

Home Affairs Committee

Oral evidence: Asylum accommodation, HC 580

Tuesday 10 June 2025

Ordered by the House of Commons to be published on 10 June 2025.

Watch the meeting

Members present: Dame Karen Bradley (Chair); Shaun Davies; Mr Paul Kohler; Ben Maguire; Robbie Moore; Chris Murray; Bell Ribeiro-Addy; Jake Richards.

Housing, Communities and Local Government Committee Member present: Mr Will Forster.

Questions 283 - 391

Witnesses

[I](#): Dame Angela Eagle DBE, Minister for Border Security, and Asylum, Home Office; Simon Ridley, Second Permanent Secretary, Home Office; and Joanna Rowland CB, Director General, Customer Services, Home Office.

Examination of witnesses

Witnesses: Dame Angela Eagle DBE, Simon Ridley and Joanna Rowland CB.

Q283 **Chair:** I thank our witnesses for coming for our final session of oral evidence in our inquiry on the contractual arrangements around asylum accommodation. To be clear, we are looking at the contractual arrangements. We are not looking at the policy, so this is very much the dry techie stuff, but it is of great interest in terms of making sure that taxpayers are getting value for money and that services are being delivered appropriately.

I would like to give the witnesses an opportunity to introduce themselves and then we will move into questions. Minister, can we start with you?

Dame Angela Eagle: Thank you very much. I am Angela Eagle. I am the Member of Parliament for Wallasey, and I am the Minister for asylum and border security.

Simon Ridley: I am Simon Ridley, second permanent secretary at the Home Office.

Joanna Rowland: I am Joanna Rowland. I am director general of customer services, which includes asylum.



HOUSE OF COMMONS

Q284 **Mr Paul Kohler:** Thank you for coming. I want to look at the costs of asylum accommodation. Hotels cost 76% of the accommodation costs. We need to cut down on those costs. Sharing rooms is one way of cutting down on the costs. I note that in the House, the Home Secretary, when she was Chair of this Committee, criticised the sharing of rooms. Is it still her view and the view of the Home Office that rooms should not be shared?

Dame Angela Eagle: We inherited this situation as we inherited the contracts that you are looking into over a 10-year period. These contracts were let in 2019 when the context was quite different to the one that we are working in now. I do not want to speak for the people that let the contracts particularly, but we do know that the overall numbers have far exceeded what was expected, and in fact hotels were not part of that contracting system at all when the original contracts were let. They became a kind of bolt-on since the arrival of covid. At the same time, we were in a situation where the people smuggling gangs were allowed to take hold across the Channel. We had the large rise in—

Q285 **Mr Paul Kohler:** With respect, we know this, but I want to focus on the sharing of rooms. What is the position?

Dame Angela Eagle: It is important to get the context. The position is that we are not anticipating a different approach to sharing of rooms. We are where we are on that one. What we are trying to do as a Government is to get out of hotels as quickly as possible because of the extra costs.

There are certain circumstances where people are not required to share rooms if they are particularly vulnerable, and that applies on a case-by-case basis, but normally we would expect people to share rooms while they are awaiting the outcome of their asylum decision.

Q286 **Mr Paul Kohler:** So the Home Secretary has changed the position. Now sharing of rooms is a good thing, yes? I just want to establish that.

Dame Angela Eagle: I did not say that, but if one were going to say that no rooms had to be shared at all, you would double or treble the number of hotel rooms required overnight. What we are trying to do is get down the inordinate cost of the system we have at the moment. You do not do that by doubling the cost with one decision overnight.

Q287 **Mr Paul Kohler:** I wrote to you in March about this issue and asked about the Home Office figures on sharing of rooms, and you said the Home Office does not record those figures. It only records the numbers in a hotel and not the number of shared rooms. If we want to cut down costs, we should work out whether or not we are sharing all the rooms we can share. I asked you in the House about it and you did say you would write to me. You have not yet written to me, so can I ask you now: why doesn't the Home Office actually capture the data of how many rooms it is sharing, and whether it is maximising that?



