Asylum accommodation: replacing COMPASS

Thirteenth Report of Session 2017–19

Report, together with formal minutes relating to the report

Ordered by the House of Commons
to be printed 11 December 2018
**Home Affairs Committee**

The Home Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Home Office and its associated public bodies.

**Current membership**

- **Rt Hon Yvette Cooper MP** (Labour, Normanton, Pontefract and Castleford) Chair
- **Rehman Chishti MP** (Conservative, Gillingham and Rainham)
- **Sir Christopher Chope MP** (Conservative, Christchurch)
- **Stephen Doughty MP** (Labour (Co-op), Cardiff South and Penarth)
- **Chris Green MP** (Conservative, Bolton West)
- **Kate Green MP** (Labour, Stretford and Urmston)
- **Tim Loughton MP** (Conservative, East Worthing and Shoreham)
- **Stuart C. McDonald MP** (Scottish National Party, Cumbernauld, Kilsyth and Kirkintilloch East)
- **Alex Norris MP** (Labour (Co-op), Nottingham North)
- **Douglas Ross MP** (Conservative, Moray)
- **John Woodcock MP** (Independent, Barrow and Furness)

**Powers**

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

**Publications**

Committee reports are published on the Committee’s website at [www.parliament.uk/homeaffairscom](http://www.parliament.uk/homeaffairscom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](http://inquiry-publications.page) of the Committee’s website.

**Committee staff**

The current staff of the Committee are Elizabeth Hunt (Clerk), Harriet Deane (Second Clerk), Simon Armitage (Committee Specialist), Penny McLean (Committee Specialist), Robert Sabbarton (Committee Specialist), David Gardner (Senior Committee Assistant), Mandy Sullivan (Committee Assistant) and George Perry (Senior Media and Communications Officer).

**Contacts**

All correspondence should be addressed to the Clerk of the Home Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6856; the Committee’s email address is homeaffcom@parliament.uk.
Contents

Summary 3

1 Introduction 5

2 Procurement and oversight of the Asylum Accommodation and Support Services contracts 7
   Previous Committee recommendations 8
   Local authority concerns 9
   Managing the transition 11
   The Government’s approach 12

3 Accommodation standards 15
   The ICIBI report 16
   Systemic mistrust 21

4 Dispersal and distribution 23
   Dispersal 23
   Previous Committee recommendations 25
   The benefits of participation 26
   Local authority and third-sector costs 26

Conclusions and recommendations 30

Formal minutes 35

Witnesses 36

Published written evidence 37

Published Correspondence 37

List of Reports from the Committee during the current Parliament 38
Summary

The United Kingdom has a proud tradition of providing asylum, and many local authorities and communities across the country have a long and continuing history of playing their part. The provision of accommodation is essential to asylum support. When it fails, vulnerable people and local communities are let down.

We published a detailed report on asylum accommodation in January 2017. In that report, we warned of the need for local authorities to be involved in developing and overseeing the replacement to the COMPASS contracts for providing asylum accommodation. We highlighted the failures of the inspection and compliance regimes to deal with properties left in a substandard, unsanitary or unsafe condition. And we warned of the pressures of clustering and uneven dispersal, and of the inequity within the system that was placing intense pressure on those local authorities and communities which had volunteered to support asylum seekers.

The procurement of the replacement to COMPASS began formally in November 2017. A second procurement exercise had to be issued in May 2018, because no compliant bids had been received in two regions.

We have returned to the subject of asylum accommodation due to concerns raised in recent months about the Government’s handling of the process to replace COMPASS. This report focuses upon three main issues: the contracts and the strategic relationship between the Government and local authorities; the standards of accommodation provided for asylum seekers; and the question of fairness in the dispersal process.

Nearly two years after our previous report, very little has improved and mistrust by local authorities of central government has deepened.

The Government’s handling of the replacement for COMPASS has led dispersal authorities to consider withdrawal from participation in the dispersal scheme. We reiterate our belief that local authorities should be closely involved in developing the replacement to COMPASS and have a genuine partnership role in making decisions under the new contracts and overseeing their implementation. The Government must act now to reset its relationship with local authorities on asylum accommodation, and as a first step it should consult local authorities on the full details of the proposed contracts before they are finalised.

We are hugely disappointed that the Government has not met the Committee’s previous recommendations on improving the standards of accommodation. The Department has a duty of care and must show a greater urgency about the degrading conditions in which very vulnerable people are being housed under its contracts. We repeat our recommendation that Government should transfer inspection duties to local authorities, along with the necessary resources and the ability to impose sanctions. We are alarmed that there continues to be systemic mistrust affecting engagement between the Home Office, the Independent Chief Inspector of Borders and Immigration (ICIBI) and non-governmental organisations (NGOs).

The Government’s dispersal policy risks undermining the support and consent of local communities, many of which have a long history of welcoming those in need of
sanctuary. It is not unreasonable for authorities who have, in many cases, supported dispersal for the best part of two decades and have carried a disproportionate share of the unfunded costs and pressures, to request more equitable treatment. The Government must urgently reconsider the operation of the dispersal policy and provide dispersal authorities with dedicated funding to better manage dispersal and the related impact on services. Essentially, local authorities should have joint decision-making powers so that their refusal of provider requests for asylum accommodation are only overturned in exceptional circumstances.

The next few weeks present a vital opportunity for the Government to make the provision of asylum accommodation work better for asylum seekers, dispersal authorities, providers, the communities housing asylum accommodation and other stakeholders. To succeed the Government must realise its recent commitment to understand those authorities’ concerns better and provide clear evidence of improved funding support for the full range of impacts they are required to address.

The Government can waste no time in taking steps to build dispersal authorities’ confidence in the Government’s commitment to develop an equitable, strategic partnership with its local partners.
1 Introduction

1. The UK has a proud tradition of providing sanctuary to those fleeing conflict and persecution, and the principle has widespread public support. The UK played a key role in drafting the 1951 Refugee Convention, which has helped to protect millions of people, and it remains a world leader in providing humanitarian support today. Many local authorities and communities across the country have a long and continuing history of playing their part in welcoming and supporting asylum seekers and refugees in need. The provision of safe, habitable and fit-for-purpose accommodation is a central tenet of that support. When the system for providing asylum accommodation fails, it undermines that good work, and lets down vulnerable people and local communities too.

2. Section 95 of the Immigration and Asylum Act 1999 provides that an individual who is seeking asylum in the UK, and who is, or is likely to become, destitute, is eligible with their dependents for support while their claim for asylum is considered. Support can be financial—asylum seekers are entitled to receive £37.75 a week for essential living expenses—and in the form of accommodation. Since 2012, accommodation and transport services have been provided to asylum seekers via six regional Commercial and Operational Managers Procuring Asylum Support Services contracts, known as COMPASS. The COMPASS contracts are held by three companies, Serco, G4S and Clearsprings, which operate a supply network of contractors, sub-contractors and private landlords.

3. The COMPASS contracts were due to be phased in between May to September 2012: transition should have been completed in all areas by October 2012. In some areas, however, the transition proved very problematic. Neither Serco nor G4S had previous experience of providing asylum accommodation: they struggled to establish reliable supply chains and to upgrade accommodation which they had agreed (without full inspection) to take on from earlier providers but which did not reach contractual standards. The Government extended contracts with departing providers, including some authorities, to give the new providers extra time to establish themselves. During the extended transition period the Department was unable to disperse newly arrived asylum seekers to some of the regions managed by G4S and Serco, as they did not have sufficient capacity. Some were required to remain longer in initial accommodation, while others were accommodated in emergency hotel accommodation or in a ‘campus-style’ facility, Heathrow Lodge, which had only limited facilities and services. Local authorities also had to step in to provide other forms of support to asylum seekers and their families, who were facing uncertainty as to whether they would be able to stay in their existing accommodation or whether they would be required to move. The transition was not fully completed until December 2012.

4. The COMPASS contracts were originally scheduled to run for five years to 2017, with the possibility of extension for a further two years. The Government announced

---

1 Immigration and Asylum Act 1999 s95
2 National Audit Office, COMPASS contracts for the provision of accommodation for asylum seekers, January 2014, p 17
3 National Audit Office, COMPASS contracts for the provision of accommodation for asylum seekers, January 2014, pp 21–22
4 National Audit Office, COMPASS contracts for the provision of accommodation for asylum seekers, January 2014, p 17
in a written statement on 8 December 2016 that it had decided to take up the extension: officials were putting in place arrangements for replacing the contracts and would engage with a range of stakeholders about the future arrangements from 2019.\(^5\)

5. We published a detailed report on asylum accommodation in January 2017.\(^6\) In that report, we warned of the need for local authorities to be involved in overseeing asylum accommodation and for them to be actively involved in developing the replacement to the COMPASS contracts. We recommended that the commissioning of asylum accommodation should be devolved, suggesting that this should be done through the regional Strategic Migration Partnerships, making it easier to co-ordinate the activity of different local stakeholders and to address concerns about clustering and community cohesion. We highlighted the failures of the inspection and compliance regimes which led to some accommodation being left in a substandard, unsanitary and sometimes unsafe condition. We warned of the pressures of clustering and uneven dispersal, and of the inequity within the system which was placing intense pressure on those local authorities and communities which had volunteered to support asylum seekers.

