



Public Accounts Committee

Oral evidence: UK-Rwanda Migration and Economic Development Partnership, HC 410

Monday 11 December 2023

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Members present: Dame Meg Hillier (Chair); Olivia Blake; Sir Geoffrey Clifton-Brown; Mr Jonathan Djanogly; Mrs Flick Drummond; Anne Marie Morris.

Home Affairs Committee members also present: Dame Diana Johnson and Tim Loughton.

Gareth Davies, Comptroller and Auditor General, National Audit Office, Sian Jones, National Audit Office, Oliver Lodge, National Audit Office, and David Fairbrother, Treasury Officer of Accounts, were in attendance.

Questions 1 - 105

Witnesses

I: Sir Matthew Rycroft KCMG CBE, Permanent Secretary, Home Office; Daniel Hobbs, Director-General, Migration and Borders, Home Office.



Examination of witnesses

Witnesses: Sir Matthew Rycroft and Daniel Hobbs.

Q1 **Chair:** Welcome to the Public Accounts Committee on Monday 11 December 2023. We are holding a special session today about the funding for the Rwanda project. This is very much as a result of the Permanent Secretary appearing in front of this Committee last week and in front of the Home Affairs Committee on 29 November, unable to provide information about the funding for the scheme, but then publishing a letter on Thursday night, with no notice to us, detailing some figures that we had been pursuing in Committee. We are concerned that two Select Committees of this House did not receive the financial information that we were requesting, and we want to get those answers today.

I need to be really clear that we are the Public Accounts Committee, so we do not debate the merits of a policy. We are here to look at the efficacy, efficiency and economy of that policy and whether it is going to deliver what it sets out to on its own terms. Our sister Committee, the Home Affairs Committee, deals with policy. As it happens, they have a scheduled meeting on Wednesday with the two new immigration Ministers. I would like to welcome the Chair of the Home Affairs Committee, Diana Johnson, and the deputy Chair, Tim Loughton, who are guesting on this Committee today.

I would also like to welcome our witnesses from the Home Office. We have Sir Matthew Rycroft, who is the Permanent Secretary at the Home Office and, crucially for this session, the accounting officer, therefore responsible for answering to Parliament about how money is spent. Daniel Hobbs, who is joining him, is the director-general for migration and borders, and a first-time witness at this Committee, though familiar with our colleagues on the Home Affairs Committee.

Can I start with you, Sir Matthew, as Permanent Secretary and accounting officer? You appeared in front of us last week and I asked questions about the money being spent on Rwanda. You were not willing to be forthcoming about amounts of money, and yet on Thursday we received this letter, sent to our inboxes at 9.16 pm and published by you on your website at 9.45 pm. What transpired in that half an hour in between is that certain journalists also published that information. What changed between last Monday and Thursday night?

Sir Matthew Rycroft: Thank you very much, Chair, for this opportunity to set things out in as much detail as you would like. The big thing that changed between Monday and Thursday night happened on Thursday morning, which was that we heard that someone in Rwanda had informed the International Monetary Fund of the £100 million payment from April, and that had found its way into a footnote of an IMF board paper that had been sent to all IMF delegations.



HOUSE OF COMMONS

At that point, it was clear to me that this information was in the public domain. I wanted you to hear about that from me, and so I worked as quickly as possible to get all of the necessary approvals within the UK system and to notify our colleagues from the Government of Rwanda in order to notify you and, indeed, the Home Affairs Select Committee about that payment before you heard about it in any other way.

Q2 Chair: It would be normal courtesy in these matters to inform both the Clerks and Chairs of the relevant Select Committees in advance that such an important notice was about to be published on your website. You wrote the letter to Dame Diana Johnson and myself, but you published it half an hour after it had landed with us. Have you anything to say about that?

Sir Matthew Rycroft: I can only apologise if that came across as disrespectful. I thought that the most important thing to do was to get the information to the two Chairs.

Q3 Chair: With respect, Sir Matthew, as much as we are diligent parliamentarians—and I speak for Dame Diana particularly—and our Clerks are incredibly diligent and hardworking, they are not generally monitoring an email inbox at 9.16 on a Thursday evening. It does not take a genius to work out that it would have been courteous to let us know that that might be coming.

Sir Matthew Rycroft: I absolutely take that away and I will talk to the parliamentary team in the Home Office to ensure that their relationships with the Clerks of the two Committees are such that, as soon as it is known that there will be a letter—on this occasion, it was probably about 7.40 in the evening when we heard notification that our Government of Rwanda colleagues had received the information and were aware of my impending letter. At that point, we could have told the Clerks, but that might also have been too late, in which case the only alternative would have been to wait until the following morning.

Q4 Chair: I have to say, Sir Matthew, we can dance on a pinhead about this, but a number of your colleagues—other Permanent Secretaries and accounting officers—will contact me directly if there is something of urgent import, to make sure that I am aware of it in the right timeframe. That is not unusual, not uncommon and something that Whitehall does routinely, so I would hope that the Home Office could just up its game on that.

Can I just go back to the numbers? It is still unclear to me why you could not reveal that the £100 million of a previously agreed programme was allocated to this project in April. That is seven months ago, and yet you tell us we have to wait until next July to know that number. Why the secrecy around this figure on a Government flagship programme?

Sir Matthew Rycroft: You are right that it is an absolutely crucial programme, and you are, of course, right that there is a huge amount of interest in anything to do with the migration and economic development



HOUSE OF COMMONS

partnership with Rwanda, but I repeat what I said last Monday and to the Home Affairs Select Committee before that, which is that we have reached an agreement with the Government of Rwanda that this is commercially sensitive information and that the right way to announce it is exactly in line with all other Government spending, which is annually, in the annual report and accounts. That is the normal way in which all Government spending, from the Home Office and any other Government Department, is made public.

Q5 Chair: I have to say again that the Home Office is rather on the back foot on this. Remember that this Committee deals not just with the Home Office but with all other Government Departments. On other major projects, either because those Departments have volunteered it or because we have asked for it, there is more regular reporting, with more detailed numbers. One recent example is High Speed 2, where there is six-monthly reporting on terms agreed with the Public Accounts Committee.

It is not very commercially sensitive that there is already money allocated to this programme. It is pretty clear that money was expected to go to Rwanda, and all we were asking for was the figure. I still do not understand what was commercially sensitive about this.