HOUSE OF COMMONS

Dame Angela Eagle: First, can I apologise for not writing to you? I will take that up with my office when I get back from here. That should have happened, so my apologies for that. Secondly, when these contracts were let by our processors, they were very overarching contracts, and we contract with the prime suppliers. You also have to remember, Mr Kohler, that hotels did not form part of the thinking when these contracts were let.

There are rules about the size of rooms with respect to how many beds can be in them, and the efficient use of space that is being paid for is important from a cost point of view. Therefore, if rooms are a particular size, people can double up or treble up. The information that we collect is about the numbers who are accommodated, for whom we pay. We do not collect individual information on each and every hotel room.

Q288 **Mr Paul Kohler:** Mr Ridley, would it be useful for the Home Office to collect that data to make sure you are maximising the efficiency of this process?

Simon Ridley: The work that we have done over the last couple of years is to work much more closely with our suppliers, to have better information on the people in each hotel, precisely so that we can maximise usage. That is why we did start to share more hotel rooms. As the Minister has said, there are rules about space, so we had to go through hotel by hotel with suppliers. We have hugely increased utilisation rates. We have numbers of people in far fewer hotels than we had 18 months ago.

We have brought the per person per night cost down, and we have been able to reduce the cost of the asylum system over the last 12 months quite considerably. We have done that in large part by using the estate much better. That is the work we will continue to do. Also, operationally, there are large numbers of people moving through the estate and between different parts of the estate on a daily basis. So, what we have asked is that suppliers are maximising the use of their space—as the Minister says, trying to monitor exactly who is in each and every room. We do not collect that data, but we do have the data of utilisation rates overall and the cost, which is ultimately what we are seeking to reduce.

Q289 **Mr Paul Kohler:** So, without capturing the data, you are confident that the suppliers of accommodation are maximising the efficiency of these rooms?

Simon Ridley: We have much higher utilisation rates than we had a year ago, and I am confident that we are having a dialogue with our suppliers to maximise usage. We still think there is room to drive up the utilisation rates, both in the dispersed accommodation estate and in the hotel estate, and we will continue to improve that.

Q290 **Mr Paul Kohler:** Why is that a slow process? Why can that not just be done? Why does that take a while? Why can you just not say that every



room that can be shared will be shared?

Simon Ridley: There are some practical things about the configurations of rooms. With rooms that could be shared, suppliers had to supply extra beds. We had to get extra beds into them. There is preparation of rooms for sharing. There are parts of the estate that have families in them and other parts that have single males in them. There are things we seek to do about who does share the room, and common languages and those sorts of questions. As I say, there is a large flow through and around the estate as people join it and people leave it.

So, what we have set is the need to improve utilisation rates. That has happened, and that is what we are continuing to monitor, but it is not that they are either at 100% utilisation or not. We need to keep pressing to maximise the value that we get from the estate.

Q291 **Mr Paul Kohler:** The Home Office has a contractual right to benchmark the service. We understand from the National Audit Office that benchmarking has not occurred. Why not? Why have you not benchmarked it against comparators as you can under the contract?

Joanna Rowland: We are looking at a future accommodation strategy, and one of those aspects is looking at what a future way of supplying accommodation should look like. That includes benchmarking across local authorities and others.

With regard to these contracts, everything is about driving the right value for money from the suppliers in question. For example, the price per person per night of hotels has come down considerably during the period of this contract as we have driven value for money from them. However, we are looking at that benchmarking with regard to: what should the future accommodation strategy look like?

Q292 **Mr Paul Kohler:** These contracts have been in existence for a number of years. Why have you not used the power to benchmark? Why have you not done that? You are going to in the future, so why?

Joanna Rowland: Simon will want to say more on this, but I think part of it is that there have been unstable times. In this case, there has been a 134% increase in asylum accommodation requirement. There has been covid. There has been the need to open hotels. All of that has meant that there has not been a stable baseline against these contracts for a while.

As the Minister says, we are now bringing the system under control, which means that we are now approaching a more stable baseline that will allow us to have that kind of approach.

Dame Angela Eagle: These hotels and these contracts—*[Interruption.]* Shall I save that until after the vote?