6. We have returned to the subject now owing to concerns which have been raised about the Government’s handling of the process to replace COMPASS. In light of our previous work, this report focuses upon three main issues: the contracts and the strategic relationship between the Government and local authorities; the standards of accommodation provided for asylum seekers; and the question of fairness in the dispersal process. Two years on from the preparation of our previous report we were disappointed to discover that very little has changed. The key difference we have found, following the Government’s failure to implement our previous recommendations, is a deepening mistrust by local authorities of central government.

7. We took evidence on 20 November from: Councillor Susan Aitken, leader of Glasgow City Council; Andy Burnham, Mayor of Greater Manchester; Councillor Roger Lawrence, leader of the City of Wolverhampton Council and the West Midlands Strategic Migration Partnership; and Councillor David Simmonds, Deputy Leader of Hillingdon Council and Chairman of the Local Government Association’s Asylum, Refugee and Migration Task Group. On 21 November, we took evidence from Rt. Hon. Caroline Nokes MP, the Minister of State for Immigration, Paul Morrison, Director of In-Country Migration and Temporary Migration, Permanent Migration and Premium Services and Sean Palmer, Director of Asylum Support, Immigration and Protection at the Home Office. We are very grateful to everyone who contributed to this inquiry.
2 Procurement and oversight of the Asylum Accommodation and Support Services contracts

8. Procurement of the replacement contracts began formally in November 2017 with the issue of an ‘Invitation to Tender’ for the Asylum Accommodation and Support Services (AASC) contracts. The new contracts will be let from 2019 until 2029 with a break clause after 7 years (compared to the 7 year long COMPASS contracts with a possible termination at five years). They have been valued at approximately £4 billion over 10 years. They will be awarded in seven lots to provide housing, transport and support services in each of the seven UK Visas and Immigration regions. The Guardian reported that the value of the new asylum housing contracts was “more than double” the cost of the existing contracts when first awarded, and awards would give equal weight to price and quality. During oral evidence it was revealed that Directors of Clearsprings, one of the contract providers, received £1.345 million in emoluments in the year ending 31 January 2018. One individual Director received £913,686 in emoluments despite the failure of the Clearsprings contract to provide suitable accommodation in a number of cases. The Immigration Minister commented: “I do not think anybody having a salary of that level is appropriate, whatever business they’re in.”

9. Concerns were raised when a second procurement exercise (known as AASC (2)) had to be issued on 21 May 2018 because no compliant bids had been received for asylum support in the North East and Yorkshire and Humber region and in Northern Ireland. Owing to the passing of six months between the issue of the first and second procurement exercises, some elements of the second procurement process were to be expedited under regulation 29(10) of the Procurement Directive; the Home Office also announced that it would speed up some of its internal governance procedures.

10. We wrote to the Immigration Minister seeking further information about the reasons for the retendering exercise and, in particular, the reason why the Contract Notice for AASC(2) had omitted a reference to working with local authorities, which had appeared in the original notice. The Immigration Minister replied to us that officials were “satisfied that the lack of bids was due to technical reasons rather than a general lack of interest in providing the services in these regions”. She assured us that the requirements for the second procurement exercise were based on an “identical” set of requirements to the original procurement and that the Government was:

---

7 Tenders electronic daily 18 November 2017. The support services contract for Advice, Issue Reporting and Eligibility (known as AIRE) was notified in May 2018 (Contract notice 4 May 2018). This contract covers eligibility assistance and complaints, advice and guidance services.

8 Tenders Electronic Daily, 18 November 2017 section II.1.5

9 The Accommodation and Support Contracts will operate as seven regional contracts. This will create separate contract regions for each of the devolved nations: Scotland, Wales and Northern Ireland, whilst retaining four English regions. The English regions will be: the South; the Midlands and East of England; the North West; and the North East and Yorkshire and Humber. (Asylum accommodation support transformation briefing note November 2017)

10 The Guardian, Value of asylum housing contracts doubles after criticism of conditions, 23 November 2017

11 Q161

12 Q101

13 Tenders electronic daily, 24 May 2018

14 Letter from the Immigration Minister to the Committee on asylum accommodation, 13 July 2018
[... ] ensuring that there is sufficient resource focused on transitional activity within these regions, undertaking planning activity upfront and ensuring that lessons from the regions in the first lots are carried into this work. In parallel, we are developing contingency options and we will manage risks and their mitigations and contingency measures very closely over the coming months. We remain confident of having a fully operational contract before the expiry of the current arrangements, with sufficient time to properly transition the services.15

Previous Committee recommendations

11. Our 2017 report had identified the importance of addressing problems in the relationship between central and local government over the management of the asylum system.16 Local authorities may choose to participate in supporting the asylum system, but many do not.

12. We recommended that local authorities should be closely involved in developing the replacement to COMPASS and that the regional Strategic Migration Partnerships and, where appropriate, the devolved governments should be given a significant role in ensuring the fair distribution of accommodation.17 We noted, however, that the Strategic Migration Partnerships were poorly funded and overstretched, and therefore also recommended that these arrangements should be more sustainably and consistently funded so that they were better able to carry out a strategic role.18 We recommended that local authorities be given more control over where asylum accommodation is located and that decisions by local authorities to refuse requests because of concerns over the quality or concentration of accommodation, the capacity of local health, education and other support services, and risks to social cohesion should only be overturned by the Home Office in exceptional circumstances.

13. In its response the Government defended voluntary participation in the dispersal system and said it would continue to engage in constructive dialogue with Strategic Migration Partnerships; the existing consultation procedures between the Home Office, providers and local authorities would enable local authorities to influence the location of asylum accommodation and would ensure the impacts on local communities and services were taken into account. It said that Strategic Migration Partnerships had been given additional funding to support resettlement schemes.19

14. Witnesses had contrasted the operation of the existing asylum accommodation scheme with the Syrian Vulnerable Persons’ Resettlement Programme (SVPRP). That scheme had succeeded in persuading many local authorities to participate because it had provided a level of funding to cover ongoing costs of services for these vulnerable people and had involved local authorities closely in the development of the scheme.20

---

15 Letter from the Immigration Minister to the Committee on asylum accommodation, 13 July 2018
16 Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637
20 Qq17–20
15. This contrasted with the limited opportunities afforded to local government to influence the location and quality of asylum accommodation, together with an absence of funding support for the impacts on services which vulnerable residents may present. In consequence, the Government was struggling to engage local authorities with dispersal, meaning that the task of supporting asylum was being carried disproportionately by a relatively small number of authorities.

**Local authority concerns**

16. In August 2018, fourteen local authorities in Yorkshire wrote to the Home Secretary to express concern about the operation and retendering of the asylum accommodation contracts. The Guardian reported that the letter, seen by the Yorkshire Post, reads:

> For too long, asylum dispersal has been implemented as something done to local authorities and communities in the north of England rather than done with them in partnership, with little heed paid to concerns raised about cohesion or disproportionate concentrations of asylum seekers in our towns and cities.

> A number of local authorities have regularly expressed these immigration concerns to the Home Office and immigration ministers, but we have experienced little urgency in addressing them.

> Being an asylum dispersal area is voluntary and some local authorities in our region have over recent months been giving serious consideration to actively pursuing withdrawal.

> The current process of procurement for the new asylum system is making this outcome increasingly likely, whilst for potential new areas there is reduced incentive to join. We fear that the Home Office continuing the current approach risks catastrophic failure of the new asylum system as soon as it begins.\(^{21}\)

17. We have heard informally that other authorities, as well as Andy Burnham, the Mayor of Greater Manchester, have since written to the Immigration Minister or to the Home Secretary in similar terms.\(^{22}\) These letters draw attention to:

- the continuing uneven dispersal of asylum seekers across the UK;

- local authorities’ concern that, while they participate in dispersal and are responsible for providing services and support to asylum seekers accommodated in their areas, they are not considered equal partners with the Government and its contracted providers in managing asylum dispersal; and

- authorities’ anxiety about the implications for dispersal areas if the new contracts from 2019 simply replicate provisions in the COMPASS contracts.

18. The UK’s proud tradition of providing asylum relies on the support and consent of local communities, many of which have a long history of welcoming those in need of

---

\(^{21}\) “Yorkshire Council leaders threaten to pull out of asylum seeker housing scheme”, The Guardian, 19 August 2018

\(^{22}\) Andy Burnham criticises mounting chaos of UK asylum system, The Guardian, 7 November 2018
sanctuary. We are deeply concerned that the Government’s handling of the replacement for the COMPASS contracts has led dispersal authorities to consider, as a last resort, withdrawal from participation in the dispersal scheme. With a significant percentage of asylum seekers located in these regions, withdrawal of these areas would impact heavily upon vulnerable individuals and on the wider operation of the dispersal policy. It is essential that this outcome is avoided by making sure that participating local authorities have a genuine partnership role in the new contracts.

19. The Minister’s letter to us of 1 November referred to the new contracts as “an opportunity to reset the relationship with local authorities and other delivery partners.” Council leaders told us that changes to this relationship were badly needed. Following the problems with the introduction of COMPASS, and in light of their concerns about distribution, clustering, inadequate monitoring of accommodation and the lack of financial support for their additional costs, they needed substantial assurance that the Government was actively seeking improvements. They welcomed recent “movement” by the Home Office to respond to their concerns. However, they told us they could not trust these statements unless they were written into the new accommodation contracts or, as in the case of financial support, otherwise acted upon by the Government. We also heard that some Local Authorities were interested in bidding to be providers themselves but felt put off by an application system that they claimed seemed designed for the existing providers.

