performance indicators;

¹⁹ Comptroller and Auditor General, *Asylum accommodation and support*, Session 2019–2021, HC 375, National Audit Office, July 2020.

- data on the amount of service credits imposed as a result of the reported performance;
- data on profitability, provided to the Home Office under open book access rights, to understand the profit being made, which we compared with previous estimates and with the suppliers' published accounts;
- the Home Office's contract management plan, risk registers, governance arrangements (including minutes of oversight boards), and details of the teams managing the contracts to understand how the Home Office manages the contracts;
- the Home Office's latest estimate of total contract value, and annual spending on the contracts;
- details of the number of people and type of accommodation used in the AASC contracts;
- details of the number of local authorities accepting people seeking asylum;
- details of hotels used, including when they end;
- information from the National Audit Office (NAO) financial audit of the contracts, including work on financial controls;
- data on reports to the Home Office's safeguarding hub, to understand how the Home Office ensures that people in its accommodation are kept safe; and
- details of how the Home Office has responded to recommendations from assurance bodies including the NAO, Committee of Public Accounts, Government Internal Audit Agency, and the Independent Chief Inspector of Borders and Immigration, to understand how the Home Office has worked to improve management and oversight.

Appendix Two

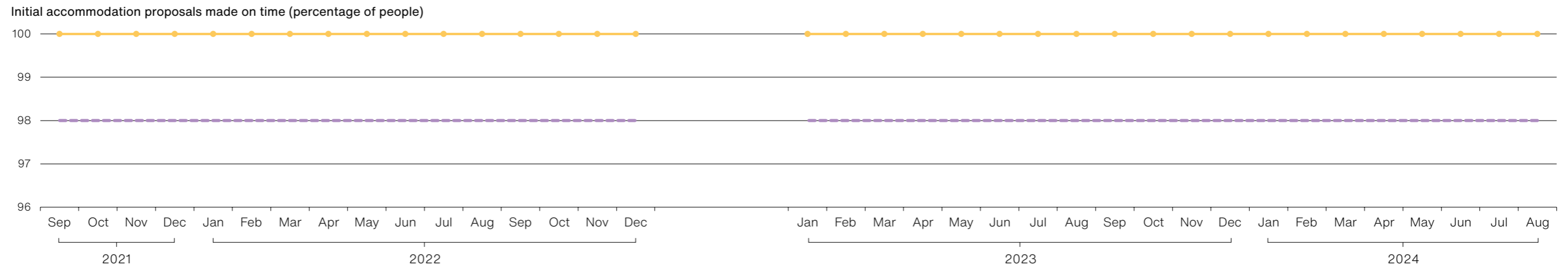
Performance against key performance indicators

1 Figure 11 on pages 40 to 59 shows performance against the asylum accommodation key performance indicators.

Figure 11
Performance against key performance indicators (KPIs), September 2021 to August 2024

Suppliers consistently achieved some contractual targets, but missed others

KPI 1a: Accommodation proposals (initial accommodation)