Chair: Why don't you save it? Saved by the bell. I will suspend for 15 minutes for the vote.



HOUSE OF COMMONS

Sitting suspended for a Division in the House.

On resuming—

Q293 **Chair:** We are back after voting. We should not have any more interruptions. Mr Kohler, you had a question to the Minister.

Dame Angela Eagle: I was about to comment on how much the landscape changed from when these contracts were first let out, because they did not involve hotels at all. Certainly, talking to colleagues in the Home Office after the hotels reached their peak in 2023, the Home Office was then in this kind of 10-point plan frenzy of trying to make Rwanda work and look for large sites and do all sorts of other things.

I think, reading between the lines—colleagues may want to say something—it was difficult to concentrate on the day job of running the asylum system and actually processing claimants, because it was illegal to do so for anyone who had arrived after March 2023, under the Illegal Migration Act. Then there was this big effort to try to get different forms of accommodation. That took rather a lot of concentration away from the day-to-day handling of the contracts.

Q294 **Mr Paul Kohler:** That is true, although benchmarking still could have been done, in my view, but I have heard your answer—

Dame Angela Eagle: I was not there.

Q295 **Mr Paul Kohler:** No; I am addressing that to the Home Office. My last question involves Clearsprings. Before I ask it I want to declare an interest, as I have done previously. I refer participants to my register of interests as one of my donors, Safwan Adam, has an interest in Stay Belvedere Hotels, which is of course a subcontractor of Clearsprings.

When the National Audit Office audited a selection of monthly invoices from Clearsprings, it was unable to provide a complete evidence trail of the amounts that have been invoiced by Clearsprings. Why was that? What had gone wrong with your controls?

Dame Angela Eagle: There is a separate issue about Stay Belvedere that came to light. I think the best thing to say about all of this is that when I first got into the Home Office, I was surprised at the size of the contracts, the cost of the contracts, and the controls being quite weak. Certainly, the Department has increased the compliance capacity to have oversight of these contracts significantly. I think it has nearly doubled across most of the piece.

It was doing more audits that brought the issue of Stay Belvedere to light, which led to us deciding that we had to get Stay Belvedere out of the supply chain—

Mr Paul Kohler: I am going to ask about Stay Belvedere later.



HOUSE OF COMMONS

Dame Angela Eagle: —which we asked Clearsprings to do. In doing some of the detailed work around that, it became clear that Clearsprings had not been providing an appropriate trail of their contacts with major subcontractors, and so we are having an open audit of the whole thing across the piece, not only with Clearsprings. We are trying to get much more coherent oversight of particularly the materially important subcontractors.

To be clear, our contracts are with the primes. They are not with the subprimes, and the only power we have is to veto their presence if we so decide to do. That is what we have done with Stay Belvedere.

Mr Paul Kohler: I will come back to Stay Belvedere.

Dame Angela Eagle: I do not know whether colleagues might have more detailed information.

Mr Paul Kohler: Given you were not there at the time—

Dame Angela Eagle: I was there when this happened, but—

Mr Paul Kohler: You were not there, though, when these invoices were paid. Mr Ridley, do you know why the Home Office processes were not working?

Chair: This is the invoices from Clearsprings, not Stay Belvedere. We will come on to Stay Belvedere later.

Simon Ridley: As the Minister has said, we signed the contracts back in 2018, and we were contract managing them from that point. Through the life of these contracts, there have been significant material changes to the contracts, and those, as the Committee knows, have come about as a result of the reduction in decision-making and returns through covid that meant we had a much higher population than was envisaged at the time. The contracts were signed at a time when there was a population of about 47,000, growing at about 4,000 a year, and we put in volume caps of 70,000.

That population grew hugely through covid, and that brought on hotels. We then had a huge expansion in the number of hotels, partly as a result of all the arrivals in 2022, and then in 2023 we were, as the Minister said earlier, moving into an approach of using large sites with the aim of reducing hotels. That was another significant set of changes to the contracts.