20. The relationship between Government and local authorities on these issues can be very different, as was shown by the Syrian Vulnerable Persons’ Resettlement Programme (SVPRP):

The Syrian scheme was based on a completely different approach, where the Home Office essentially said to local authorities, “What capacity can you offer?” That secured a very, very wide range of participation. There was also clear understanding that the funding level would be not great but getting towards sufficient … [It] built a sense of confidence that at official level, both in local government and in the Home Office, there was a different way of approaching this whole issue that was more functional and more effective.

21. By contrast, we were told that with these new contracts the Home Office was “reverting to type” in its approach to local authorities, appearing driven by the desire to manage the programme “as cheaply as possible and then shunt any consequent costs on to local government”.

22. The Minister said that the Government’s decision to extend the COMPASS contracts from 2017–19, in spite of the recognised problems with those contracts, enabled the Government to “engage in a lengthy consultation process both with local authorities and with NGOs to make sure that the new contract going forward would be an improvement.” Andy Burnham, however, told us that there “has been no meaningful engagement in the construction of this new contract” and that it was “effectively a rollover for the next seven
to 10 years of what we have had since 2012”. Councillor David Simmonds told us that the Home Office had made “fairly minimal efforts to reach out”, which failed to match best practice for engagement with stakeholders in public sector procurement.

23. The Government had consulted with local authorities during the design of the new contracts: once the formal procurement process began the authorities were effectively shut out, for reasons of commercial confidentiality. Local authorities in Yorkshire and Humber, for which a second invitation to tender had to be issued, were particularly disturbed as they perceived that “information had been deliberately kept from us earlier this year regarding the unsuccessful procurement for the contract in our region.”

**Managing the transition**

24. The Government told us that it had learned the lessons from the extended transition to COMPASS. It planned to allow eight months for transition in 2019 and has also taken other steps to ensure transition runs more smoothly, including the creation of a dedicated support team within the Home Office. Nonetheless the timetable has slipped, with the signing of the contracts that was originally anticipated in the autumn of 2018 now expected in early 2019. The longer transition period may therefore be compromised.

25. The Government has developed contingency plans for the provision of accommodation and related services during the transition period but it has not shared them with local authorities because those services “are not provided directly by local authorities”. Nonetheless, as in 2012, local authorities will have an active role to play during the transition, for example, by supporting asylum seekers who are waiting to hear whether a change in provider means they will be forced to move; arranging for children in asylum-seeking families to move schools at an appropriate time, if contractual changes necessitate the move; licensing any new housing in multiple occupation (HMOs) and managing community concerns about changes in accommodation arrangements, particularly if emergency accommodation such as hotels has to be deployed. All of these activities require effort and resource.

26. Local authority responsibilities for safeguarding, providing education and other public services, licensing HMOs, managing community impacts and preventing destitution mean that they have a very clear interest in the progress of the contracting process, and they also need to be able to plan for the transition. The decision not to share risk management information and contingency plans with them, after the experience of introducing COMPASS, is ill-judged.

27. In its 2014 report on the transition to COMPASS, the NAO highlighted that the transition was made more challenging for the Home Office by the requirement in 2012 to divert staff to other priorities, specifically, work at the UK border during industrial action...
by Border Force staff; and support for the Olympics programme. On 13 November, during a discussion about Brexit planning, Sir Philip Rutnam and senior officials told us that the Home Office was considering how to redeploy staff for Brexit, specifically in the event of no deal.

28. The Government must recognise that the introduction of these contracts, valued at approximately £4 billion over 10 years, remains a priority. A botched transition would have immediate repercussions for some of the most vulnerable individuals in society and, if it were to result in the withdrawal of authorities from the dispersal system, could present a significant risk to the Government’s ability to meet its statutory responsibilities for the asylum system. Staff responsible for managing and supporting the transition to the new contracts should be protected from other demands, including dealing with Brexit pressures.

The Government’s approach

29. On 19 November 2018 the Government wrote to the Local Government Association (LGA)’s Asylum, Refugee and Migration Task Group with various proposals, including a commitment to work with local authorities to establish what a “more equitable distribution” of asylum seekers would look like; to work with local authorities to consider different approaches to the allocation of different asylum seekers to different areas; to review clustering; and to do further work with the LGA to understand the “nature and scale” of the costs to dispersal authorities from supporting the asylum and refugee system. The local authority leaders told us that the letter was “rich in aspiration” but, Councillor Simmonds cautioned, local authorities would not be convinced unless they saw “a great deal more engagement … in both the procurement and implementation of the contracts and the management of those contracts subsequently”, that the new contracts would work better than COMPASS. Councillor Lawrence agreed that the Government had missed an opportunity to involve local authorities as strategic partners but suggested that there was “still the opportunity to claw that back”.

30. Local authorities saw joint oversight of the new contracts, between the Government and local authorities, as the fundamental requirement for a more effective system in the future. As Councillor Aitken described to us, local authorities are “the people who know what is actually happening in our communities and what the sustainability of different parts of our own authorities are”. Andy Burnham told us that the starting point for the authorities he represented was that, currently, there is not sufficient oversight of the contract … we have very poor accommodation and people not treated fairly.

… We are being a voice for people who are left unsupported in communities and, therefore, not in good accommodation, not able to integrate with the local community. It is about us jointly managing the contract, overseeing

---

37 National Audit Office, COMPASS contracts for the provision of accommodation for asylum seekers, January 2014, para 2.3
38 Work of the Home Office, 13 November 2018, Qq100–112
39 Letter from the Immigration Minister to Councillor David Simmonds, 19 November 2018
40 O3
41 O2
42 O23
the level of provision, calling unscrupulous landlords to account, getting action taken where accommodation is not good enough, having funding to support people with English as a second language, levels of funding that properly support their integration and working with our voluntary sector to do that. That looks to me like a partnership.

31. He also said that, having recently met the Immigration Minister, he believed that both she and the Home Secretary “seem to get” the problem; ministerial engagement was key to resolving these issues. He called on the Government to let local authorities see the contracts before they were “set in stone”.

32. As steps towards better engagement with local authorities, the Government offered a series of meetings of the LGA task group, on which the Minister sat, to look at issues such as dispersal, clustering and funding essential services. The Government was also looking to establish joint partnership boards which would include representatives from local authorities, the health sector and from the police, as advised by Strategic Migration Partnerships. These, however, would be designed to “help us [the Government] with the transition”: once the transition had been completed new arrangements would be needed for ongoing management of dispersal at the regional level. We were told the national-level committee would meet for the first time before Christmas.

33. While we welcome the Minister’s recent acknowledgement of the “huge role” which local government plays in supporting asylum seekers and refugees, we are concerned at how little time there is for the development of an effective strategic partnership with local government before the transition to the new contracts. The Government’s words about developing an understanding of the impact of dispersal on authorities, and seeking to mitigate these impacts and authorities’ currently unfunded costs, are encouraging but, with only a matter of weeks before the new contracts are signed, there is little evidence that the change in the Government’s approach goes beyond words.

34. We regret that the issues raised in the Committee’s previous report persist, and that the Government has not taken the opportunity to act upon many of our recommendations. We are concerned that the Government did not accept our previous recommendations for changing the commissioning process in time for these contracts, and we continue to believe that wider changes are required. We reiterate our belief that local authorities should be closely involved in developing the replacement to COMPASS.

35. We are disappointed that the Government has not taken up our suggestion for the commissioning of asylum accommodation to be devolved to the regional Strategic Migration Partnerships or our recommendation that local authorities should have essentially joint decision-making powers so that their refusal of provider requests for asylum accommodation are only overturned in exceptional circumstances.
36. The next few weeks present a vital opportunity for the Government to make the provision of asylum accommodation work better for everyone: first and foremost, for asylum seekers but also for the dispersal authorities, providers, communities housing asylum accommodation and other stakeholders. To succeed the Government must, in the words of the Independent Chief Inspector of Borders and Immigration, start by building each of the parties’ confidence that they can “trust the intentions and actions of the other”.  

37. The Government must act now to reset its relationship with local authorities on asylum accommodation: it must realise its recent commitment to understand those authorities’ concerns better and provide clear evidence of improved funding support for the full range of impacts they are required to address. In return the Government should be able to draw upon these authorities’ experience to manage the distribution of asylum seekers more fairly and have their assistance in facilitating and maintaining sufficient accommodation which meets the contractual standards. An improved relationship will require better cooperation between key stakeholders. If this is not secured soon the relationship will become unsalvageable and some local authorities may withdraw altogether. We reiterate our previous recommendation that the Government should insist on formal, regular meetings between providers, local authorities and the third sector (and devolved governments) to coordinate their activities and address concerns about clustering and community cohesion. Local authorities must have a stronger role in decision making under the new contracts, and a more significant role in oversight of performance of them.