Sir Matthew Rycroft: What was commercially sensitive, until the moment that it entered the public domain, was the size of the figure, bearing in mind that the UK could be negotiating similar agreements with other countries; indeed, so could Rwanda. We had reached that agreement. We take this partnership extremely seriously. I also take my responsibilities of transparency to you extremely seriously, and I have to balance the two. It is a requirement to publish the information every year in the annual report and accounts, and we commit to do that. It is a choice about whether to publish that information in advance, and the choice for me as accounting officer is one where I need to weigh up the different aspects of the public interest. I did that, and that changed on Thursday morning.

Q6 Chair: The fact that you have already paid £120 million, and you have £20 million on account, effectively, against any individuals that may be sent, plus another £100 million to a country with which we already have an agreement is hardly a commercially sensitive issue. Was there a prospect that you would jump to a different country for third-party asylum cases?

Sir Matthew Rycroft: That is always possible in the future.

Q7 Chair: Yes, in the future, but not before the annual report and accounts come out. Surely you would not be suggesting that, between now and July of 2024, there was a likelihood that you would provide that funding to another country instead of Rwanda.

Sir Matthew Rycroft: I repeat: we had an agreement with the Government of Rwanda that each of us would declare the payment at the



HOUSE OF COMMONS

end of the financial year, and we were sticking to our side of that bargain, bearing in mind the importance of the partnership and the commercially sensitive nature of that information. That changed on Thursday morning, which is why the balance of my assessment of the public interest also changed and why I took steps to inform you as rapidly as possible.

Q8 Chair: Whose suggestion was it that it would be reported in the annual report and accounts? Was it driven by the Rwandan Government or the British Government?

Sir Matthew Rycroft: We make public all payments in the annual report and accounts. That is one of the purposes of the annual report and accounts.

Q9 Chair: Yes, but, going back to this, Sir Matthew, other Departments provide Parliament with regular updates on a more frequent basis on major projects. It is not uncommon that that happens outside of the annual report and accounts laid to Parliament, because Parliament needs to be able to scrutinise those figures, often outside the cycle of annual reports and accounts, which, as you know, are at least three months after the end of the financial year, so there is always a time lag.

Sir Matthew Rycroft: As I say, I have to balance the benefits of transparency against the issues of commercial sensitivity and, on some other issues, national security.

Chair: You told us in July that you were not disclosing it because it was commercially sensitive. At the time, we were sceptical of that. I am going to ask Dame Diana Johnson to pick up on this point.

Q10 Dame Diana Johnson: Thank you very much for the explanation about what happened, because it was not relayed either to Dame Meg or to myself why, on Thursday evening, we were suddenly presented with social media running a story that I had received a letter that I had clearly not seen late on Thursday evening. It is helpful to understand the reasoning for that. I am certainly aware that the Clerks to the Home Affairs Select Committee were in touch with your colleagues in the parliamentary team that afternoon, but there was no mention that there was a letter coming or that there was anything that we needed to be aware of.

Sir Matthew Rycroft: As I just said to the Chair, it is possible that my colleagues in the parliamentary team would not have wanted to disclose that until we were sure that we were going to be sending a letter, but I will absolutely take the steer that you would rather know sooner.

Q11 Chair: Sir Matthew, that sounds incredibly disrespectful to Dame Diana. "Taking into account her desire"— I am sorry; the wording momentarily left me—did not sound like it is taken seriously. In other cases, as Chair of the Public Accounts Committee—I am sure that Dame Diana has had similar experiences as Chair of the Home Affairs Select Committee—we



HOUSE OF COMMONS

have frequently been called into Departments on issues that are very sensitive and may not yet be in the public domain, in some cases, knowing that they will be, but they want to make sure that Parliament is aware. For those purposes, for convenience, it is sometimes the Chairs of Committees that act as Parliament in that case.

It would have been prudent, would it not, to have notified us earlier on in the day that there was a prospect that there would be a letter coming, or, indeed, to tell us confidentially that there was an issue here? We frequently hold confidences as Select Committees.

Sir Matthew Rycroft: That is extremely good to know. Thank you very much, Chair, for making that clear. I will absolutely act on that next time.

Q12 **Dame Diana Johnson:** I have to say, Sir Matthew, that, after the appearance of you and the Second Permanent Secretary at the Home Affairs Select Committee on 29 November, where you seemed to have no information on almost any of the questions that we asked you, I am very surprised that, immediately after that session, you were not writing to me with some information. I have not had anything from you.

Sir Matthew Rycroft: You asked for that information by a set date, which, from memory, is the 18th.

Q13 **Dame Diana Johnson:** I wrote to you because I had not heard from you for a week. I do not want to press you on that, because I want to ask you something else. Why did you publish the letter on the Home Office website at 9.45 on Thursday evening?

Sir Matthew Rycroft: We published it on the website because that is what happens as a normal course of events. Whether it happened later that night or the following morning, I do not know.

Q14 **Dame Diana Johnson:** Sir Matthew, that was a letter to me, as Chair of the Home Affairs Select Committee, and Dame Meg, as Chair of the Public Accounts Committee. It was a letter to our Committees. Our Committees look at correspondence and we decide when we publish. I am really surprised that, as a Permanent Secretary, you do not seem to know the basics of how the system works.

Sir Matthew Rycroft: I know how the system works. I respect the system.

Q15 **Dame Diana Johnson:** You do not, clearly, Sir Matthew.

Sir Matthew Rycroft: I am here to give evidence to the PAC and the Home Affairs Select Committee. I have always prioritised doing that. It is absolutely crucial to me that the Home Office has a strong relationship with the two Committees, and that is what I am here to pursue.

Q16 **Dame Diana Johnson:** Sir Matthew, the Home Office does not have a strong relationship with the Home Affairs Select Committee. You are kidding yourself if you think that is correct. It does not. We struggle to get any information out of you. It is very unsatisfactory.



HOUSE OF COMMONS

I just wanted to ask you about the letter that you wrote on Thursday evening. In the letter, you explain that £100 million has been spent. You say, "The UK Government has not paid any more to the Government of Rwanda thus far". They have paid £100 million, but, thus far, nothing else has been paid. That implies that something else may be paid this year.

Sir Matthew Rycroft: With permission, perhaps I could set out the two types of payments that there are as part of the migration and economic development partnership with Rwanda. First of all, there are the annual payments as part of the economic transformation and integration fund.