A lot of our commercial and contract management resource was actually in agreeing a set of contractual changes with the providers as we changed what we were asking them to deliver. We were also monitoring them, but it has only been in the last 18 months that the situation has essentially stabilised. We then realised we needed more capacity in the Department to be able to track what are large, complex contracts covering between 200 and 300 hotels through this period, as well as the



HOUSE OF COMMONS

size of the dispersed estate. We have increased our contract assurance team—broadly speaking, doubled it—from 36 to 62 at the moment. We have doubled our asylum support day-to-day delivery team working with the contractors, and we have increased our Home Office commercial team resource to focus just on these three contracts.

That has given us the capacity to follow through the day-to-day management in more detail—the management of the contracts through the service credits—but also, exactly as the Minister said, to do some really important review work. We are doing a review of the big subcontractors, as has been said, and we are doing—I am sure we will come on to this—the audit around profit looking back over the last three years.

Through that mechanism, we are getting the information we need to fully manage the contracts. The clauses that we have on profit sharing, the KPIs we have, give us the necessary mechanisms to make sure that we get the best value from the contracts as they were signed.

Q296 Jake Richards: I have a question about what was being discussed before the vote, in terms of the efficiencies in the estate. Mr Ridley spoke about that being quite significant in the last 12 months. Is there a figure that the Home Office would put on how much is being saved purely through efficiencies of the current asylum estates?

Dame Angela Eagle: £500 million-ish.

Jake Richards: £500 million.

Simon Ridley: The population that we are housing has not changed radically in the last 12 months, and at supplementary estimates we were forecasting a saving of just under £400 million. We returned half of that—£194 million—to the Treasury, and our end-of-year saving will be larger.

Q297 Jake Richards: Those are significant amounts of money. I am not saying they are basic efficiencies—I am sure it has taken co-ordination and effort—but why was that not done before?

Dame Angela Eagle: If you look at the number before the election, there was a 70% drop in the number of initial decisions taken. It was illegal to process anyone who had arrived in the country after March 2023, and they were just piling up because they kept on coming. Therefore, we were having to deal with just a system that was paralysed but growing. What we have seen since then is a 53% increase in initial decision-making. We have the system beginning to work again and we are getting flow through the system. That immediately makes it easier for you to start looking at other efficiencies.

Q298 Chris Murray: I want to come in on some of your points there, Mr Ridley, because what you are saying is very interesting. I do accept the Home Office was going through challenging situations at the time, but these contracts were huge even from the very beginning. There was



HOUSE OF COMMONS

always going to be massive amounts of public money going into this. Why did it take so long for the Home Office to realise it did not have the capacity to manage these contracts, as you say? Did that realisation come to you all at once, just in the last 18 months, or were there not red flashing signs throughout the Home Office the whole way through these contracts? Why were they not heeded?

Simon Ridley: I can only speak directly from my time in the Home Office, which covers the last two and a half years. Definitely there were signs of pressures in service delivery. Some of that was driven by the very significant size of the population as it grew and the need to move into hotels, which was not envisaged at the beginning. That makes the delivery landscape much more complicated, and it is the major thing that has driven the increase in the value of the contracts. It is not the only thing, but the major thing that has driven the increase in the contracts.

Certainly, from the time I have been in the Department, we absolutely realised we needed to increase the capacity and the capability that we had to manage these contracts. As I have said, a lot of the effort and energy in the early part was about driving through significant contractual changes. That was a lot of the dialogue we were having with suppliers. Equally, they were standing up hotels incredibly quickly at different points, particularly in 2022, which was a very challenging delivery period. What we have been able to do—it is not that we had a sort of shattering realisation in the last 18 months; it is that in the last 18 months, the position in the delivery environment has stabilised. We are absolutely focused—the work of the last year is part of this—on driving down the costs and increasing the value we get from them.

Q299 **Chris Murray:** Do you not think that in something as volatile as asylum, it is not a good idea for the Home Office to wait for things to stabilise before working out whether it is spending public money on something efficiently? Is that not a learning for the civil service here?

Simon Ridley: There are two things I would say now, because it is a really important question. The first thing is that we have a statutory duty to provide support, including accommodation, for those that would otherwise be destitute through section 95 of the 1999 Act. That is demand-led.