38. As a first step the Government should consult local authorities on the full details of the proposed contracts before they are finalised. In view of the current timetable for signing the contracts this would need to be done within the next few weeks. If the Government acts with sufficient urgency we believe this can be done without significant detriment to that timetable. This action would help to build dispersal authorities’ confidence in the Government’s commitment to develop an equitable, strategic partnership with its local partners.
3 Accommodation standards

39. Our previous inquiry found that even though accommodation is inspected, and providers’ performance is subject to key performance indicators, it may nonetheless be substandard, unsanitary and in some cases unsafe. This was, overall, the most significant issue identified in the evidence we received in that inquiry. Issues which were raised with us during that inquiry included: the presence of vermin (mice, rats and bedbugs); health and safety issues such as the presence of asbestos, or damp; lack of cleanliness; and inadequate facilities and furnishings, such as broken furniture, the absence of facilities such as a cooker or washing machine, and failing heating systems. Having received such clear evidence of unsuitable accommodation, we were forced to conclude that the current compliance regime is not fit for purpose.

40. We recommended that the Home Office should transfer responsibilities for inspecting accommodation to local authorities, with the resources to carry out this function effectively. This would beneficially draw upon the local knowledge and expertise of authorities and help to restore their influence within the asylum system. We envisaged that this transfer of responsibilities should be supported by clearer guidance in the new contracts on compliance standards, including examples of common complaints and the deadlines by which providers were expected to resolve them. Giving local authorities the power to conduct inspections, and to report publicly on their findings, would improve transparency.

41. The Home Office indicated that it was happy for inspections to be carried out jointly with local authorities, but it rejected our recommendation for the transfer to local authorities of responsibility for property inspection, saying that this would “reduce the accountability of the Home Office and the ability to hold Providers to account.”

42. We also found problems with the handling of maintenance requests and complaints. It was too often difficult for asylum seekers to get through on contact lines, or to determine who was responsible for addressing the concerns they raised. Many asylum seekers do not have English as their first language, making it harder for them to understand how to raise issues, or what their rights and entitlements are; we were told that problems not being logged with housing officers was a regular frustration, and that service users who tried to complain reported being met with disbelief or hostility. Some asylum seekers feared that complaining would have a detrimental impact upon their asylum application.

43. In recognition of the lack of confidence of asylum seekers in the system, we recommended, firstly, that all complaints and requests for maintenance should be...
consistently recorded. We also recommended that clearer information should be provided to asylum seekers confirming that complaints about accommodation would not affect the user’s asylum claim.\textsuperscript{60}

44. The Government defended the existing inspection regime, describing it as “rigorous”; however, it said that it had made improvements to the way in which asylum seekers could raise concerns about their accommodation with UKVI, to support more targeted compliance activity, and had provided additional mechanisms and user groups to enable NGOs and users to provide feedback.\textsuperscript{61}

45. Users of asylum accommodation are often very vulnerable people, including torture survivors, individuals suffering PTSD, pregnant women and mothers with small children. In a debate in Westminster Hall, in October 2018, Members testified to a range of concerns, from providers’ allocation to asylum seekers of pillows so inadequate that two can be placed in a single pillowcase, to a unit which Alex Sobel MP reported was in a shocking state of disrepair:

On visiting the house, the first thing that struck me was the stickiness underfoot and the smell of urine. That was the result of an earlier rat infestation, which was reported to G4S and ignored.

Although the local church stepped in and blocked the rats’ entrance to the bedroom, the carpet remained coated in rat urine. A toddler crawling over the carpet had a skin infection. Her mother told me, “There is nowhere else for her to go.” That was not strictly true. Her baby could have crawled in the hallway, where a missing baby gate left a steep set of stairs exposed—something of which G4S had been informed months before. Or perhaps the child could crawl around the kitchen, where rat poison was left on the floor and mould covered every wall.

There are other issues in the property, including a lack of cleaning and cooking equipment, which G4S should have provided. After writing to G4S in exasperation, I met the landlord of the property, who stepped in and provided what G4S did not.\textsuperscript{62}

\textbf{The ICIBI report}

46. Between February and June 2018 the Independent Chief Inspector of Borders and Immigration (ICIBI) carried out an inspection of the Home Office’s management of asylum accommodation provision.\textsuperscript{63} This was carried out in response to a recommendation in our previous report that periodic inspections by the Independent Chief Inspector could assist by providing a country-wide overview of the system.\textsuperscript{64} We are pleased that the Independent Chief Inspector has accepted a role in the oversight of asylum accommodation provision and welcome his scrutiny.

\textsuperscript{60} Home Affairs Committee, Twelfth Report of Session 2016–17, \textit{Asylum accommodation}, HC 637, paras 81–82

\textsuperscript{61} Home Affairs Committee, \textit{Asylum accommodation: Government Response to the Committee’s Twelfth Report of Session 2016–17}, HC 551, p 12

\textsuperscript{62} Asylum accommodation debate 10 October 2018 Hansard Col 120

\textsuperscript{63} ICIBI, \textit{An inspection of the Home Office’s management of asylum accommodation provision}, February-June 2018

\textsuperscript{64} Home Affairs Committee, Twelfth Report of Session 2016–17, \textit{Asylum accommodation}, HC 637, para 90
47. Reports by the inspectorate are initially submitted to the Home Secretary who “aims to publish [them] within 8 weeks of receipt”.65 This report on asylum accommodation was submitted to the Home Office on 9 July and might reasonably have been expected to be published, therefore, by 3 September.

48. On 13 November we asked senior Home Office officials why the report had not at that point been published, and whether it could be published before we were due to take evidence on asylum accommodation the following week.66 It was published a week later, fifteen minutes before the Committee began to take evidence from council leaders on the issue. The Independent Chief Inspector’s report states:

For several reasons, not least the difficulty of extracting evidence from the Home Office, this inspection proved more challenging than most. My report is likely to please no-one. It is clear from the Home Office’s response to the draft report that this topic touches a nerve. It considers my criticisms unfair and believes its efforts have not been recognised. Meanwhile, I suspect that the many non-government organisations (NGOs) and other stakeholders engaged with asylum accommodation, and those living in it, will feel that the report has not gone far enough in challenging the standards of accommodation and support provided.

Discussions with the Home Office, Providers, NGOs and asylum seekers about particular properties showed just how difficult it was to agree on what constituted “an acceptable standard” of accommodation, and equally difficult for the parties to remain objective and to trust the intentions and actions of the other. The overriding impression from this inspection was of many individuals–from the Home Office, the Providers, NGOs and voluntary groups, statutory services and local authorities - up and down the UK, working hard to do their best for those in asylum accommodation, but often with quite different perspectives and priorities.67

Our brief revisiting of this subject accords with this assessment.

49. On 21 November the Immigration Minister apologised that the report had been published the previous day: she stressed that she had been keen to respond to our request, the previous week, to see the report (which by then had been more than 10 weeks beyond the expected date of issue). She confirmed that the Home Office had accepted all nine recommendations in that report and had put together the required Action Plan by the Independent Chief Inspector’s deadline of 1 October.68 This Action Plan is available online.

50. The Independent Chief Inspector reported that the Home Office’s own Contract Compliance Officers had found that only 24% of properties inspected between March 2016 and January 2018 were compliant with the COMPASS contract requirements. The

65 Gov.uk, Inspection work in progress, accessed December 2018
66 Oral evidence taken on 13 November 2018, HC (2017–19) 1713, Q239
67 ICIBI, An inspection of the Home Office’s management of asylum accommodation provision, February-June 2018, Foreword, p 2
68 Qq48–50
69 Home Office, Asylum Support - Assurance Action Plan, 20 November 2018
majority of the remainder (43% overall) were not fit for purpose. The Minister suggested to us that it was important to understand the context for the extent of properties which were not fully compliant: these were high usage properties with “in some cases, very high turnover” of asylum seekers passing through; Paul Morrison, Director of In-Country Migration and Temporary Migration, Permanent Migration and Premium Services, also drew to our attention that the Statement of Requirements for the COMPASS contracts set detailed accommodation standards which, if they are not satisfied, would result in the accommodation being classified either as not fit for purpose, uninhabitable—in which case emergency action is required—or unsafe and requiring immediate evacuation. Paul Morrison said that “Not fit for purpose” covered:

- things like taps needing new washers. There will be broken glazing, cracked panes needing a replacement. They will be about windows being a bit sticky. All of those are not things that would necessarily mean that the property is not fit for purpose in the sense of being uninhabitable. They are things that will get a seven-day turnaround.”

Defects which would lead to a property being classed as uninhabitable would include “a hole or a weakened floor or exposed electrical wiring”, for which repair should take place within twenty-four hours, while an issue which presented “a genuine threat to [the inhabitant’s] health” would require people to be moved out “within two hours”.

51. Mr Morrison assured us that “This is a contract that has a very strict regime of key performance indicators around that. These are the contractual requirements that we place on service providers. They will need to have gone out and corrected those errors.” He told us that the existing contracts required as a minimum that properties should be inspected each month, and again when a new person moved in. He said the Government had responded to earlier criticism from us and from the Independent Chief Inspector, by increasing its audit checks upon providers to ensure action claimed by the providers had in fact taken place. He also accepted that record-keeping by Home Office inspectors had been poor and said this had been addressed.