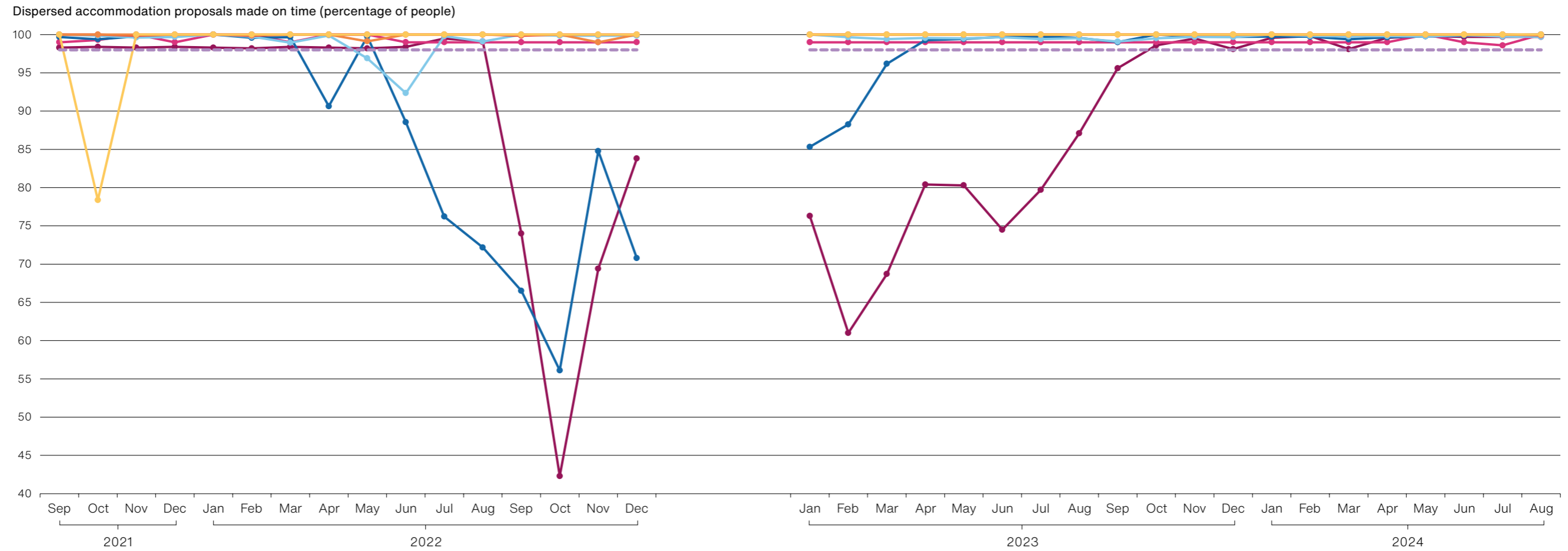


Supplier	Region	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Clearsprings	● South	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● Wales	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Serco	● MEE	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● NW	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Mears	● NEYH	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● Scotland	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● NI	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	-- Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
	■ Target missed																								

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 1b: Accommodation proposals (dispersed accommodation)