To be fair to the Home Office or anyone else, I do not think the pressures that covid put on a number of public services was foreseen at the time of setting up the contracts. We had to respond and react to that. We have been, and we have now built the capacity and capability that we need. We have had to build that, and we have now built that.

Q300 **Shaun Davies:** Mr Ridley, when did you become aware that the profit share clauses in these contracts were activated?

Simon Ridley: Sorry, by activated—

Shaun Davies: When did you become aware that the providers owed the



HOUSE OF COMMONS

British taxpayer a refund on profit sharing?

Simon Ridley: We reset the process for the profit sharing, and we appointed the third party who is doing the audit for us in autumn last year. We have all the information we need from providers to do that audit.

Dame Angela Eagle: This is the second audit, Mr Davies, of these contracts. There was one in 2021, I understand.

Shaun Davies: Correct.

Dame Angela Eagle: Some of you may not be surprised that it came up with the view that there were no profits. However, it appears that there are profits this time, and so that audit is going on. We are expecting it to finish around the end of this month. There will then be some iterations of that and questions that we ask of our providers to check what the independent audit has come up with, and we are anticipating that monies from the profit share will be returned to the public purse this financial year.

Q301 **Shaun Davies:** Thank you, Minister. With the second review, will that take into consideration the period of time that the first review also was commissioned?

Dame Angela Eagle: My understanding is that the way that it works is that they have to look across three or four years to check on what has been going on forensically with the audit, and that moneys have not been switched or changed around. We are using independent auditors to interrogate the information that we have been given, to check that the information we have been given is correct and accurate—not to put too fine a point on it, that there are not shenanigans going on.

Simon Ridley: On the clauses, first, exactly as the Minister says, they are cumulative, so it is about the profit or potentially lack of profit year on year and they can offset each other as you go through time. But the clause applies to each contract individually, so if one of them is particularly profitable, that will trigger the profit share arrangement. If one of the other seven regional contracts is not, then it will not.

Q302 **Shaun Davies:** Are the people doing the second review the same people who did the first review, in terms of organisation?

Dame Angela Eagle: My understanding is that the forensic auditors will give us their information. We will check what they are saying, and any other questions we will put to providers and a final amount will be settled upon. I do not know whether the providers gave you the information of the moneys that they are expecting, but we cannot confirm yet how accurate they are until the forensic audit is actually completed. I think probably both sides would agree that there are profits to share.

Q303 **Shaun Davies:** You would anticipate those to be repaid to the taxpayer this financial year?



HOUSE OF COMMONS

Dame Angela Eagle: This financial year.

Q304 **Shaun Davies:** Very good. Minister and Mr Ridley, what do you think it does to public confidence when you have private sector providers who sit in front of a Home Affairs Select Committee and basically say that they have tens of millions of pounds in profit excess that they want to pay back to the Home Office, but the Home Office has not, up until this point, asked for that money back?

Dame Angela Eagle: We are doing the work to check that their figures are accurate. There may be less; there may be more. That is why we have appointed independent auditors to check this, so that, when the profit shares are decided and agreed upon, they are accurate. We are not taking them at their precise word in this context; we are doing our own independent checks. I would expect that people would expect us to have that degree of forensic approach to it so that we get the right amount paid back, rather than the amount that they are telling us they are keeping.

Q305 **Shaun Davies:** I appreciate that. Mr Ridley?

Simon Ridley: The first thing I would say is it is really important these clauses are in the contract.

Shaun Davies: Yes, indeed.

Simon Ridley: It is really important that we are working with our suppliers on the basis that we expect these clauses have been triggered in most, if not all, of the seven regional contracts, and it is important that we do the proper forensic auditing work so that the taxpayer gets back exactly the right amount of money that is due to it under them. Once we have done that work, which we have nearly done, we will have the money that is duly paid.

It is good that suppliers have identified that they might need to pay that back and they have put that to one side in anticipation of the end of the audit. Once that comes through, we will be able to redeploy it in the best way possible.

Q306 **Shaun Davies:** You will keep the Home Affairs Select Committee updated as part of that process—in particular, if there are any material changes to what the 2021 review found?