52. The ICIBI recorded that in its own 69 inspection visits to asylum accommodation—during 53 of which it was accompanied by Home Office contract compliance officers—it found fewer examples of “pleasant, well-maintained” accommodation than “examples of accommodation that had various visible defects (leaks, damp, broken equipment), poor quality furnishings and fittings, and were dirty.” The Chief Inspector also pointed out that the Home Office has a team of just nine Contract Compliance Officers to cover the

70 ICIBI, An inspection of the Home Office’s management of asylum accommodation provision, February-June 2018, para 3.14
71 Q52
72 COMPASS Statement of requirements B2 - B7
73 Q56
74 Q57
75 Qq58–59
76 Letter from Chief Inspector to the Committee Chair, 22 November 2018
77 ICIBI, An inspection of the Home Office’s management of asylum accommodation provision, February-June 2018, para 3.9
whole of the UK who, while often experienced, are inconsistent in the thoroughness of their inspections, their approach to re-inspection and their categorisation of defects and repairs.78

53. The Independent Chief Inspector noted that the Government established the Contract Compliance Team having rejected our previous recommendation that responsibility for inspection, monitoring compliance and imposing sanctions should be transferred to local authorities, with the appropriate funding.79 In its response to our previous recommendation, the Government had stated:

The Home Office does not agree that property inspection should be handed over to local authorities as it would reduce the accountability of the Home Office and the ability to hold Providers to account. Discussions with local authorities have not indicated that this is a responsibility that they would like to assume.80

54. We asked council leaders again if this was a responsibility they were willing to assume. They told us that, provided the responsibility was properly funded, this would not be “a big ask” as local authorities already have staff carrying out inspections on their own housing stock who could extend their remit.81 Andy Burnham added, “You will get better provision if you allow that local oversight of what has been done and you allow local authorities to make the connection between landlords who may be providing accommodation for that purpose but also for other purposes as well. Leverage can be used then to get a raising of standards.”82

55. While the Minister ultimately accepted that there are “service providers who are not meeting our standards” she nonetheless defended the current inspection regime, which she said provided “reasonable confidence that the standards are being met and the issues are being addressed”.83 She said:

I absolutely accept that it is completely unacceptable for anybody to be living with vermin and damp. What matters to my mind is that they are rectified, people have the reporting lines so they can let the service providers or the compliance teams or, last case scenario, the Home Office act upon them. It is important to us that we have good channels of communications both with service providers, and indeed service users, to make sure that we can act on problems when they occur.”84

She stressed that the Government’s standards are communicated “very clearly to our service providers”, and that the new AIRE contract would provide a single freephone number for individuals to escalate concerns which proved difficult to resolve via the service provider.85

---

79 Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637, para 88
80 Home Affairs Committee, Asylum accommodation: Government Response to the Committee’s Twelfth Report of Session 2016–17, HC 551, p 13
81 Q29
82 Q29
83 Q64
84 Q54
85 Qq 52, 137
Asylum accommodation: replacing COMPASS

56. As we previously concluded, a complaints system can only be effective if people feel able to complain without threat of negative repercussions.\(^{86}\) Refugee Rights Europe’s report on 3 December 2018 about the experience of women in asylum accommodation in Birmingham recorded that 32% of respondents did not feel safe raising complaints about their accommodation to their landlord or housing officer, the majority of them because they were afraid of losing their accommodation.\(^{87}\) While we recognise the steps the Government has taken to ensure asylum seekers are better informed and able to escalate problems where there are difficulties with the provider, we are concerned that individuals who are awaiting the outcome of their asylum applications may be reluctant to complain directly to the Home Office, which will determine their future.

57. The Department stated that property inspection should be a departmental responsibility since this helps it to hold providers to account. Yet, in practice, it is relying heavily upon assurances from the providers that accommodation meets the contractual requirements and where problems are identified, by its inspectors or others, these are not being addressed. This is in spite of overwhelming evidence from NGOs, local authorities and the Independent Chief Inspector of Borders and Immigration that the condition of some accommodation is unacceptably poor. As the contract holder the Department has the power to insist upon better performance by accommodation providers, without waiting passively for asylum seekers or NGOs to draw their attention to concerns.

58. We are hugely disappointed that the Government has not taken up the Committee’s recommendations on improving the standards of accommodation. The Department has a duty of care and must show a greater urgency about the degrading conditions in which very vulnerable people are being housed under its contracts, including torture survivors, individuals suffering PTSD, pregnant women and mothers with small children. As we previously recommended in 2017, property standards should be aligned with local authority housing standards and providers’ key performance indicators should be appropriately adjusted. The Government should transfer the inspection duties currently carried out by the Home Office to local authorities, including the ability to impose sanctions, along with the necessary resources to carry out this function effectively. This funded transfer should take effect from the point at which the transition to the new contracts is complete.

59. The Government’s Action Plan, drawn up in response to the ICIBI report, indicates that the Government has already taken steps to review the KPI regime and implement a consistent methodology to support decisions on contractual non-conformance; and that it is procuring independent professional advice in relation to management of the maintenance of property standards.\(^{88}\)

60. The recent steps taken by the Government to make it easier for officials to assess the main contractors’ performance in providing and maintaining accommodation are helpful developments which should support the Government in holding future providers to account, and we welcome them.

---

\(^{86}\) Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637, para 82

\(^{87}\) Refugee Rights Europe, Finally safe, experiences of women in asylum accommodation in Birmingham, 2018, p 22

\(^{88}\) Home Office, Asylum Support - Assurance Action Plan, 20 November 2018, C: Property standards and contract compliance
Systemic mistrust

61. As we noted at paragraph 48 above, the Independent Chief Inspector identified a lack of trust in the intentions or actions of others as a significant problem within the asylum accommodation system. Our discussion with the Minister and officials about the ICIBI inspection illustrates this point. We asked the Minister and officials what steps had been taken to address specific examples of substandard accommodation which had been raised in the ICIBI report. The Minister told us:

One of the concerns that I have is that when issues are identified either by the Inspector or by NGOs is that they are not necessarily flagged up to the Home Office and identified fast enough so that we can act upon them. I look at the photographs with horror because it is not acceptable. However, we have to be able to identify those properties and the service providers they are in the portfolios of so that we can make sure that problems are rectified.

Paul Morrison advised us that “there has been some discomfort with sharing some of that information given it was shared in confidence [with the Independent Chief Inspector] by some of the NGOs”. While the Home Office was “very keen” to establish the whereabouts of the accommodation highlighted in the report, it had not succeeded in obtaining that information.

62. We are concerned that there continues to be systemic mistrust affecting engagement between the Home Office, the ICIBI and NGOs. In our previous report, we described the fear of asylum seekers that complaining would affect their asylum application or might result in them being moved out of the area. It is not good enough that nothing seems to have changed. Rightly, those who have the confidence of asylum seekers put great emphasis on retaining that confidence. Yet essential improvements to accommodation are proving hard to secure, and providers who are failing in their contractual responsibilities are not being held to account. We are also concerned that, even though the Home Office was made aware of the Inspectorate’s concerns that NGOs and asylum seekers did not want to tell the Home Office about problems with their accommodation, the Home Office has not acted to resolve this.

63. The further concern we have is that, while we accept that the Government had asked the Independent Chief Inspector for information about accommodation highlighted in his report, and had been refused, it appears that it had not tried any other avenues to identify this accommodation at any point between 9 July and 19 November, in order to get urgent repairs made for which it was ultimately responsible.

64. Changing this culture, and building stakeholders’ confidence in their ability to report concerns without detriment, represents a significant challenge for the Government and for its future delivery partners. The failure of the Home Office to properly follow-up issues raised by the Independent Chief Inspector is evidence of a deeper problem. The Government should commission an independent review of the
experience of asylum seekers in asylum accommodation, and of their treatment by providers and the Home Office, as the Authority. This review should report by March 2020.
4 Dispersal and distribution

Dispersal

65. The policy of dispersing those seeking asylum accommodation in the UK was introduced by the Immigration and Asylum Act 1999. The legislative intention was that distribution across the country would prevent any one area providing support to considerably more asylum seekers than other areas.

66. Prior to 1999, when an asylum seeker made an asylum claim the responsibility for support fell upon the local authority for the area where the claim was made. Most asylum seekers made their claims in London and the South East, which meant that the pressure fell most heavily on these authorities. The effect of the 1999 Act was to pass the support responsibility to the Home Office. The dispersal policy established in 2000 meant that, as a general rule, asylum seekers were expected to be accommodated in areas where there is a greater supply of suitable and cheaper accommodation.92

67. Under the scheme, local authorities reach voluntary agreements with the Home Office to accept asylum seekers. The National Audit Office’s 2014 report on COMPASS provides some additional information about how dispersal areas are identified:

1.6 Dispersal accommodation is located in particular areas in the community where the local authority has agreed to take asylum seekers up to a defined cluster limit (defined as an assumption that there will be no more than one asylum seeker per 200 residents, based on the 2001 census figures for population). In some areas local authorities have agreed a variation to this arrangement with the Department. Not all local authorities currently participate. Dispersal arrangements are subject to ongoing monitoring and review by the Department.

1.7 Under the terms of the COMPASS contracts, contractors are required to consider a range of social cohesion, housing and community factors alongside cost when proposing properties to be used for dispersal accommodation for asylum seekers. These factors include:

- the availability and concentration of accommodation;
- the capacity of local health, education and other support services; and
- the level of risk of increased social tension if the number of asylum seekers increases within a given area.93

68. The financial constraints of the 2012 contracts mean that asylum accommodation tends to be concentrated within those dispersal areas, and parts of dispersal areas, where accommodation is cheap and more readily available. Existing dispersal areas have been asked to accommodate and support increasing numbers of vulnerable people.

