

Parliamentary Briefing on Asylum Accommodation Contracts

A Westminster Hall Debate on the Asylum Accommodation Contracts will be held 2.30-4.00pm on Wednesday [10th October 2018](#), secured by Alex Cunningham MP, Stockton North.

Key Messages and Recommendations:

The asylum accommodation contracts are currently out to tender and will replace the COMPASS accommodation contracts. The contracts are due to be signed in December 2018, to commence in September 2019, and will be binding for the next 10 years. Local Authorities from the major dispersal areas have conveyed an unprecedented level of frustration about the lack of genuine improvement in the new contracts particularly in relation to oversight and control of how dispersal operates in their areas. This follows on from well-documented concerns spanning COMPASS since 2012, which have not been addressed by the Home Office to date. These collective concerns are now becoming public.

The re-design of the contracts represents the opportunity to address concerns and ensure the long-term sustainability of the asylum dispersal system by:

- **Providing Local Authorities with direct resources to (i) enable successful integration outcomes for all refugees, regardless of how they arrived in the UK; and (ii) support receiving communities and services.**
- **Empowering and resourcing devolved Governments and dispersal Local Authorities to oversee the delivery and review of the contracts in their areas including determining where accommodation is procured so that dispersal is well-planned, draws on local knowledge and expertise, and is democratically accountable;**
- **Ending the damaging practice of forced bedroom sharing and ensuring that accommodation provision truly meets the needs of all asylum seekers, including vulnerable groups.**

Towns and cities up and down the country are proud to be places of welcome to those seeking safety from persecution. Yet lack of local oversight over asylum accommodation and the absence of resourcing to meet local needs risk generating resentment, undermining community cohesion and marginalising the Local Authorities and communities upon which the dispersal system relies.

What are the asylum accommodation contracts?

People seeking asylum are not allowed to work and cannot claim mainstream benefits. Instead, they are only eligible to apply for financial and accommodation support if they can prove they have no other means of supporting themselves whilst their application for protection is considered by the Home Office.

Accommodation linked to this financial support is provided on a no-choice basis across the UK and is referred to as 'dispersal accommodation'. The current COMPASS contracts are delivered by G4S in the West Midlands, the East of England, the North East and Yorkshire and Humberside; Serco in the North West, Scotland and Northern Ireland; and Clearsprings in London, the South West and Wales. The contracts were agreed in 2012 to expire in 2017 but were extended until 2019. The Government are currently tendering for the replacement, known as the Asylum Accommodation and Support Services Contract (AASC) and the related Advice, Issue Reporting and Eligibility (AIRE) contract. AASC will be binding for the next 10 years, while AIRE is for 3 years, with provision to extend up to a further 7 years. Worth just over £4 billion, the contracts detail provision of Initial and Dispersed accommodation.

The asylum dispersal system was established by the 1999 Immigration and Asylum Act to alleviate pressures on London and the South East. Asylum seekers who would otherwise be destitute are housed in Initial Accommodation centres, before being sent to Dispersal Accommodation in participating Local Authorities areas. Despite efforts to increase the number of Local Authorities participating through the Home Office's Widening Dispersal Programme, asylum seeker populations remain concentrated in a number of key regions, with higher numbers in certain towns, cities and areas, particularly those where accommodation is cheapest. At the end of June 2018, only 35 Local Authorities (less than 10% of all) hosted 77% of all asylum seekers in dispersal accommodation¹.