Dame Angela Eagle: We are happy to do that.

Q307 **Mr Paul Kohler:** Are these profit share clauses still based on mark-up exceeding a percentage? Profit divided by cost; is that how they are—

Simon Ridley: Yes, essentially. There is a lot of complexity around different levels of profit.

Q308 **Mr Paul Kohler:** It is based on profit over cost. That is the calculation, is it?



HOUSE OF COMMONS

Joanna Rowland: It is profit minus cost. Obviously, costs can be offset about that, and that is why it is so important—

Q309 **Chair:** Is it profit or income? Income minus cost?

Joanna Rowland: It is profit minus cost.

Q310 **Mr Paul Kohler:** Not divided by cost? It is not a percentage? According to the National Audit Office it is profit divided by cost, and that is important. You are saying it is profit minus cost. Are we talking about cash profits that trigger it, or percentages of profit over cost?

Joanna Rowland: When the contracts were first let, every supplier put a gross profit margin that they may make. That is commercially sensitive. It does differ across the seven—

Mr Paul Kohler: I am not asking for figures.

Joanna Rowland: What we do is we take into account all of their declared profit and all of their declared cost, and look at whether their gross profit is indeed over and above the agreed margin at the point that the contract was let.

Q311 **Mr Paul Kohler:** Is it a percentage or an actual amount? The National Audit Office says it is profit divided by cost. It is important, because the cost of dispersal accommodation is £20 per person and the cost of hotel accommodation is £160 per person. You set those contracts assuming most of it would be dispersal. Much of it was and still is hotel accommodation. Therefore, the percentage cost—you know, 5% of £20 is £1 profit, but 5% of £160 is £8 profit. Clearsprings' profit per person has gone up from £6,000 per person in 2020 to £300,000 per employee in 2024. It is just incredible. Now, is it because we have not changed the profit goals? You are telling me it is profit minus cost. I think it is profit divided by cost, and that is important.

Joanna Rowland: What then happens is there is a tariff with the profit clawback, and that is a percentage-based tariff. What may be best is if we write to the Committee, because it differs over the seven contracts and there is then a tariff, and we can set out to the Committee exactly how the profit share clause is.

Q312 **Mr Paul Kohler:** I would like to know why that clause was not changed. We have had many contractual changes. Given that the whole basis of the contract changed because lots of it was hotel accommodation and far more expensive, why did you not change the profit share clause? Mr Ridley, any thoughts?

Simon Ridley: What we are doing now is working through the profit share clause that we have in the contracts to make sure that we can claw back what is due to us. We are also seeking to get out of hotels, because we recognise the cost of that.



HOUSE OF COMMONS

The primary thing we are seeking to do is to reduce the use of and get out of hotels. That is the way in which we have saved the money that we have saved over the last year.

Q313 Mr Paul Kohler: That is not my question. My question was why the profit clause was not changed when the whole basis of the contract was different because so much more of it was hotel accommodation, which had a higher base cost and therefore percentage profits would make a lot more money for these providers? Why was the profit clause not changed?

Simon Ridley: I am afraid that I do not have with me the details of all the various clauses that were changed and how they were changed at the time. I am very happy to—

Mr Paul Kohler: There is even confusion—

Dame Angela Eagle: This is back in 2020-21 and I do not think any of us were there then, but we are happy to go back, investigate and get back to you.

Mr Paul Kohler: Thank you.

Q314 Chair: I am still completely confused; I am sorry. I am trying to work this out. You are saying that profit is income minus cost, yes? So, we all agreed on that. Why would you then take income minus cost and then take costs off again? I am totally confused. Are we talking about two different numbers? Sorry, I am going back to my basic accounting here.

Joanna Rowland: What we would like to do is set that out to the Committee, just to make sure that we are relaying that to the Committee accurately.

Chair: Okay, thank you.

Q315 Ben Maguire: Thanks to everyone for coming in. Given the concerns raised with us as a Committee about the standards of accommodation—those include quality of accommodation, unsuitable for vulnerable asylum seekers, poor communication with asylum seekers from the providers and inadequate safeguarding, which I think we will come on to later—do you think the Home Office has received an adequate service for what it has paid those providers?