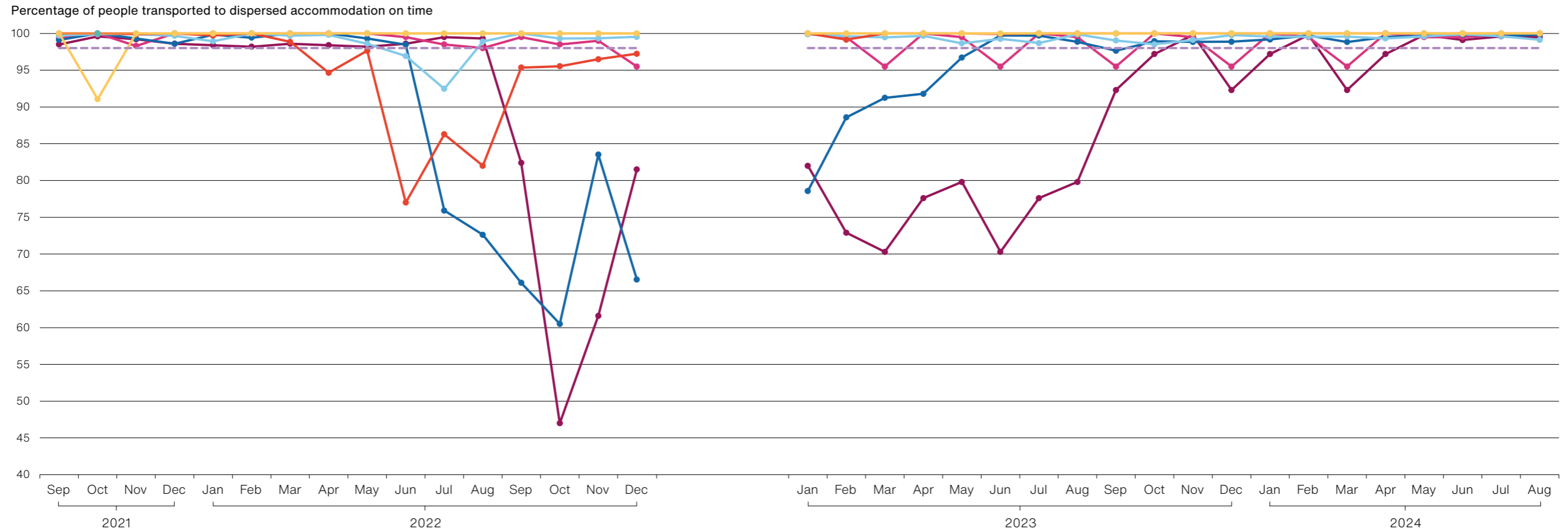


Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024									
Clearsprings	● South	98	98	98	98	98	98	98	98	98	98	100	99	74	42	69	84	76	61	69	80	80	75	80	87	96	99	100	98	100	100	98	100	100	100	100	100	100	100							
	● Wales	99	99	100	99	100	100	99	100	100	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	100	99	99	100		
Serco	● MEE	100	99	100	100	100	100	100	91	100	89	76	72	67	56	85	71	85	88	96	99	99	100	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100			
	● NW	100	100	100	100	100	100	99	100	97	92	100	99	100	100	100	100	100	100	100	100	100	100	100	99	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100			
Mears	● NEYH	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
	● Scotland	100	100	100	100	100	100	100	100	99	100	100	100	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	● NI	100	78	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	--- Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 2: Dispersal of service users

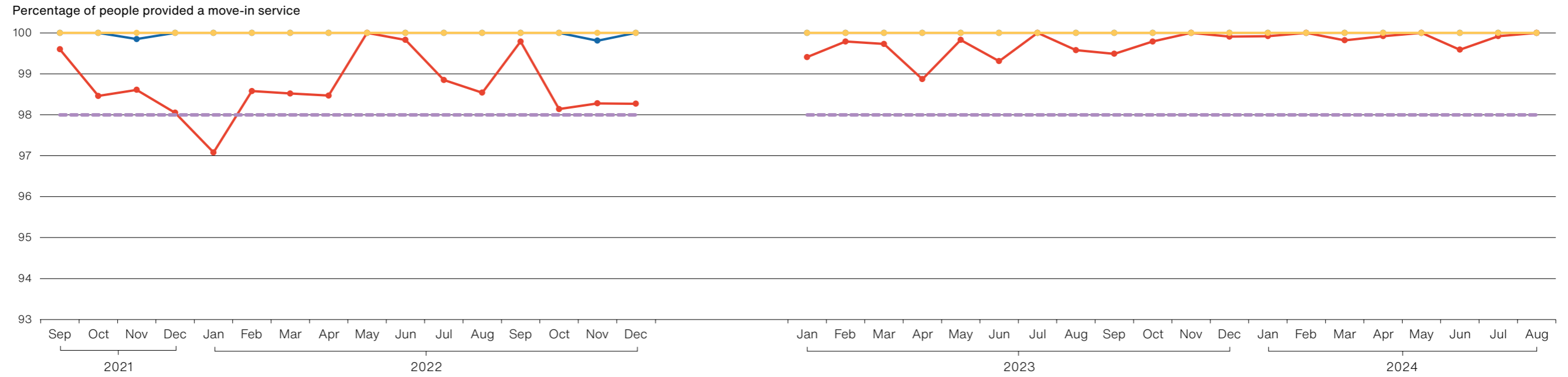


Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	
Clearsprings	● South	99	100	99	99	98	98	99	98	98	99	100	99	82	47	62	82	82	73	70	78	80	70	78	80	92	97	100	92	97	100	92	97	100	99	100	100	100
	● Wales	99	100	98	100	100	100	100	100	100	100	99	98	100	99	99	96	100	100	96	100	100	96	100	100	96	100	100	96	100	100	96	100	100	100	100	100	100
Serco	● MEE	99	100	99	99	100	99	100	100	99	98	76	73	66	61	84	67	79	89	91	92	97	100	100	99	98	99	99	99	99	99	100	99	100	100	100	100	100
	● NW	100	100	100	100	99	100	100	100	99	97	92	99	100	99	99	100	100	100	99	100	99	99	99	100	99	99	99	100	100	100	100	100	100	100	100	100	100
Mears	● NEYH	100	100	100	100	100	100	99	95	98	77	86	82	95	96	96	97	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● Scotland	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● NI	100	91	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	-- Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 3: Move-in services