92 Policy on the dispersal of asylum seekers, House of Commons Library, April 2016
93 National Audit Office, COMPASS contracts for the provision of accommodation for asylum seekers, January 2014, p 11
69. The table below illustrates how the number of asylum seekers accommodated under s95 of the Immigration and Asylum Act 1999 at any one time has increased steadily since 2012. The number of local authorities which have agreed to participate in dispersal has not, however, increased correspondingly. Our previous report recorded that, in September 2016, 121 authorities out of 453 (27%) had s95 asylum accommodation within their boundaries. According to the Immigration Minister, in November 2018 the total number of authorities who were willing to participate had risen to just 150 (33%) out of which 129 were actively supporting dispersal.

70. While dispersal is inequitable across the country, there are also inequities within regions. The ‘cluster limit’ which applies at the local authority level does not apply at ward level, meaning that it is possible to get higher concentrations in specific wards which—because providers will seek out areas where accommodation is cheap—are often also economically deprived. Councillor Roger Lawrence, Chair of the West Midlands Strategic Migration Partnership, told us that

Our region has something like 14% of national cases. We are about 9% to 10% of the national population, so there is clearly an inequity there. That is worsened by the fact that only seven of the 30 authorities in the region are receiving dispersal placements at the moment, which is probably around half the population of the region. That means that in some of our wards we are well in excess of the one in 200 recommendation. In fact, in Stoke-on-Trent, 10 wards are beyond one in 200.

71. Councillor Sir Stephen Houghton, leader of Barnsley Metropolitan Borough Council, wrote to us that,

10% of the UK’s asylum seekers are in just 40 wards in [Yorkshire and the Humber] out of a possible 10,000 wards in the UK. Many of these 40 wards

---

94 Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637, p 16
95 Q109
96 Q2
have a range of other challenges and multiple deprivation, and we can see no justification for the Home Office ignoring these concerns up until now. The impacts are not just current, but are cumulative over the last 20 years.  

72. Councillor David Simmonds told us that the concentration of asylum seekers was “very striking”, commenting that “in very specific places there are grossly disproportionate numbers”. He suggested that cluster limits should also apply at the ward level, or that local authorities should have a mechanism which enabled them to say to a provider that too many people were being placed in a specific area.

**Previous Committee recommendations**

73. We reported in January 2017 that the clustering of asylum seekers in specific local authority areas, and in particular in specific wards in local authority areas, presented challenges in terms of the impact upon local health, education and other services. These local authorities tended to be located in the most deprived parts of the country since these were areas where providers were able to obtain accommodation more cheaply. Local authorities which accepted asylum accommodation were coming under great pressure, because a significant number of authorities had not agreed to participate.

74. The pressures, which even then were clearly evident, prompted us to recommend that local authorities should be given greater control over the distribution of asylum accommodation in their area, and more time to consider providers’ requests for new accommodation. We recommended that local authorities should continue to be allowed to refuse requests for accommodation where there were genuine concerns over the quality or concentration of accommodation or the potential impacts of that accommodation on local services and any risks to social cohesion, and that any such refusals should only be overturned by the Home Office in exceptional circumstances. We said that local authorities should be additionally funded for the costs of supporting the asylum system.

75. We also recommended that if the Government was not successful, within 12 months, in persuading more local authorities to participate it should use its statutory powers to mandate participation, to address the obvious unfairness of the responsibilities being carried by those authorities which had volunteered. That deadline passed nearly a year ago.

76. The Government affirmed that it was committed to ensuring “a more equitable distribution of asylum seekers across the UK” but it did not directly address our recommendation about mandating participation, merely restating its commitment to work with authorities to increase the number of areas participating in dispersal. Nor did it comment on our recommendation that participating authorities required additional funding support.

---

97 Barnsley Council and Local Authorities in Yorkshire & Humber, [ASY0002](#)
98 Q13
99 Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637
100 Home Affairs Committee, Twelfth Report of Session 2016–17, Asylum accommodation, HC 637 para 38
The benefits of participation

77. Despite the pressures generated, local authorities participating in dispersal often take great pride in their role. Councillor Susan Aitken of Glasgow City Council said, “We are very proud to have been a dispersal city—and I think a very successful dispersal city—for all these years. It has become part of Glasgow’s culture and … for Glaswegians’ own sense of themselves it has been a very positive thing.”103 Councillor David Simmonds told us that, as well as feeling a “sense of moral responsibility”, some authorities recognised in dispersal an opportunity to sustain and revitalise communities which might be struggling, for example, because there were not enough children in the settled population to sustain a school, or housing which was not being used.104

78. Councillor David Simmonds noted “a sense of frustration” that a proportion of authorities—the 21 noted by the Minister—had expressed willingness to participate but had not had accommodation procured within them.105 The cost of housing in those areas was likely to be the reason why those authorities had not been activated. “There is no way” he said, “within the financial envelope of the contracts you could possibly consider placing people other than in the lowest possible housing cost areas in the UK”.106

Local authority and third-sector costs

79. Individuals who are destitute and in need of s95 support will often require other support from public services and third sector organisations. Councillor Lawrence told us that the costs falling on local authorities related to “greater community liaison, greater environmental health, education, and also our colleagues in health.”107 While councils receive council tax revenue in connection with resident asylum seekers, this does not cover the full cost of services authorities are required to provide.108

80. There are also long-term costs for authorities involved in dispersal. When an asylum seeker’s application for asylum is approved and they receive refugee status, they are required to leave asylum accommodation during a 28-day ‘move-on’ period. Central government support ends and the Department for Work and Pensions provides access to benefits and support to find work. However, a number of reports have highlighted problems in the move-on period which mean support under s95 ends before a first benefit payment or salary payment is made, thereby leading to destitution.109 It may then become the local authority’s responsibility initially to provide shelter, while third-sector organisations and community groups sometimes step in to help. Equally, some asylum seekers whose application is refused have no further entitlement to central government support, meaning that the local authority may have to step in to prevent homelessness while that individual’s next steps are determined.110 In both cases, the local authority’s continuing responsibilities are unfunded.
81. The Government initially indicated that the dispersal ratios for different areas would be rolled forward under the new contracts, which has caused local authorities a great deal of concern. Andy Burnham warned:

> If this is looked at purely through driving down the cost, in the end you will have people saying, “This cannot lead to a process that is fair to anybody” and it will, therefore, collapse. The public support will not be there [ … ] Yes, we understand the need for the Home Office to keep an eye on the cost, but it also has to look at the wider social consequences and the manageability of the levels of dispersal.

82. All the council representatives who gave evidence stressed that dispersal authorities were serious about looking to withdraw from participation unless the Government recognised and addressed the pressures which the system placed upon them. Given the high proportion of asylum seekers housed in these authorities’ communities, the Government would quickly find itself in very severe difficulties if their support was lost.

83. This message is now being recognised by the Government. The day before we took evidence (19 November 2018) the Home Secretary wrote both to Andy Burnham and to the Local Government Association and its devolved counterparts. Andy Burnham told us that the Home Secretary had said:

> I am happy to commit my officials to work with you on the question of a more equitable distribution of supported asylum-seekers and what this would look like in practice. This is part of a wider intent that from the start of the new contract onwards we will achieve a progressive reduction in the proportion of dispersal in the higher-volume areas, with a commensurate increase in the ratios in areas that currently have lower or non-existent volumes.

It is noticeable that the prospect of more equitable distribution offered by the Home Secretary is described as an “intent” on the part of the Government rather than a firm commitment. While Mr Burnham described this change of position as a “significant movement” he pointed out that there was very little time to give effect to this commitment before the introduction of the new contracts. The words themselves were not enough to give dispersal authorities confidence that the operation of the dispersal policy would change.

**Improving dispersal**

84. The Home Office’s options for addressing inequity in dispersal are limited: it can increase what it is prepared to spend to enable accommodation to be procured more widely; and/or it can find ways to persuade or require more local authorities, like the twenty-one authorities which are waiting to receive asylum seekers, to participate in dispersal. We were told by Sean Palmer, the Home Office Director of Asylum Support, Immigration and Protection, that there was no financial envelope and bids for the new contracts would be evaluated both on quality and on price, keeping in mind the need to “find housing in

---

111 Letter from the Immigration Minister to Councillor David Simmonds, 19 November 2018
112 Q11
113 Q4
114 Q4
a range of local authority areas at the standards that we require”. While this suggests the Government may not be looking for the savings on asylum accommodation which were initially sought under COMPASS, we were nonetheless told the Government would ultimately seek “the most economically advantageous tender”.116

85. The Government has statutory powers under section 100 of the Immigration and Asylum Act 1999 to require local authority support. The statute provides that a local authority must “co-operate in giving the Secretary of State such assistance in the exercise of that power [to provide s95 accommodation] as is reasonable in the circumstances”.117

86. Councillor David Simmonds was sceptical about the benefits the Government might achieve by mandating local authority participation in dispersal. In practice:

[ … ] either that means they will mandate authorities who do not wish to continue to participate because of the overwhelming burden they are facing and simply tell them, “Well, tough. You are going to have to do it and you are going to have to take more”, or they will need to break their own financial limits by sending people to local authorities that they are not currently using because they fall outside of that financial envelope.118