The current COMPASS contracts have received considerable Parliamentary scrutiny and widespread public criticism

Throughout the COMPASS contract there have been well documented problems primarily relating to **poor property standards, lack of oversight**, and the need for **fairer resourcing for Local Authorities and communities**. A number of Parliamentary interventions have been undertaken, including:

¹ [Asylum Data Tables Volume 4](#), Home Office, 23 August 2018

- A **2014 National Audit Office investigation** of the COMPASS contracts which exposed concerns with housing standards, delayed mobilization and the conflict of interest between Local Authorities' desire to maintain sustainable levels of dispersal and providers' desire to house asylum seekers in particular areas, driven by cost concerns. These findings were mirrored by a **2014 Public Accounts Committee Report** which concluded the model was unlikely to deliver the cost savings it had been designed to achieve.
- A comprehensive **2017 Home Affairs Select Committee inquiry into Asylum Accommodation** which documented many challenges with standards and accountability and produced 37 recommendations, including calling for an increased role for Local Authorities and devolved Governments, an end to forced bedroom sharing and reduced use of Houses of Multiple Occupancy (HMOs).

Articles in the press have documented [UK asylum seekers living in 'squalid, unsafe slum conditions'](#), and exposed how housing for mothers with babies are ['riddled with cockroaches, rodents and bedbugs'](#). An [in-depth expose](#) explored how living in damp conditions caused asylum seekers to experience health problems and showed how providers failed to mend or replace broken equipment. Various organisations have also documented **unsafe housing** and **unsanitary conditions** and raised concerns that the **health and mental health needs** of asylum seekers are not being met in asylum accommodation and the needs of **vulnerable groups**, including **children, pregnant women** and **survivors of torture** are not adequately addressed.

A report on asylum accommodation by the Independent Chief Inspector of Borders is due out imminently and will be available [here](#).

The powers of Local Authorities to regulate the standard of asylum accommodation are limited and they have no formal role in overseeing the delivery of the accommodation contracts

- Despite being pivotal to integration and the functioning of the dispersal system, Local Authorities have little power to regulate through local legislation what has been described as the ["generally unacceptable"](#) standard of accommodation delivered by providers contracted by the Home Office.
- In a legal case [against Newcastle Council](#), a Home Office subcontractor successfully appealed the issuing of overcrowding notices on houses where asylum seekers were being forced to share bedrooms. The Council are now bound to license properties that would otherwise be in breach of local standards, revealing the limitations of powers to enforce standards.
- Notably, the Government's own efforts to address poor standards and overcrowding through [changes to HMO legislation](#) could be undermined by this gap in policy and emerging case law. Meanwhile, calls for the contracts to be tightened to prevent forced bedroom sharing have not been acted on.
- Providers are obliged to ask Local Authorities to perform postcode checks on properties they intend to procure but Local Authorities do not have the power to refuse procurement requests and have little control over where property is located.

Local Authorities and communities are concerned about the long-term sustainability of the dispersal system

- Historically, asylum accommodation has been concentrated in particular parts of the country where rents are low and that already experience high levels of deprivation and pressures on local services.
- Local communities, charities and faith groups often step in to support asylum seekers when Home Office provision falls short. Statutory duties and safeguarding obligations mean at times Local Authorities are also obliged to step in to prevent destitution, at their own expense. [Gaps](#) in asylum support, the withdrawal of Home Office support following a refusal, and the short 'move-on' window to transition to mainstream benefits for those granted refugee status can result in destitution and even homelessness, jeopardising ambitions to end rough sleeping at a local level and putting additional pressure on local services. Recent developments in [Glasgow](#) demonstrate how asylum accommodation runs as a parallel public service, as opposed to in partnership with the council, the third sector and local communities.
- Failure to respond to concerns about lack of control over local matters, and the absence of resourcing to meet local needs risk generating resentment, undermining community cohesion and marginalising the Local Authorities and communities upon which the dispersal system relies. Local Authorities and devolved Governments have [expressed serious concerns](#) about the new contracts and appealed to the Home Secretary and Minister for Immigration to intervene, with some [publicly threatening to pull out](#) of dispersal.