Q17 **Dame Diana Johnson:** Can I stop you there? £100 million was spent in that first year.

Sir Matthew Rycroft: £120 million, and £100 million in the second year.

Q18 **Dame Diana Johnson:** Plus another £20 million that we will come on to, which is around the set-up costs if any asylum seekers actually go. There is another £100 million this year and £50 million next year. We knew about the £120 million, but why did we not know about the £100 million and the £50 million?

Sir Matthew Rycroft: As I set out, the information was commercially sensitive until it was inadvertently released.

Q19 **Dame Diana Johnson:** It was all agreed at the beginning when the memorandum was agreed.

Sir Matthew Rycroft: That is right. It was all agreed at the beginning. It was all part of the negotiation.

Q20 **Dame Diana Johnson:** So everybody knew that there was going to be £120 million, £100 million and £50 million in those three years. Where is this information set out?

Sir Matthew Rycroft: It is set out in the memorandum of understanding between the two Governments. That is a confidential memorandum, because it includes commercially sensitive information, and the agreement of the two Governments was to release the information, as is the norm for all Government spending in this country, at the end of each financial year as part of the annual report and accounts. That is what we did in the first year in relation to the £120 million. It is what we would have done in the second year in relation to the £100 million, had it not been inadvertently put into an IMF board paper on Thursday. We accelerated the formal announcement.

Chair: We have heard all that.

Sir Matthew Rycroft: We also told you about the £50 million for next year.

Q21 **Chair:** Before I go back to Dame Diana, can I just remind you of your responsibilities as accounting officer under *Managing Public Money*? I am



HOUSE OF COMMONS

sure and hope that you are alert to these as accounting officer. It sets out that, "The standards expected of all public services are honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity and reliability". Crucially, "All should be carried out in the spirit of, as well as to the letter of the law, in the public interest, [...] in achieving value for public money". We did not have openness from you, frankly. We did not have accountability, because we did not have details of the figures. There are interesting issues about integrity, and transparency clearly was not there. Do you really feel that you have adhered to *Managing Public Money* as an accounting officer?

Sir Matthew Rycroft: Yes, I do. The reason I do is that the people in the British Government system in charge of *Managing Public Money* are our Treasury colleagues, and I have kept in lockstep with them every single step of the way. As you imply, this is a very controversial area of public policy and it is a controversial Government approach to try to stop the boats. The status quo is not sustainable.

Q22 **Chair:** We are not here to discuss the policy. We are here to discuss the money. I note that the Treasury officer of accounts is in the room, so he will be taking that back to the Treasury, because we will be asking questions. In fact, we have a Second Permanent Secretary in front of us later today and we may use that opportunity. We are pretty clear as a Committee that we have open information from all Departments. When we ask for it, we get it. On this occasion, we asked and we did not get it. It really is sub-par.

Sir Matthew Rycroft: I apologise that you have taken that as a sign of disrespect. It is not that at all. It is a sign of a commercially sensitive arrangement and of a ministerial decision to announce the funding.

Chair: A ministerial decision, so maybe that is where it lies.

Q23 **Dame Diana Johnson:** You said that £50 million is going to be paid next year.

Sir Matthew Rycroft: It is due to be paid next year, yes.

Q24 **Dame Diana Johnson:** I take it that there is no ability to opt out of these payments and that they will be paid.

Sir Matthew Rycroft: There is a break clause in the memorandum of understanding, but there is a presumption that the UK Government will want to continue with the partnership, bearing in mind its importance in the overall effort to stop the boats.

Q25 **Dame Diana Johnson:** When is the break clause?

Sir Matthew Rycroft: Either Government are able to announce a break with three months' notice.

Q26 **Dame Diana Johnson:** Is that at any stage during the three years?

Sir Matthew Rycroft: Yes. It is a five-year agreement.



HOUSE OF COMMONS

- Q27 **Dame Diana Johnson:** Is there more money that is scheduled to be paid after next year?
- Sir Matthew Rycroft:** As I have said before, there are annual payments. I was going to say that there is a second type of money, which are the per-person costs.
- Q28 **Dame Diana Johnson:** We know about that, Sir Matthew, but on these payments that are being made under this ETIF, you have identified that £50 million is to be paid next year. What about the years after that?
- Sir Matthew Rycroft:** There is a fourth and fifth-year cost, which I am not at liberty to disclose. When the time comes, they will be disclosed, along with the per-person costs, which is the other type of money that is an important part of the agreement.
- Q29 **Dame Diana Johnson:** We do not need to go into that at the moment. Do you not think that it would be better for everybody if we just knew exactly what the costs of this are going to be? Would it not just be easier in terms of accountability, so that we can all see exactly what is being spent on this memorandum?
- Sir Matthew Rycroft:** As I have said before, my duty of transparency needs to be balanced against my duty of confidentiality and the agreement with the Government of Rwanda, and I need to manage that balance of the public interest in the best possible way, taking into account the position of Ministers, the Government of Rwanda and others.
- Q30 **Chair:** If there is a break clause, what happens to the money? Does Rwanda have to pay it back?
- Sir Matthew Rycroft:** It depends on who puts the break on.
- Q31 **Chair:** If they break it, what happens?
- Sir Matthew Rycroft:** They have to give it back proportionately, depending on where we are in the financial year.
- Q32 **Chair:** So they could still have the money without having to receive a single asylum seeker.
- Sir Matthew Rycroft:** It would depend on the circumstances.
- Q33 **Chair:** If we break it, they keep it.
- Sir Matthew Rycroft:** Broadly speaking, yes.
- Q34 **Mr Djanogly:** I would like to ask about information to be provided to MPs. Given that this Rwanda Bill is going to ask Parliament to make a factual judgment that contradicts that made by the Supreme Court concerning Rwanda's human rights record, and keeping in mind the extreme speed of this legislation, in order for Members of Parliament to be fully briefed, will MPs have the same access to the same level of disclosure, including documents and figures from the Home Office, as the court received, as well as the more recent costings that you have been



discussing? Secondly, will the Home Office make evidence available on the same principles as it would be required to do so by the court? Namely, will it disclose evidence that is harmful to its case as well as evidence that supports it?

Sir Matthew Rycroft: Government Ministers have already made announcements today, and will be making announcements later today and tomorrow, in relation to the Bill. Of course, there will be full scrutiny of them in the normal way.