87. In October the Minister cast doubt on “whether” she had powers to mandate authorities’ participation in dispersal.119 She subsequently wrote to us that the statutory powers had been designed to work in respect of local authority housing and did not work well in relation to housing in the private sector.120

88. Appearing before us, the Minister said that she did not “feel comfortable” about the prospect of mandating participation. She told us that mandating would “feel like I was doing it unto them”. She therefore preferred to focus on partnership with local government as the way to increase the number of dispersal authorities.121 As we set out in paragraph 69 above, however, the Government has in the last two years only managed to increase the number of local authorities volunteering to participate in dispersal from 27% to 33% of the whole. It has indicated that it is looking to the LGA to help it in this task.122 Councillor David Simmonds, the Chair of the LGA’s Asylum, Refugee and Migration Task Group pointed out that the experience of the existing dispersal areas is clearly “a significant bar” to others coming forward voluntarily.123

89. The Minister confirmed to us that participation in the dispersal policy for asylum accommodation is voluntary.124 The Government must therefore accept that it is not unreasonable for authorities who have, in many cases, supported dispersal for the best part of two decades and have carried a disproportionate share of the unfunded costs and pressures, to request more equitable treatment. It has reached the point where local authorities are contemplating withdrawal. While we recognise the benefits of

115 Q125
116 Q128
117 Immigration and Asylum Act 1999 s100
118 Q23
119 Hansard Col 138 WH
120 Letter from the Immigration Minister, 1 November 2018 p6
121 Q405–106
122 Q105
123 Q105
124 Q105
voluntary participation in dispersal, the Government will have to work much harder if it is serious about quickly reducing the pressure on those dispersal areas. The Minister has looked towards the Local Government Association to help persuade other authorities to participate, but ultimately it is the Government which has the power to change the context for these discussions.

90. The Government must urgently reconsider the operation of the dispersal policy and must provide dispersal authorities with dedicated funding to better manage dispersal and the related impact on services. The Government should extend the cluster limit to wards, to be introduced with the new accommodation contracts, to alleviate the most immediate pressures on existing dispersal authorities (with dispersals over and above the cluster limits only allowed with consent from the relevant local authority).

91. It is also essential that the evaluation of the tenders for the new contracts recognises the varying cost of accommodation in different areas, and provides for this, so that all those authorities that are willing to participate can help. We expect that these changes would give currently non-participating authorities confidence that their communities will be fully supported to manage dispersal. The new contracts need to provide for real partnership between Government and local authorities in managing the rate of arrivals, and give local authorities the right to object to the procurement of accommodation when it has concerns about the potential impact.

92. We are concerned at the suggestion that s100 of the Immigration and Asylum Act 1999, which provides statutory powers to require local authority support, has become ineffective and that there was a lack of clarity from the Government as to whether it could be used. The Government should urgently clarify whether this power remains fit for purpose.
Conclusions and recommendations

Introduction

1. Two years on from the preparation of our previous report we were disappointed to discover that very little has changed. The key difference we have found, following the Government’s failure to implement our previous recommendations, is a deepening mistrust by local authorities of central government. (Paragraph 6)

Procurement and oversight of the Asylum Accommodation and Support Services contracts

2. The UK’s proud tradition of providing asylum relies on the support and consent of local communities, many of which have a long history of welcoming those in need of sanctuary. We are deeply concerned that the Government’s handling of the replacement for the COMPASS contracts has led dispersal authorities to consider, as a last resort, withdrawal from participation in the dispersal scheme. With a significant percentage of asylum seekers located in these regions, withdrawal of these areas would impact heavily upon vulnerable individuals and on the wider operation of the dispersal policy. It is essential that this outcome is avoided by making sure that participating local authorities have a genuine partnership role in the new contracts. (Paragraph 18)

3. Local authority responsibilities for safeguarding, providing education and other public services, licensing HMOs, managing community impacts and preventing destitution mean that they have a very clear interest in the progress of the contracting process, and they also need to be able to plan for the transition. The decision not to share risk management information and contingency plans with them, after the experience of introducing COMPASS, is ill-judged. (Paragraph 26)

4. The Government must recognise that the introduction of these contracts, valued at approximately £4 billion over 10 years, remains a priority. A botched transition would have immediate repercussions for some of the most vulnerable individuals in society and, if it were to result in the withdrawal of authorities from the dispersal system, could present a significant risk to the Government’s ability to meet its statutory responsibilities for the asylum system. Staff responsible for managing and supporting the transition to the new contracts should be protected from other demands, including dealing with Brexit pressures. (Paragraph 28)

5. While we welcome the Minister’s recent acknowledgement of the “huge role” which local government plays in supporting asylum seekers and refugees, we are concerned at how little time there is for the development of an effective strategic partnership with local government before the transition to the new contracts. The Government’s words about developing an understanding of the impact of dispersal on authorities, and seeking to mitigate these impacts and authorities’ currently unfunded costs, are encouraging but, with only a matter of weeks before the new contracts are signed, there is little evidence that the change in the Government’s approach goes beyond words. (Paragraph 33)
6. We regret that the issues raised in the Committee’s previous report persist, and that the Government has not taken the opportunity to act upon many of our recommendations. We are concerned that the Government did not accept our previous recommendations for changing the commissioning process in time for these contracts, and we continue to believe that wider changes are required. We reiterate our belief that local authorities should be closely involved in developing the replacement to COMPASS. (Paragraph 34)

7. We are disappointed that the Government has not taken up our suggestion for the commissioning of asylum accommodation to be devolved to the regional Strategic Migration Partnerships or our recommendation that local authorities should have essentially joint decision-making powers so that their refusal of provider requests for asylum accommodation are only overturned in exceptional circumstances. (Paragraph 35)

8. The next few weeks present a vital opportunity for the Government to make the provision of asylum accommodation work better for everyone: first and foremost, for asylum seekers but also for the dispersal authorities, providers, communities housing asylum accommodation and other stakeholders. To succeed the Government must, in the words of the Independent Chief Inspector of Borders and Immigration, start by building each of the parties’ confidence that they can “trust the intentions and actions of the other”. (Paragraph 36)

9. The Government must act now to reset its relationship with local authorities on asylum accommodation: it must realise its recent commitment to understand those authorities’ concerns better and provide clear evidence of improved funding support for the full range of impacts they are required to address. In return the Government should be able to draw upon these authorities’ experience to manage the distribution of asylum seekers more fairly and have their assistance in facilitating and maintaining sufficient accommodation which meets the contractual standards. An improved relationship will require better cooperation between key stakeholders. If this is not secured soon the relationship will become unsalvageable and some local authorities may withdraw altogether. We reiterate our previous recommendation that the Government should insist on formal, regular meetings between providers, local authorities and the third sector (and devolved governments) to coordinate their activities and address concerns about clustering and community cohesion. Local authorities must have a stronger role in decision making under the new contracts, and a more significant role in oversight of performance of them. (Paragraph 37)

10. As a first step the Government should consult local authorities on the full details of the proposed contracts before they are finalised. In view of the current timetable for signing the contracts this would need to be done within the next few weeks. If the Government acts with sufficient urgency we believe this can be done without significant detriment to that timetable. This action would help to build dispersal authorities’ confidence in the Government’s commitment to develop an equitable, strategic partnership with its local partners. (Paragraph 38)
Accommodation standards

11. We are pleased that the Independent Chief Inspector has accepted a role in the oversight of asylum accommodation provision and welcome his scrutiny. (Paragraph 46)

12. While we recognise the steps the Government has taken to ensure asylum seekers are better informed and able to escalate problems where there are difficulties with the provider, we are concerned that individuals who are awaiting the outcome of their asylum applications may be reluctant to complain directly to the Home Office, which will determine their future. (Paragraph 56)

13. The Department stated that property inspection should be a departmental responsibility since this helps it to hold providers to account. Yet, in practice, it is relying heavily upon assurances from the providers that accommodation meets the contractual requirements and where problems are identified, by its inspectors or others, these are not being addressed. This is in spite of overwhelming evidence from NGOs, local authorities and the Independent Chief Inspector of Borders and Immigration that the condition of some accommodation is unacceptably poor. (Paragraph 57)

14. As the contract holder the Department has the power to insist upon better performance by accommodation providers, without waiting passively for asylum seekers or NGOs to draw their attention to concerns. (Paragraph 57)

15. We are hugely disappointed that the Government has not taken up the Committee’s recommendations on improving the standards of accommodation. The Department has a duty of care and must show a greater urgency about the degrading conditions in which very vulnerable people are being housed under its contracts, including torture survivors, individuals suffering PTSD, pregnant women and mothers with small children. As we previously recommended in 2017, property standards should be aligned with local authority housing standards and providers’ key performance indicators should be appropriately adjusted. The Government should transfer the inspection duties currently carried out by the Home Office to local authorities, including the ability to impose sanctions, along with the necessary resources to carry out this function effectively. This funded transfer should take effect from the point at which the transition to the new contracts is complete. (Paragraph 58)

16. The recent steps taken by the Government to make it easier for officials to assess the main contractors’ performance in providing and maintaining accommodation are helpful developments which should support the Government in holding future providers to account, and we welcome them. (Paragraph 60)