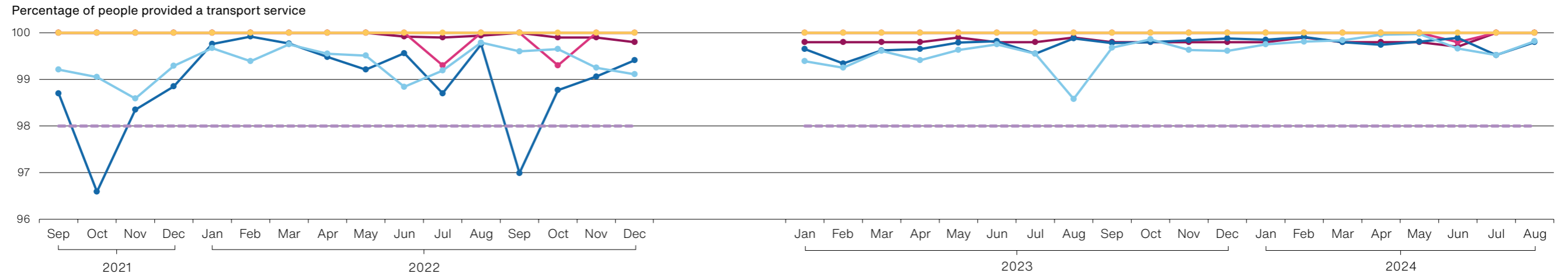


Supplier	Region	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Clearsprings	● South	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● Wales	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Serco	● MEE	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● NW	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Mears	● NEYH	100	98	99	98	97	99	99	98	100	100	99	99	100	98	98	98	99	100	100	99	100	100	100	100
	● Scotland	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	● NI	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	--- Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
	■ Target missed																								

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 4: Appropriate transport provided to service users

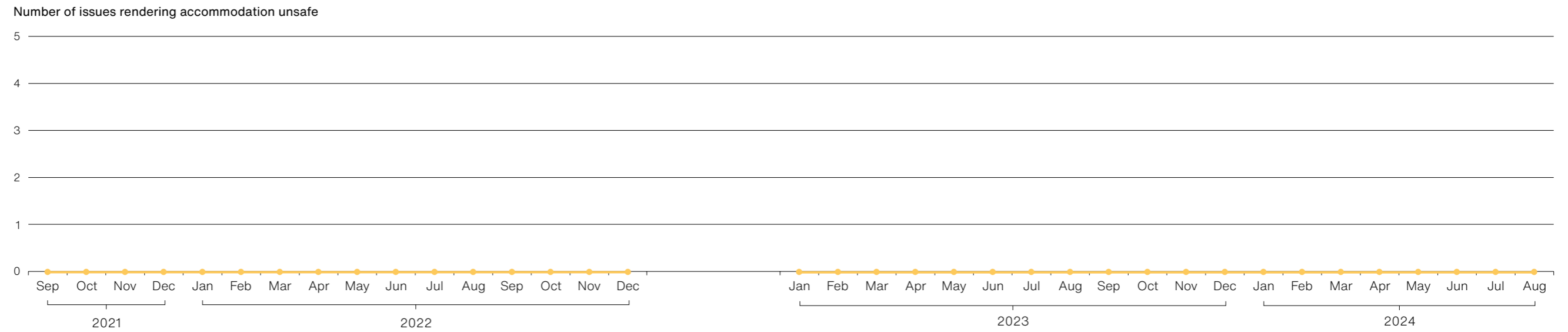


Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024			
Clearsprings	South	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	Wales	100	100	100	100	100	100	100	100	100	100	99	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Serco	MEE	99	97	98	99	100	100	100	99	99	100	99	100	97	99	99	99	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	NW	99	99	99	99	100	99	100	100	100	99	99	100	100	100	99	99	99	99	100	100	100	100	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Mears	NEYH	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Scotland	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	NI	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
	Target missed																																							