Chair: That is not really answering the question.

Q35 **Mr Djanogly:** So you are saying that Members of Parliament will today receive access to the same level of information that the court received for them to make their judgment.

Sir Matthew Rycroft: I said that there will be further information available.

Q36 **Mr Djanogly:** Not that Members of Parliament will be given the same level of documentation that the Supreme Court judges received.

Sir Matthew Rycroft: There is a huge amount in the public domain already. The preparation of the Bill requires the Home Office to work with others across Government on the detail. A significant amount of additional information will be made available, as it always would be as a Bill makes its way through Parliament.

Q37 **Mr Djanogly:** The second part of my question was whether, as you have to have to do with a court, you will be disclosing items that are prejudicial to your case as much as in support of your case. Will Members of Parliament receive the balance that the judges received in order for us to make our decision when this comes to its second reading?

Sir Matthew Rycroft: We will make sure that we pursue the public interest at every stage. As I say, there is sometimes a balance to be struck in terms of working out what the public interest is, but we will absolutely make sure that we abide by that.

Chair: I am not sure that you are getting an answer there.

Mr Djanogly: The answer is the answer, Chair.

Q38 **Sir Geoffrey Clifton-Brown:** Good afternoon, Sir Matthew. Can I ask you a very important question? Given that this whole row was caused last Friday morning by this information being put into IMF board papers, how did it get into those papers and who authorised it?

Sir Matthew Rycroft: I do not know the answer to that question. I would love to know. I am as sure as I can be that it was not anyone at this end. It is a significant amount of money that is material in relation to the economy of Rwanda, which is the business of the IMF in Rwanda, and that was the nature of the paper that went to the IMF board. I think it was probably someone at that end, but I do not know that for sure. It



HOUSE OF COMMONS

definitely was not authorised by the Government of Rwanda, because, as I said earlier, they share the same understanding that I have set out to you on multiple occasions now about the commercially sensitive nature of the information.

Q39 Sir Geoffrey Clifton-Brown: Given that, as the Chair has set out, this information may not have got into the public domain until July 2024, this is quite a sensitive matter from the Government's point of view. What are you going to do to investigate how it got into the IMF board papers?

Sir Matthew Rycroft: There is an investigation under way that colleagues in the British High Commission in Kigali are pursuing with our Government of Rwanda partners at the moment. If and when there is anything helpful to say, I will, of course, tell this Committee.

Q40 Chair: You keep telling us that you were very much bearing in mind commercial sensitivity. Why does it cease to be commercially sensitive when the accounts are published in July? What changes, and where does the point come when it is no longer commercially sensitive?

Sir Matthew Rycroft: I did not envisage a situation where we would not be publishing the costs that we had paid to another country.

Q41 Chair: Where is the point at which it stops being commercially sensitive? If it is commercially sensitive now, it could be commercially sensitive next July.

Sir Matthew Rycroft: You have to have a mechanism. We do, and it is called the annual report and accounts. That is the mechanism whereby Government spending is made public in order to pursue our duty of transparency.

Q42 Chair: So you are not worried that there will be any commercial impacts then.

Sir Matthew Rycroft: We have to manage those commercial impacts when the time comes. There sometimes would be a commercial impact, but, on this sort of issue, we have reached an agreement with our Government of Rwanda partners that annually in arrears is the appropriate way of accounting for the money.

Q43 Chair: We did write to you in July as the Public Accounts Committee and requested a private meeting, but you wrote to us refusing to do that. That is unusual. Most Departments agree that they will brief us privately if it is something sensitive. Why did you refuse that?

Sir Matthew Rycroft: That was the decision of the Home Secretary at the time.

Q44 Chair: It was a ministerial decision. The ministerial direction still runs through. Ministers are deciding, not you as accounting officer.

Sir Matthew Rycroft: For something like that, I am the decision-maker. I choose to ensure that the relationship between the accounting officer



HOUSE OF COMMONS

and the Secretary of State—in this case, the Home Secretary—is strong. I have invested significantly in that, as you would expect, over the last three and three-quarter years in the Home Office.

Q45 **Chair:** We would hope that the two people heading a Department had a reasonable working relationship.

Sir Matthew Rycroft: Yes, exactly. That was the decision that we came to at that time.

Chair: But you are the accounting officer. This is unusual. We have never had a leak from the Public Accounts Committee. I can certainly speak for the eight and a half years during which I have been chairing it. We are respected for that, and other Departments do share with us.

Q46 **Sir Geoffrey Clifton-Brown:** You were about to go on, in answer to Dame Diana's question, about the difference between annual running costs and capital costs. Could you take us through exactly what figures are what? As I understand it, capital costs in 2022-23 are £120 million, £100 million in 2023-24, and £150 million in 2024-25. You are saying there are another two years after that. That is presumably capital costs under a contract that get paid anyway. Could you then tell us about the running costs, which presumably vary according to how many people we send to Rwanda?

Sir Matthew Rycroft: First of all, Sir Geoffrey, it is not capital in the sense of CDEL that the Treasury would recognise; it is all RDEL.

Chair: Just to be clear, that is capital and resource.

Sir Matthew Rycroft: The different types of money are all resource, or RDEL. There are, first of all, the grants that are, broadly speaking, annual and they are the amounts that we have talked about already—the £120 million in the first year, the £100 million in the second year and the £50 million in the third year. On top of that, there are the per-person costs, which are wholly dependent on the number of people. They will also depend on the amount of time that the person stays in Rwanda after their relocation from the UK.

Q47 **Sir Geoffrey Clifton-Brown:** As I understand it, that is this proxy figure of £119 million.

Sir Matthew Rycroft: That is the figure for which that was a proxy. We have not announced that figure. I do not know what it is. The total amount will depend on how long people stay in Rwanda, and that will also be made available to the Committees in the annual report and accounts.

Q48 **Sir Geoffrey Clifton-Brown:** Let us delve further into that figure. If that is the figure that is being indicated, and if you use the figure of £169 per person per day, does that mean that, in computing that figure, you are expecting 100 people to go to Rwanda?

Sir Matthew Rycroft: No, I do not think that you can draw out any prediction like that. As you know, the scheme is uncapped. The



Government of Rwanda will be ready to deal with however many asylum seekers are relocated.

Q49 **Sir Geoffrey Clifton-Brown:** You are saying that you cannot draw any inference like that. What inference can we draw as to the deterrent effect, how many people are likely to be sent to Rwanda and, therefore, the likely cost?