17. We are concerned that there continues to be systemic mistrust affecting engagement between the Home Office, the ICIBI and NGOs. In our previous report, we described the fear of asylum seekers that complaining would affect their asylum application or might result in them being moved out of the area. It is not good enough that nothing seems to have changed. Rightly, those who have the confidence of asylum seekers put great emphasis on retaining that confidence. Yet essential improvements to accommodation are proving hard to secure, and providers who are failing in their contractual responsibilities are not being held to account. We are also concerned that,
even though the Home Office was made aware of the Inspectorate’s concerns that NGOs and asylum seekers did not want to tell the Home Office about problems with their accommodation, the Home Office has not acted to resolve this. (Paragraph 62)

18. The further concern we have is that, while we accept that the Government had asked the Independent Chief Inspector for information about accommodation highlighted in his report, and had been refused, it appears that it had not tried any other avenues to identify this accommodation at any point between 9 July and 19 November, in order to get urgent repairs made for which it was ultimately responsible. (Paragraph 63)

19. Changing this culture, and building stakeholders’ confidence in their ability to report concerns without detriment, represents a significant challenge for the Government and for its future delivery partners. The failure of the Home Office to properly follow-up issues raised by the Independent Chief Inspector is evidence of a deeper problem. (Paragraph 64)

20. The Government should commission an independent review of the experience of asylum seekers in asylum accommodation, and of their treatment by providers and the Home Office, as the Authority. This review should report by March 2020. (Paragraph 64)

Dispersal and distribution

21. The Minister confirmed to us that participation in the dispersal policy for asylum accommodation is voluntary. The Government must therefore accept that it is not unreasonable for authorities who have, in many cases, supported dispersal for the best part of two decades and have carried a disproportionate share of the unfunded costs and pressures, to request more equitable treatment. It has reached the point where local authorities are contemplating withdrawal. While we recognise the benefits of voluntary participation in dispersal, the Government will have to work much harder if it is serious about quickly reducing the pressure on those dispersal areas. The Minister has looked towards the Local Government Association to help persuade other authorities to participate, but ultimately it is the Government which has the power to change the context for these discussions. (Paragraph 89)

22. The Government must urgently reconsider the operation of the dispersal policy and must provide dispersal authorities with dedicated funding to better manage dispersal and the related impact on services. The Government should extend the cluster limit to wards, to be introduced with the new accommodation contracts, to alleviate the most immediate pressures on existing dispersal authorities (with dispersals over and above the cluster limits only allowed with consent from the relevant local authority). (Paragraph 90)

23. It is also essential that the evaluation of the tenders for the new contracts recognises the varying cost of accommodation in different areas, and provides for this, so that all those authorities that are willing to participate can help. We expect that these changes would give currently non-participating authorities confidence that their communities will be fully supported to manage dispersal. The new contracts need to provide for real partnership between Government and local authorities in
managing the rate of arrivals, and give local authorities the right to object to the procurement of accommodation when it has concerns about the potential impact. (Paragraph 91)

24. We are concerned at the suggestion that s100 of the Immigration and Asylum Act 1999, which provides statutory powers to require local authority support, has become ineffective and that there was a lack of clarity from the Government as to whether it could be used. The Government should urgently clarify whether this power remains fit for purpose. (Paragraph 92)
Formal minutes

Tuesday 11 December 2018

Members present:

Rt Hon Yvette Cooper, in the Chair

Sir Christopher Chope  Stuart McDonald

Stephen Doughty  Alex Norris

Kate Green  Douglas Ross

Tim Loughton

Draft Report (Asylum accommodation: replacing COMPASS), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 92 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjourned till Tuesday 8 January at 2.15 pm
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee’s website.

Tuesday 20 November 2018

Councillor Susan Aitken, Leader of Glasgow City Council, Andy Burnham, Mayor of Greater Manchester, Councillor Roger Lawrence, Leader of the City of Wolverhampton Council, Councillor David Simmonds CBE, Deputy Leader of Hillingdon Council and Chairman of the Local Government Association’s Asylum, Refugee and Migration Task Group

Wednesday 21 November 2018

Rt Hon Caroline Nokes MP, Minister of State for Immigration, Paul Morrison, Resettlement Asylum Support and Integration, Sean Palmer, Acting Director, Immigration and Protection SRO – Asylum Accommodation and Support Transformation
Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

ASY numbers are generated by the evidence processing system and so may not be complete.

1. Barnsley Council and Local Authorities in Yorkshire & Humber (ASY0002)
2. Newcastle City Council (ASY0001)

Published Correspondence

1. Letter from the Chair to the Immigration Minister regarding asylum accommodation, 23 November 2018
2. Letter from the Chair to Paul Morrison regarding asylum accommodation, 23 November 2018
3. Letter from Independent Chief Inspector of Borders and Immigration on asylum accommodation, 22 November 2018
4. Letter from the Immigration Minister regarding asylum accommodation, 22 November 2018
5. Letter from the Independent Chief Inspector of Borders and Immigration on asylum accommodation, 21 November 2018
6. Letter from the Chair to the Independent Chief Inspector of Borders and Immigration on asylum accommodation, 21 November 2018
7. Letter from the Chair to the Immigration Minister regarding asylum accommodation, 21 November 2018
8. Letter from the Immigration Minister to the Chair regarding asylum accommodation, 1 November 2018
9. Letter from the Chair to the Home Secretary regarding asylum accommodation, 4 October 2018
10. Letter from the Immigration Minister regarding the procurement of asylum accommodation, 13 July 2018
11. Letter from the Chair to the Immigration Minister regarding the procurement of asylum accommodation, 9 July 2018
## List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee’s website. The reference number of the Government’s response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

<table>
<thead>
<tr>
<th>Report</th>
<th>Title</th>
<th>HC Number</th>
<th>HC Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Report</td>
<td>Home Office delivery of Brexit: customs operations</td>
<td>HC 540</td>
<td>(HC 754)</td>
</tr>
<tr>
<td>Second Report</td>
<td>Immigration policy: basis for building consensus</td>
<td>HC 500</td>
<td>(HC 961)</td>
</tr>
<tr>
<td>Third Report</td>
<td>Home Office delivery of Brexit: immigration</td>
<td>HC 421</td>
<td>(HC 1075)</td>
</tr>
<tr>
<td>Fourth Report</td>
<td>UK-EU security cooperation after Brexit</td>
<td>HC 635</td>
<td>(HC 1566)</td>
</tr>
<tr>
<td>Fifth Report</td>
<td>Windrush: the need for a hardship fund</td>
<td>HC 1200</td>
<td>(HC 1558)</td>
</tr>
<tr>
<td>Sixth Report</td>
<td>The Windrush generation</td>
<td>HC 990</td>
<td>(HC 1545)</td>
</tr>
<tr>
<td>Seventh Report</td>
<td>UK-EU security cooperation after Brexit: Follow-up report</td>
<td>HC 1356</td>
<td>(HC 1632)</td>
</tr>
<tr>
<td>Eighth Report</td>
<td>Policy options for future migration from the European Economic Area: Interim report</td>
<td>HC 857</td>
<td></td>
</tr>
<tr>
<td>Ninth Report</td>
<td>Domestic Abuse</td>
<td>HC 1015</td>
<td></td>
</tr>
<tr>
<td>Tenth Report</td>
<td>Policing for the future</td>
<td>HC 515</td>
<td></td>
</tr>
<tr>
<td>Eleventh Report</td>
<td>Policy options for future migration from the European Economic Area: Interim report: Government Response to the Committee’s Eighth Report</td>
<td>HC 1663</td>
<td></td>
</tr>
<tr>
<td>Twelfth Report</td>
<td>Home Office preparations for the UK exiting the EU</td>
<td>HC 1674</td>
<td></td>
</tr>
<tr>
<td>First Special Report</td>
<td>The work of the Immigration Directorates (Q1 2016): Government Response to the Committee’s Sixth Report of Session 2016–17</td>
<td>HC 541</td>
<td></td>
</tr>
<tr>
<td>Second Special Report</td>
<td>Asylum accommodation: Government Response to the Committee’s Twelfth Report of Session 2016–17</td>
<td>HC 551</td>
<td></td>
</tr>
<tr>
<td>Third Special Report</td>
<td>Unaccompanied child migrants: Government Response to the Committee’s Thirteenth Report of Session 2016–17</td>
<td>HC 684</td>
<td></td>
</tr>
<tr>
<td>Fourth Special Report</td>
<td>Home Office delivery of Brexit: customs operations: Government Response to the Committee’s First Report</td>
<td>HC 754</td>
<td></td>
</tr>
<tr>
<td>Fifth Special Report</td>
<td>Immigration policy: basis for building consensus: Government and Office for National Statistics Responses to the Committee’s Second Report</td>
<td>HC 961</td>
<td></td>
</tr>
</tbody>
</table>
Sixth Special Report  Home Office delivery of Brexit: immigration: Government Response to the Committee’s Third Report

Seventh Special Report  The Windrush generation: Government Response to the Committee’s Sixth Report

Eighth Special Report  Windrush: the need for a hardship fund: Government Response to the Committee’s Fifth Report

Ninth Special Report  UK-EU security cooperation after Brexit: Government Response to the Committee’s Fourth Report

Tenth Special Report  UK-EU security cooperation after Brexit: Follow-up report: Government Response to the Committee’s Seventh Report