Dame Angela Eagle: I think that, necessarily, given the shape of the contracts that we have inherited, where we have a prime relationship with a large provider that then subcontracts all the way down to either hotel or dispersed accommodation, it is quite difficult to get a proper handle on what is going on in every instance. Certainly, I know that whenever I go into the Tea Room, I have people coming up to me telling me about particular issues or instances that are worrying them, and I always try to feed that back into the system to make sure that we have a handle on what is going on.

It is difficult to have a very strong handle on what is going on at every very localised level with these contracts. I would prefer to think about



how we can evolve to a different system, which is about working much more closely with local authorities and local agencies that can report back rather than having a direct commercial relationship and that is all. There are different, better ways of trying to achieve this kind of service than the ones that we have inherited.

Definitely on food, I have come across a lot of anecdotal issues about that, but I have been to hotels myself and seen reasonable standards of food provision. I do not doubt that there will be a whole range from really not very good at all, all the way through to quite good, good value for money and nutritious. It is very difficult when you are doing things at this scale centrally and relying on contracts in this manner to get a handle on all of that apart from anecdotally.

Q316 Ben Maguire: It feels like, from what you are saying, the way the contracts have been structured you do not have enough oversight, there are too many subcontractors, and you would like to—correct me if I am wrong—shift that oversight to local authorities?

Dame Angela Eagle: I would like to have much more transparency. I would like to have a different way of trying to deliver at the very local level in ways that are more accountable—rather than commercially accountable, more democratically accountable. That is why as soon as I came into this job, I got hold of the Local Government Association and started talking about how we might do things differently. Not only with provision of accommodation itself, but with the wraparound services, which are there as well.

Quite often you get to learn a lot more about what is actually going on by talking to the local voluntary sector than you could get through a commercial process. There is a sweet spot that is quite a way away from where we are now about how to organise that in a better way.

Q317 Ben Maguire: Given the discrepancies between the provider's self-reporting, which we have heard about, and the independent assessments—the ongoing audits, which I think you have mentioned—what specific measures then do you think could be implemented to ensure the accuracy and reliability of that performance data, which we keep talking about in this session and previous sessions?

Dame Angela Eagle: Colleagues might want to talk about how the performance data works at the moment. My general way of working on this, which is not through contracting systems—that is more technical—is to try to do it in a more open, different, locally focused way than the way we have introduced. I do not know whether colleagues might want to talk about some of the information that is collected for compliance purposes.

Joanna Rowland: Two things: we have an assurance team that do spot visits. They do inspections of dispersed properties, hotels and large sites. More than 500 of those a month take place. Some are unannounced so



HOUSE OF COMMONS

that we are seeing it as an asylum seeker would experience it. Any issues from those are carried back to the suppliers.

As you know, we also have the migrant helpline so if an asylum seeker does have any concern about their accommodation or the provision of catering, if they are in catered accommodation, then they can report it through. We do monitor those reports and work with the suppliers. We have an executive oversight board that also looks at that data at an aggregate level.

Q318 Ben Maguire: You are content that that system is working at the moment as oversight?

Joanna Rowland: We would always love to inspect every property every week, but obviously we need to balance the cost to the taxpayer of resourcing that assurance, and it is appropriate that the suppliers conduct their own assurance activity as well. But between those two mechanisms, it is certainly giving us data with which to manage compliance with standards.

Q319 Bell Ribeiro-Addy: I want to ask about some of the issues with KPIs. Why haven't you imposed the maximum level of service credits in response to poor performance, and why has there been such a delay in imposing financial penalties for failed KPIs?

Simon Ridley: The question flows exactly from what Jo has just said. What we do is we collect the data from suppliers. We collect that monthly, we measure that monthly and we measure the service credits monthly. We have regular discussions then with our suppliers, including the quarterly meeting that Jo has referred to. Where suppliers are not meeting the performance we expect and that the contract sets out, we are applying those service credits and then, as necessary, we are charging the penalties.

As is shown in the information we provided to the Committee in writing and that the NAO provided in writing, in the last six months we have been increasing the assessment of service credits as we manage the contracts more tightly.