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 5: Maintenance issues (highest severity)



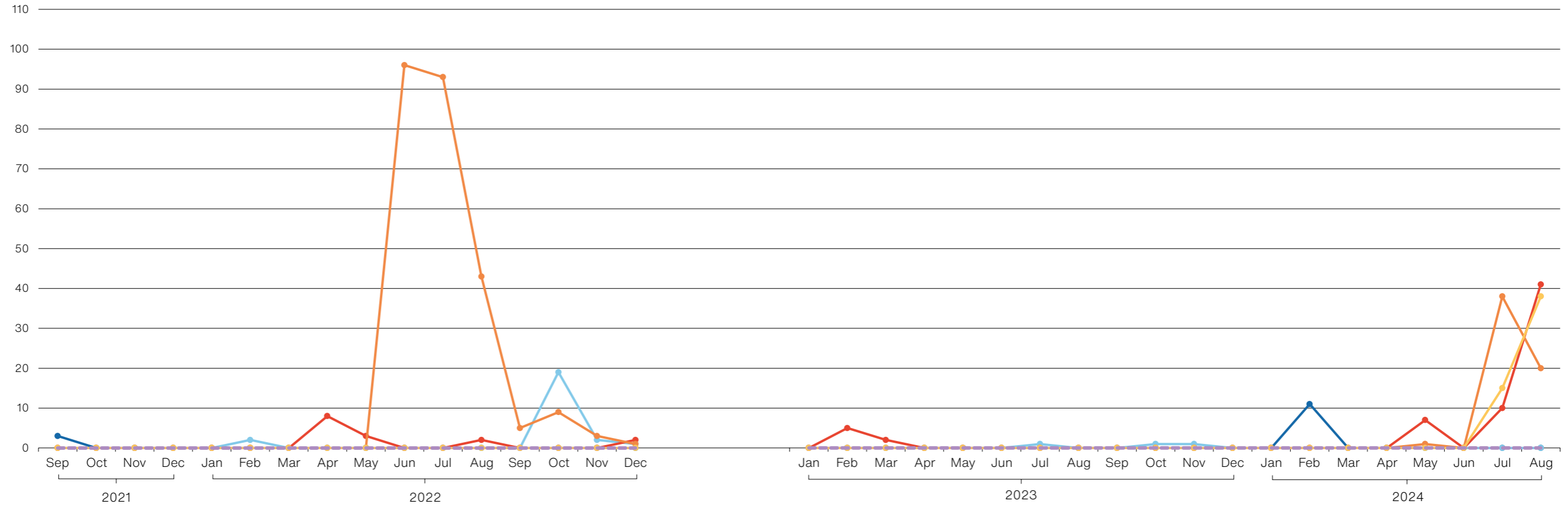
Supplier	Region	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Clearsprings	● South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	● Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Serco	● MEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	● NW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mears	● NEYH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	● Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	● NI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	--- Target	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	■ Target missed																								

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 6: Maintenance issues (medium severity)