These concerns and recommendations have not been taken on board in the redesign of the asylum accommodation contracts

The Home Office has opted for a broadly 'as-is' model which closely resembles the current COMPASS contract. One welcome change is that accommodation-related complaints will be handled by an independent body (under the AIRE contract), but there has been no change in the role or resourcing of Local Authorities to enable them to support dispersal, and the contracts continue to allow the use of forced bedroom sharing and large-scale HMOs. Tight transition and mobilization periods for the contracts replicate those previously criticised by the National Audit Office and Public Accounts Committee in the transition to COMPASS. Meanwhile [calls for a review](#) of the AASC contract after 3 years have not been heeded.

At this critical juncture, the opportunity to enable the successful integration of asylum seekers must also be seized

The All Party Parliamentary Group on Refugees '[Refugees Welcome?](#)' report details the 'Two-Tier System' currently in operation, which sees people granted refugee status after being through the asylum process given no dedicated integration support. This is in contrast to the [Syrian Vulnerable Person Resettlement Programme](#), where participating Local Authorities receive financial support in recognition of their central role in providing services to new arrivals and enabling successful integration. The Government's '[Integrated Communities Strategy Green Paper](#)' recently committed to "increase integration support available to those recognised as refugees after arrival in the UK," which will be essential to ensure equal integration outcomes for all refugees. The lack of financial support to Local Authorities involved in asylum dispersal impacts on their ability to create cohesive communities and could impact on their willingness to engage in dispersal in the longer term. Resettlement programmes, which have wider buy-in from Local Authorities, represent a blueprint for how the asylum dispersal system could be resourced.

Recommendations

We call on the Government to recognise Local Authorities, communities and the third sector as key stakeholders in the provision of asylum accommodation and the successful integration of new communities and commit financial resources to ensure equal integration outcomes for all refugees, regardless of how they arrived in to the UK- ensuring they can unlock their potential and the whole community benefits from dispersal. Further, we call on the Government to commit to offsetting the direct costs to local services - health, education, advice - of new arrivals.

Over and above this, for the contracts themselves to work, the Government must make the following commitments, in-line with the recommendations of the Home Affairs Select Committee:

- **Empower devolved Governments to oversee the delivery of the AASC contracts** and take responsibility for standards and inspection regimes and investigate safeguarding and vulnerability-related concerns, providing them with Home Office funding to perform this role. **Similar arrangements should be made in England** using appropriate democratically-accountable structures, and the Third Sector should be represented in these.
- **Give Local Authorities greater flexibility to determine where accommodation is procured** and ensure that they have at least 5 working days to respond to property procurement notices in order to allow for appropriate consultation with relevant services (as opposed to 72 hours at present). Where there are genuine concerns, the Local Authority **should be able to refuse a request**, and this should be respected by the Provider. Local Authorities should be resourced to undertake these procurement postcode checks and consultation with relevant local stakeholders.
- Amend the AASC contracts to ensure that **no person seeking asylum is forced to share a bedroom** in asylum accommodation, and work to reduce the use of large-scale Houses of Multiple Occupancy (HMOs) for the benefit of asylum seekers and local communities. **Further, the contracts must demand that providers must respect local policy limiting or preventing such practices.** If large-scale HMOs continue to be used, the Home Office must specify that **vulnerable service users** - including pregnant women, new mothers, survivors of torture, physical or sexual violence or trafficking, and those with physical or mental health needs - **should not be forced to live in large-scale HMOs.**
- Demonstrate commitment to **transparency, accountability, and meaningful relationships with key stakeholders**, including by sharing the full contract documents and performance management regime. Sanctions and financial penalties should be enforced for Providers that fail to meet contractual obligations. A full, independent review of the contracts should occur within 3 years of commencement.
- Ensure that provision and allocation of **accommodation and facilities truly takes into account asylum seekers' needs**, and that there are better pathways for identifying and responding to vulnerable people across both Initial Accommodation and Dispersal Accommodation, as per the Home Affairs Select Committee report.
- **Extend the move on period for newly recognised refugees** to reduce the risk of homelessness and to support successful integration. In addition, AASC Housing Providers should be included in the list of public authorities with a **duty to refer under the Homelessness Reduction Act.**