Sir Matthew Rycroft: We do not have evidence of a deterrent effect, which is why I required the ministerial direction back in April 2022. I continue to keep that judgment under review and have recently reaffirmed it. If that were to change, of course, I would tell the two Committees straightaway, because that is extremely material. There is clearly some deterrence going on, because, as you know, there is a one-third reduction in the number of people coming across the Channel in small boats, even though the number of people going into the European Union is increasing.

Q50 **Chair:** Does that include the Albanians who are not coming anymore?

Sir Matthew Rycroft: It does, yes.

Sir Geoffrey Clifton-Brown: It is not entirely a deterrent, then, is it?

Q51 **Chair:** That is not a deterrent, because that was negotiated by—

Sir Matthew Rycroft: That is why I am saying that we do not have the evidence that the Rwanda policy is the reason for the deterrent. We do not yet have the evidence that there is a deterrent effect from Rwanda, and it would be surprising if we did, given that it is not yet operational. As and when it is operational, it will be possible to make a judgment about, first of all, how many fewer people are crossing the Channel in small boats and how much of that reduction is down to the Rwanda policy as opposed to the other parts of the Government's response to the challenge.

Q52 **Sir Geoffrey Clifton-Brown:** You have chosen to answer the deterrent bit of my question. Presumably, the money has been authorised on some basis of cost per person per day in Rwanda and, therefore, presumably you have done some calculation as to the number that you expect to send to Rwanda.

Sir Matthew Rycroft: All of the costs have been agreed across the British Government in the way that you would expect. At the time of the negotiation of the memorandum of understanding and, more recently, the treaty—and you will have an opportunity later to ask my Treasury colleagues about that—this was a British Government decision on the basis of a negotiation by the Home Office and absolute clarity about all of the costs.

Q53 **Sir Geoffrey Clifton-Brown:** We may well ask the Treasury officials later—it is up to the Chair—but we are asking now what money has been authorised by the Home Office, what costs per day and how many people



you are expecting to send to Rwanda.

Sir Matthew Rycroft: We had a discussion about this at the Home Affairs Select Committee. We do not know how many people we will be putting up in our asylum system, because there are too many variables. At the last spending review, there was a separate negotiation and an agreement between the then Home Secretary and the then Chief Secretary to keep out of our main spending review the spending for all of this. That is largely asylum accommodation, but there are other costs associated with that as well. That is a separate agreement, and the Treasury has voted us the monies that we need in order to cover the costs, given that they are a statutory obligation. The same applies with this set of costs.

Q54 **Sir Geoffrey Clifton-Brown:** Of these costs, how much is allocated to the costs of accommodation and how much to the ordinary day-to-day costs such as feeding, clothing and keeping them warm? When I say "them", I mean the people who you have sent. I do not mean that in any denigratory way.

Sir Matthew Rycroft: The agreement that we reached in the memorandum of understanding and updated in the treaty takes account of the Government of Rwanda's projections of what the actual costs will be for all of those things, as well as other costs. We have made sure that we are covering those costs, because this is something that needs to be right for both countries.

Q55 **Sir Geoffrey Clifton-Brown:** I feel like I am not getting to the answers that I want. I want to get an undertaking from you in terms of how you are going to report this matter. Given this row that we are in today, how are you going to report this matter to this Committee, to the Home Affairs Committee and, therefore, to Parliament? How regularly are you going to report it in the future, so that we do not run into this sort of situation again? We will have you back here again, I can assure you. The Chair will not let this go.

Sir Matthew Rycroft: I am ready to come whenever called.

Chair: And give answers as well.

Sir Matthew Rycroft: If you would like to set up a new mechanism, I will happily take back whatever you suggest, discuss it with the Home Secretary and come back to you.

Sir Geoffrey Clifton-Brown: Perhaps we could think about that between us.

Sir Matthew Rycroft: Yes, absolutely.

Chair: We have certainly done that with other Departments, which have been very forthcoming in providing more regular information along the lines of which of the Select Committees are concerned.

Q56 **Tim Loughton:** On this commercial confidentiality get-out clause, what



is commercially sensitive about this? Contracts awarded by the Home Office are usually commercially sensitive on the basis of unit costs that different companies may be pitching with. That is not the case here, because you do not know many units there are going to be, if any, anyway. Why does this have to be confidential?

Sir Matthew Rycroft: That is the agreement that we reached with the Government of Rwanda.

Q57 **Tim Loughton:** Why?

Sir Matthew Rycroft: From their point of view, because they might be negotiating similar arrangements with other countries and, from our point of view, because we might be as well. I know from my years of negotiating that, if I am going to be negotiating the best possible deal for the British taxpayer, the last thing that I want to do is to declare my hand publicly to the other side. That is why any future agreement with any other country would be hampered if we had unnecessarily disclosed commercially sensitive details.

Q58 **Tim Loughton:** You are going to declare your hand next year at some stage anyway in terms of the absolute amount. This is a very different scenario to one commercial company pitching against another for a contract, so I still do not understand why commercial sensitivity considerations need to apply to such a blackout of important information as to whether we are getting value for money. Are you sure that the Rwandans think that it is commercially sensitive?

Sir Matthew Rycroft: Yes.

Q59 **Tim Loughton:** Why? What have they said?

Sir Matthew Rycroft: In the negotiation of this agreement, this is something that they adhered to. They agreed this as part of the negotiation.

Q60 **Tim Loughton:** Why did they publish it in the IMF figures?

Sir Matthew Rycroft: I do not think that they proactively did. It was probably an inadvertent step, but I do not know that for sure, which is why I have committed to write back to the Committee.

Q61 **Chair:** Sir Matthew, you hesitated a little bit there and then you said the Rwandans agreed not to publish it. That is not the same as what Tim Loughton was asking, which was about why they wanted it to be commercially confidential. They agreed, so was it suggested by His Majesty's Government?

Sir Matthew Rycroft: The negotiation was quite a while ago, before April 2022, so I cannot recall, unless Dan wants to add anything on this.

Daniel Hobbs: During the discussions with the Rwandans before we agreed the memorandum of understanding, it was agreed as part of that discussion, including from their perspective, that they would rather the



full costs were not proactively published. We made clear that, as part of the transparency that the Permanent Secretary has discussed, we would have to publish the figures on a regular basis as part of our accounts. Therefore, under the MoU, it was agreed by both parties that the process for publishing the costs, in terms of the economic transformation and integration element and in terms of the per-person direct costs when they arise, would be that they are published in the accounts.