Number of issues rendering accommodation uninhabitable



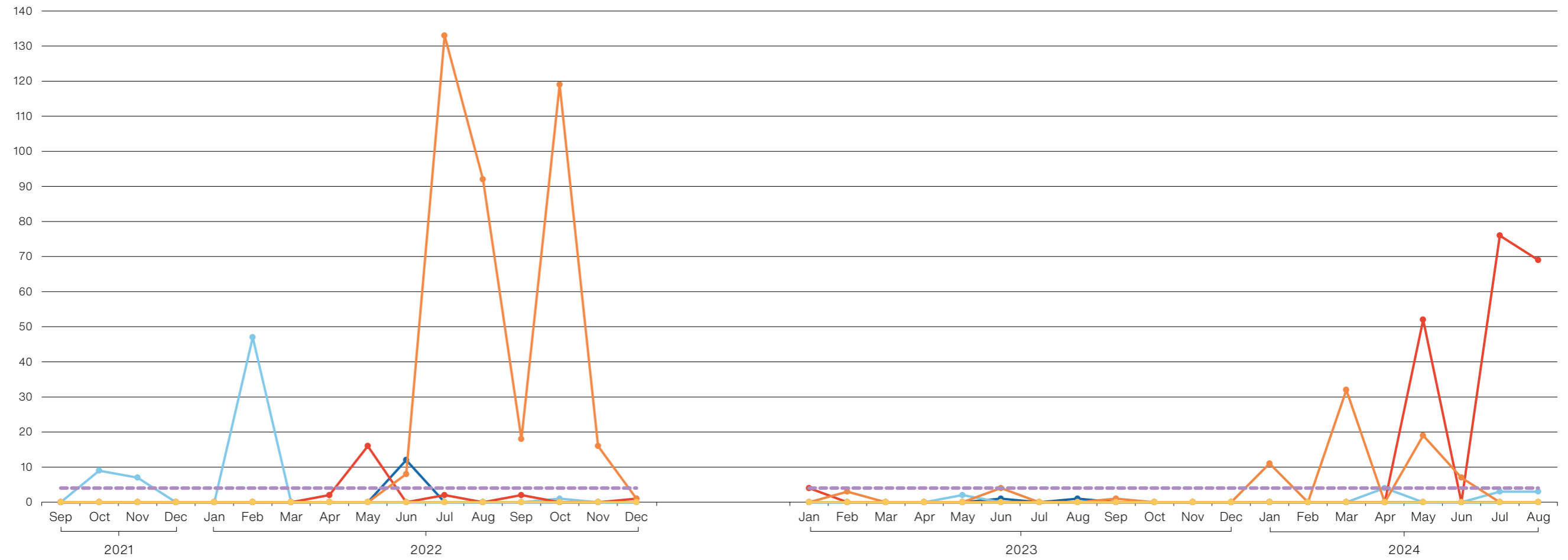
Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024				
Clearsprings	South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Serco	MEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	NW	-	-	-	-	-	2	-	-	-	-	-	-	-	19	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mears	NEYH	-	-	-	-	-	-	-	8	3	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Scotland	-	-	-	-	-	-	-	-	-	96	93	43	5	9	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Target		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Target missed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 7: Maintenance issues (lowest severity)