Q62 **Tim Loughton:** If you find out that the Rwandans have proactively published those figures, will you then have no compunction about publishing the full details of the figures to which the Government here have committed?

Sir Matthew Rycroft: I totally see where you are going with your line of questioning.

Q63 **Tim Loughton:** What is the answer?

Sir Matthew Rycroft: The answer is that it will depend on the outcome of that investigation that I referred to. I doubt that that was a deliberate act by the Government of Rwanda.

Q64 **Tim Loughton:** Why?

Sir Matthew Rycroft: For the reasons that Dan has just given, which is that it was important for them that we keep these figures confidential. They accepted that we would publish them in the normal way as we publish all Government spending in the annual report and accounts.

Q65 **Tim Loughton:** Would you have preferred for this not to be a confidential commercial matter in the MoU? There is no benefit for us in that, is there?

Sir Matthew Rycroft: The benefit is the one that I mentioned earlier, which is that, if and when the UK gets into final negotiation with any other country, I would not want our position in that negotiation to be hampered by that country knowing everything about this agreement.

Q66 **Tim Loughton:** We are a long way away from that. One of the issues, surely, about you looking for a ministerial direction was not just about the deterrent effectiveness. It was about the value for money element as well, was it not? It makes your job much harder to be able to provide value for money if you cannot reveal any of the figures.

Sir Matthew Rycroft: You are absolutely right that the requirement for a direction was about value for money. The lack of evidence on a deterrent effect was why I needed the direction. There will be value for money if and only if there is a deterrent effect, because this is a policy that will prove its worth directly in proportion to the amount of crossings prevented. It is a deterrence policy, and quite right too, because people are perilously jeopardising their lives.

Chair: We know the policy.



Q67 **Olivia Blake:** Just to declare two interests, I am co-chair of the APPG on Migration and also a principal of the Refugee, Asylum and Migration Project, which supports me with a researcher to help me with my work in those areas.

My first question is about the IMF. If, as you have said, Rwanda has to report to the IMF material impacts on their economy, will the future payments appear in IMF documents before you report these to Parliament, given that you refused to report future payments beyond next year?

Sir Matthew Rycroft: That is a very good question and one that we are following up with our Rwandan colleagues as a result of this incident from last Thursday.

Q68 **Olivia Blake:** Would it not seem more timely to tell us directly what the payments will be, rather than wait for the potential of an IMF footnote with those amounts?

Sir Matthew Rycroft: It will depend on what the reason is for what I suspect was an inadvertent publication of that information.

Q69 **Olivia Blake:** I am sure that you are very aware that the Treasury does not write blank cheques. Please can you explain what the upper limit is that has been approved for the variable costs in the SR?

Sir Matthew Rycroft: There is no upper limit in the spending review. This issue is separate from the spending review and is dealt with in the supplementary estimates process each year. We have just been going through it in relation to this financial year and had quite a full discussion in the Home Affairs Select Committee about that very issue two weeks ago. That was as a result of a proposal from the then Chief Secretary to the Treasury, agreed with the then Home Secretary, in order to deal with the fact that there are so many variables and that we have a statutory obligation to house people who would otherwise be destitute.

Q70 **Chair:** Does the Treasury officer of accounts have anything to add here?

David Fairbrother: We certainly have not written a blank cheque.

Chair: I thought that you might want to clarify that.

David Fairbrother: Rather than agree a figure at spending review, we agreed that we would come back to this on an annual basis, once the facts of each year are clearer.

Q71 **Olivia Blake:** Now that the fact is clearer for this year that no one has been sent, do you have an upper limit for this year?

Sir Matthew Rycroft: The vast majority of the costs that I am talking about for this year are to do with accommodation in the UK. The vast majority of the total costs to deal with the whole issue of small boats, illegal migration and asylum relate to accommodating people who would otherwise be destitute. The payment to Rwanda, which is a significant



HOUSE OF COMMONS

amount of money, is dwarfed by the amount of money that we are spending on accommodation, and that is the reason for the separate agreement, which is absolutely not a blank cheque.

In exchange for reaching this agreement through the supplementary estimates process this year and, indeed, last year, the Treasury has quite rightly insisted on some evidence that we are making efficiencies across the rest of the Department. I am very glad to say that we are, and so we should be.

Q72 Olivia Blake: What percentage are you aiming for?

Sir Matthew Rycroft: It depends slightly on what you count as the base line, but roughly 5%.

Q73 Chair: A 1% cash flat increase is in your budget from the spending review as well.

Sir Matthew Rycroft: Yes.

Chair: These are things that we will pick up in other areas.

Q74 Olivia Blake: Just going back to some of the questions that the Chair asked previously around whether any of this money was official development assistance money, now that we have the figures, could you be a bit clearer than you were in the previous session about what the balance of that is? You said that it was a mixture.

Sir Matthew Rycroft: None of it is official development assistance.

Q75 Chair: You told me a week ago that it was a mixture.

Sir Matthew Rycroft: To be totally honest, I thought that some of it might be, because I knew from my previous job as Permanent Secretary to the Department for International Development that, if the primary purpose—

Q76 Chair: You were in front of the Public Accounts Committee on a topical issue. It was not the main subject of the debate, but you had been in front of the Home Affairs Committee the week before and it was not exactly a surprise that we might ask a question about the money. You came ill prepared, to put it politely, Sir Matthew.

Sir Matthew Rycroft: On this particular issue, I thought that some of the costs could count as official development assistance, on the basis that they were supporting a developing country, but, on investigation, I see that we have decided that it is not official development assistance, because the primary purpose of the—

Chair: Were you going to write and correct the record? You have now corrected it, but only because, luckily, you are in front of us. Are we not fortunate?

Q77 Olivia Blake: Thank you for that clarification. Will any of the future money come into this area?



Sir Matthew Rycroft: All of the money under the migration and economic development partnership will count as non-ODA.

Q78 **Mr Djanogly:** If I can stay with resource implications, I just want to give an example here. Article 10.3 of the new treaty envisages “an effective system for ensuring that removal contrary to this obligation does not occur”. This is needed, of course, because the Supreme Court found that no such system currently exists in practice. Have we any idea of the cost to the UK taxpayer of getting the Rwandan justice system amended and ready to process these relocated individuals?

Sir Matthew Rycroft: Yes, we do, and we have been negotiating that with the Government of Rwanda as part of the treaty. Mr Hobbs might want to say more, but we have updated the memorandum of understanding precisely to ensure that no one is at any risk of refoulement back to their home country.

Q79 **Mr Djanogly:** Do those figures come into those that you gave at the start?

Sir Matthew Rycroft: They come into the per-person costs. Essentially, it means that the average length of time spent in Rwanda will increase, because the majority of people who are not granted asylum in Rwanda will stay there in order for them not to be refouled to a country that could be unsafe for them.

Q80 **Mr Djanogly:** As a Member looking to this debate tomorrow, is there anywhere I can go to in order to see what it is going to cost to redo the Rwandan justice system?

Sir Matthew Rycroft: Mr Hobbs might want to come in, but we have been working through this partnership that we have been talking about. It is not extra money. It is using the same money and the same partnership to build the capacity of the Rwandan judicial system in order to respond to the specific points of this agreement.

Daniel Hobbs: As the Permanent Secretary said, we had agreement on the direct costs under the memorandum of understanding. The treaty has fundamentally changed a number of things in that process, including individuals’ duration of stay. They are free to voluntarily leave Rwanda at any time, should they wish to, and the agreement is that we pay only the direct costs for the duration that somebody is in Rwanda. We have worked at pace and in collaboration with the Rwandans on a redesign of their system, which has removed a number of stages in terms of their asylum process, and introduced a new specialist tribunal. Those discussions on exactly the impact of that are ongoing following the treaty, and we will be continuing to discuss those and ensuring that that is set up ahead of any transfers.

Q81 **Mr Djanogly:** But we have already paid for it.



Daniel Hobbs: We have not already paid for it, because the direct costs are separate. Other than the £20 million that the Chair of the Home Affairs Select Committee talked about earlier, which is a front-loading of the payment and the only payment that we have made in terms of the direct costs, the rest is separate.

Q82 **Mr Djanogly:** If we have not already paid for it, do we know how much we are going to have to pay for it?

Daniel Hobbs: We have not finalised the agreement on payment. As I say, we had a sum agreed in terms of individuals as part of the memorandum of understanding. We are reviewing that in light of the significant changes and discussing that with the Rwandans.

Q83 **Mr Djanogly:** You can understand my concern here, with Members of Parliament having to vote on second reading tomorrow. Where is the information?

Daniel Hobbs: The only thing that I would say in that respect is that the Bill does not deal with the cost of the scheme. The Bill seeks to verify Parliament's intention, as sovereign, that Rwanda is safe for the purposes of enacting the agreement and the treaty. The treaty is laid separately to the Bill.

Mr Djanogly: If I am voting on the principle, I might want to know how much it is going to cost.

Chair: We will keep trying.

Q84 **Tim Loughton:** Sir Matthew, can I come back to the earlier point around the ministerial direction? Are you saying that, if you had to make a recommendation to your Home Secretary, knowing everything that has happened since your original ministerial direction, you would still require them to make a ministerial direction in view of your objections?

Sir Matthew Rycroft: In view of the lack of evidence, yes.

Q85 **Tim Loughton:** What has to change?

Sir Matthew Rycroft: There needs to be credible evidence of a deterrent effect.

Q86 **Tim Loughton:** How?

Sir Matthew Rycroft: By operationalising the system and then working out what reduction in the number of crossings there will be.

Q87 **Tim Loughton:** If one plane takes off and, within a month, there is a 10% reduction in the number of people coming across in boats, for example, would that change your view?

Sir Matthew Rycroft: It could do. It would depend on an assessment. We have a lot of analysts looking at this very question and trying to work out, in that scenario, how much of that 10% reduction is as a result of Rwanda.



Q88 Tim Loughton: How does that work? Is there a formula? Do you get a bunch of people in a room and ask for all their views, and see which is the closest to yours? Ultimately, you are the accounting officer who has to make that decision. What is it going to take for you to change your mind?

Sir Matthew Rycroft: You are absolutely right that, ultimately, it is a judgment call, and it is a judgment for me. I need the best possible evidence that I can get in order to make that judgment. Since April 2022, I have asked multiple times for updates of the accounting officer advice to me, as circumstances have changed. Although we have not had any flights to Rwanda, we have had lots of other changes in relation to illegal migration as a result of Government action and, indeed, events around the world in that time.

Q89 Tim Loughton: You made the point just now that the cost of the Rwanda scheme, whatever it ultimately is, within a wide range, still pales into insignificance aside the daily cost of hotels in this country. That is going to be the case whether one plane takes off or 100 planes. What is it going to take for you to suddenly decide that there is now value for money? On the basis of getting this to work, it is surely much better value for money than the alternative of spending what we are spending now on hotels.

Sir Matthew Rycroft: That is why I said, in the very letter seeking the ministerial direction from the then Home Secretary, something like, "It would be entirely appropriate for you to give this direction to go ahead with this policy, given the very high costs", even then, never mind now, "that the Government are paying to fulfil our statutory obligations".

Q90 Tim Loughton: On that basis, it should take only one plane to take off, to operationalise it, for you to say, "Clearly, that is much better value for money and, therefore, you should approve it". There is a big gap between the cost of paying for hotels and the cost of sending people to Rwanda, whatever it ends up being, given the very large parameters that we are working with here.

Sir Matthew Rycroft: I do not think that I could agree that it would take just a single flight to have evidence one way or the other. We are going to need a bit longer than that. What matters most is that we operationalise this policy and, indeed, all of the other policies that we have been doing as part of the Prime Minister's 10-point plan to tackle illegal migration and to stop the boats and, as a result of all of that activity, to work out, in due course, how much of the benefit that we are getting in terms of reduced crossings comes from Rwanda. I do not think that it is possible to do that yet, because we have not had any flights.

Q91 Sir Geoffrey Clifton-Brown: On the earlier point around unit costs, how much flexibility is built into the MoU? In the light of experience, it might be considerably more and it might be less. Is there flexibility on that?

Sir Matthew Rycroft: There is some flexibility to renegotiate in the light of changed circumstances, but I do not think that you would expect a



dramatic change to the unit costs as a result of that potential renegotiation.