Number of issues rendering accommodation not fit-for-purpose

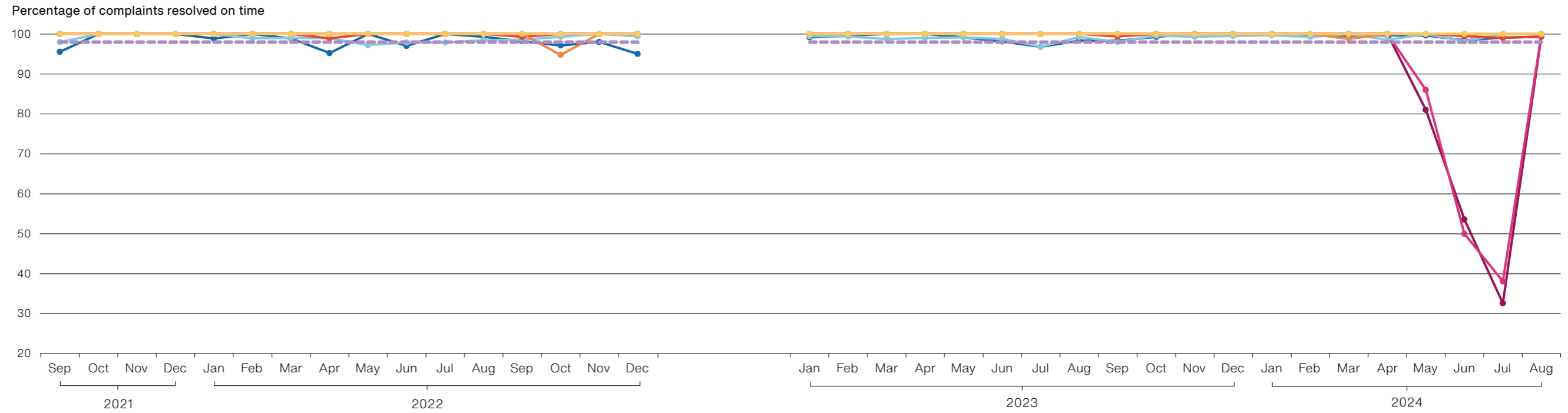


Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024		
Clearsprings	South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Serco	MEE	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NW	-	9	7	-	-	47	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	4	-	-	3	3	
Mears	NEYH	-	-	-	-	-	-	-	2	16	-	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52	-	76	69	
	Scotland	-	-	-	-	-	-	-	-	-	8	133	92	18	119	16	-	-	-	-	-	-	-	4	-	-	1	-	-	-	11	-	32	-	19	7	-	-	
	NI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Target		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 8: Complaints resolution

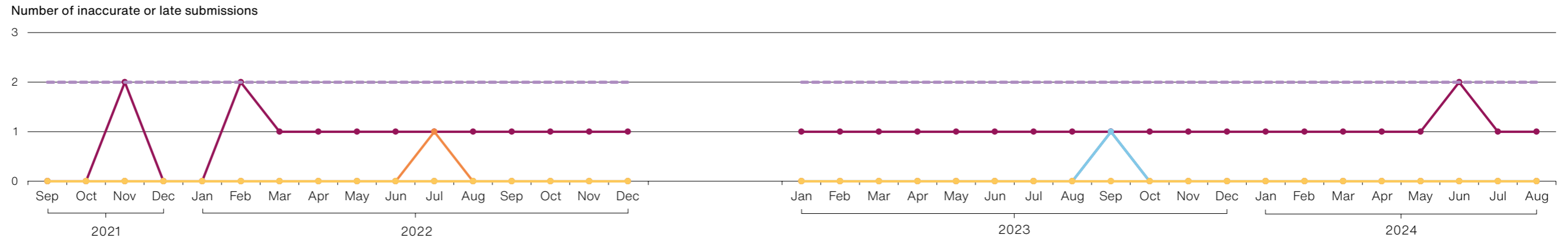


Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024							
Clearsprings	● South	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				
	● Wales	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Serco	● MEE	96	100	100	100	99	100	99	95	100	97	100	99	98	97	98	95	99	100	100	100	99	98	97	98	98	98	99	100	100	100	100	100	100	100	100	100	98	99	99	99	99		
	● NW	98	100	100	100	100	99	99	99	97	98	98	98	99	99	100	99	99	99	99	99	99	99	97	99	98	98	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Mears	● NEYH	100	100	100	100	100	100	100	99	100	100	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	99	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	● Scotland	100	100	100	100	100	100	100	100	100	100	100	100	100	100	95	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	● NI	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	-- Target	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98

Note
1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).

Figure 11 continued
Performance against key performance indicators (KPIs), September 2021 to August 2024

KPI 9: Management information



Supplier	Region	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	
Clearsprings	South	-	-	2	-	-	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	1	1
	Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Serco	MEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
	NW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Mears	NEYH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Scotland	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Target	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	Target missed																																					

Notes

- 1 There are seven contracts: South, Wales, Midlands and East England (MEE), North West (NW), North East, Yorkshire and the Humber (NEYH), Scotland, and Northern Ireland (NI).
- 2 The graphs show performance against each of the 10 measurements that are reported against the contractual KPIs each month. Details of how these are defined and measured is shown in Figure 5.
- 3 The data shown are as reported by suppliers and may reflect the suppliers' view of whether there was a performance issue rather than any final position. For example, if the supplier considered there were mitigating circumstances it may have decided not to report an issue as a failure even if the Home Office disputed this. We have not validated this data, but the data we have seen suggests the approach to such issues was not consistent over time or between suppliers.

Source: National Audit Office analysis of contract performance data reported by suppliers to the contracts' quarterly governance forums

This report has been printed on Pro Digital Silk and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.



National Audit Office

Design and Production by NAO Communications Team
DP Ref: 016888-001

£10.00

ISBN: 978-1-78604-609-3