Q92 **Sir Geoffrey Clifton-Brown:** Anything could happen. There could be a riot. There could be more difficulty in setting up the court costs. There is a whole range of variants, is there not? You say that it might not vary significantly, but it might, might it not?

Sir Matthew Rycroft: That is why we have set up, in addition to lots of other things, a joint monitoring committee and an independent oversight committee to help provide some objectivity to the two Governments about those sorts of questions.

Q93 **Dame Diana Johnson:** Do we have any idea what the £120 million, the £100 million and the £50 million are being spent on?

Sir Matthew Rycroft: We do. The Government of Rwanda have told us that. The £120 million last year was divided into 39% on education, 13% on health, 19% on job creation, 21% on infrastructure, 5% on agriculture and 2% on IT. Those are all things that are of benefit to the citizens of Rwanda and to the migrants being relocated from the UK. That is the overarching principle of the spending. There will be a similar breakdown for this financial year that we are still in the middle of in relation to the £100 million, which I will, of course, update the two Committees on as soon as I can.

Q94 **Chair:** Have you allocated it not knowing how it is going to be broken down?

Sir Matthew Rycroft: We allocated it to the Government of Rwanda. That is how they have broken it down.

Q95 **Chair:** When you give it to them, it is for them to break it down.

Sir Matthew Rycroft: Exactly, yes, but, again, with some oversight, as I have described. It is a partnership designed to support the economic development of Rwanda.

Q96 **Dame Diana Johnson:** I get it, and it is nice to see levelling up happening somewhere. Could I ask you about the tender that was put out in the last few days for Western Jet Foil and for the Manston national reception centre? This is going to run for up to six years until 2034. With the Rwanda plan, why has this tender been put out?

Sir Matthew Rycroft: First of all, this was a public information notice—the very first step of a procurement or re-procurement. This was an advert, not a commitment. Secondly, we are, of course, working very hard to stop the boats and to stop all illegal migration, but we also need to plan for all plausible scenarios, including for failing to fully achieve that. Manston in particular is a very flexible resource and very well located near Dover. In the past, it has been used by the Ministry of Defence and the Department for Transport, and is now owned by the Home Office. It is reasonable to say that good use will be able to be



HOUSE OF COMMONS

made of a place like Manston in the future, so that it is why it is worth investing in.

Q97 **Dame Diana Johnson:** So you are planning for the worst.

Sir Matthew Rycroft: We are planning for the worst, as we should, even though we hope for the best. We are doing all of this activity in order to get the best possible outcome.

Q98 **Dame Diana Johnson:** Why is there a non-disclosure notice that people have to sign up to if they want information about applying for the tender?

Sir Matthew Rycroft: It is a totally normal thing to do on this sort of issue.

Q99 **Dame Diana Johnson:** It is for £700 million.

Sir Matthew Rycroft: That is potentially the maximum if it were to extend for all of those years, but there would be break clauses, so that, if there really were no need for this work to go on, the Home Office would be able to reduce the payments in the future by stopping the contract later on.

Q100 **Dame Diana Johnson:** When does it start?

Sir Matthew Rycroft: We are just in the very foothills of the beginnings of the advertising, so it is going to have a long time to run.

Q101 **Dame Diana Johnson:** So we do not have a start date.

Sir Matthew Rycroft: I am sure that we do. If you would like me to write with a start date, I will do that.

Q102 **Chair:** Can I thank our witnesses? We will want to probe this money further. We may write to you, because we do need to pin down some of the costs, including the aggregate of costs. This contract could, on some calculations, end up being £1.6 billion over the total period, because there is an extension clause in the expression of interest. Am I right? I see that Mr Hobbs is nodding.

Daniel Hobbs: That is my understanding, but it is at the notification stage.

Q103 **Chair:** It is still a signal of intent that the Government want to have a contract. As a final question from me, we have been going around and around. Mr Loughton gave it his best go on this issue about commercial confidentiality, but these are big aggregate figures, not unit costs. It is a lump sum that does not tell anybody anything that is particularly useful commercially. You have one last chance, Sir Matthew, to explain why that figure of £100 million is commercially confidential.

Sir Matthew Rycroft: It is because it is an agreement between two sovereign countries. Each of those countries could well be negotiating similar agreements with other countries.



Q104 **Chair:** “Could well be”—there is an elephant in the room here. Are His Majesty’s Government negotiating with any other countries to do this?

Sir Matthew Rycroft: The British Government have not got to the point of entering a detailed negotiation with any other country, but it is absolutely the intention of the British Government to keep open the possibility of those sorts of negotiations in the near future.

Q105 **Chair:** I might leave this to our Home Affairs Select Committee colleagues this week, when they have the immigration Minister in front of them. What you will have picked up, Sir Matthew, is that the way in which this was communicated to both Committees was suboptimal; I am being very polite in using that phrase. No scrutiny by this Committee of the numbers is possible, because you have been unwilling and unable to provide them.

The fact that there is an uncapped amount of money in this worries us and is another good reason for proper public and parliamentary scrutiny of this. We have had it reiterated today that the money spent might not be recoverable in some circumstances, if there was a change of agreement, or either party withdrawing in particular. We will be talking to you, and I will be talking to Dame Diana Johnson’s Committee, about how we negotiate with you about how this is better reported to Parliament and the public. We are about to have a vote on this tomorrow, and I know that the Home Affairs Select Committee has two Ministers—two for the price of one—appearing in front of it on Wednesday, so this week alone is a busy period.

We do expect you to come better prepared in terms of figures. It is worth noting that, in the House this week, the Home Secretary suggested that giving money to Rwanda in this way could be seen as giving aid, and yet you have been really clear today that it is not overseas development aid that is being given. Something is going wrong in this Department for these mixed messages to be coming out, and I hope that you will take that message seriously and that we get some straighter answers in the future.

Sir Matthew Rycroft: I will, of course, take all the messages back. Just to repeat one of the points that I made earlier, if you want to set out a particular way of increasing the regularity of the reporting, do please let me know what would be best from the point of view of both Committees, and I will discuss that with the Home Secretary.

Chair: Without having to discuss with Members around this table, I know that that is what we are going to be doing with you, so we will work across the Committees to make sure that we get the answers and the reporting that we and the public need. Thank you both very much for your time, Sir Matthew Rycroft, Permanent Secretary at the Home Office, and Daniel Hobbs, the director-general dealing with these issues.