Q320 Bell Ribeiro-Addy: Is there anything else being done to address performance issues, aside from the programme of issuing service credits? Because it does not seem to be—

Simon Ridley: That is a really important point. There is the contract monitoring of the pure KPIs. There is then the sort of wider strategic relationship that we have with our suppliers, both in terms of strategic discussions we have and the other work that we do with them. There are a number of things, but just to mention a couple, we have been working very closely with local authorities, strategic migration partnerships and suppliers. We now have a monthly meeting that includes suppliers, local authorities and the Home Office, where we go through the estate in the region and issues in the region, and we have conversations about that.



HOUSE OF COMMONS

That is a really important set of things about how we encourage suppliers to engage locally and how that structure can definitely be improved, and we get quite a lot of feedback from local authorities on some of that. That is really critical. Then a second important thing, which we have touched on already, is that there are a number of broader areas where we are reviewing the policies or setup that our suppliers have. We have mentioned that in the context of subcontractors.

We have recently also gone out to our suppliers to ask them to send back to us their company policies on safeguarding around the people in their estate. So, we are having direct conversations about that. That goes beyond what is just purely measured in the KPIs and the wider contractual duties that they have.

Dame Angela Eagle: Then there is also the assurance and inspections, and they have gone up a lot in the last few months as we have managed to focus more on actually managing the contracts by stabilising the system, moving away from all of the distractions that the previous regime managed to create about large sites in Rwanda. It just enables you to concentrate a bit more on the day job. My impression is that there is much more focus on this now than there was in the past, but it is still a very complex area.

Q321 **Bell Ribeiro-Addy:** I know this is not under your tenure entirely, but why is the KPI regime only being reviewed now, five years, I think, into the contract? When will this whole review be finished?

Dame Angela Eagle: Certainly, halfway through a contract, with contracts that are as long as these, you would want to start looking at the KPI regime. I have never come across contracts that have managed to subsist while all around them has changed so dramatically.

The entire world in 2019 was very different to the one that emerged from 2020 after the covid pandemic struck. Then there was the huge increase in numbers of people claiming asylum, which was not expected either. So, I actually think that the least we can do is to start looking at the KPIs more generally to see how we might move into the last part of these contracts and prepare for what the future plans will be.

Q322 **Bell Ribeiro-Addy:** When do you plan to be done with the review?

Joanna Rowland: We are currently putting proposals out to the supplier. We expect responses back by the end of the month. There will be a negotiation; the KPIs have to be workable for both sides so we will discuss those with the supplier. The proposals are there, and responses are due imminently.

Dame Angela Eagle: Of course, they are in the contracts, so there are two issues really. What might we want to do better in future in a different circumstance, and what might we do with the contracts that we are involved in at the moment? There are learnings for both of those contexts, I think.



HOUSE OF COMMONS

Q323 Bell Ribeiro-Addy: As part of this, is the Home Office assessing whether the level of service credit deductions is proportionate to the profits that providers are generating under these contracts?

Joanna Rowland: Service credits are different from profit share. Service credits are pre-negotiated penalties when service has fallen short, and therefore—

Bell Ribeiro-Addy: No, I understand that, but is it proportionate to the profits that are generated? That is the question.

Joanna Rowland: It is very much our ambition to take a closer look at service performance and, indeed, over the last year and a half we have been doing that. You will see from the NAO report that the service credits charged in the last year have almost doubled from previous years.

The number one thing we want is to make sure the suppliers are delivering the standards we require and, therefore, improvement plans are as important to us as any application of a service credit.

Dame Angela Eagle: Inspections have doubled as well. There is much more focus on these day-to-day elements of running contracts.

Q324 Bell Ribeiro-Addy: I suppose my question is more about assessment and for all of us to be able to see what is happening, because we hear the figures and they are quite alarming in regard to what they are making. Would you consider publishing a breakdown of profit margins and service credit deductions per provider so that we could see what was happening?

Joanna Rowland: There will be transparency about any profit share that comes back to the taxpayer and there will be transparency around service credits for the next year, as the NAO has transparently reported to date.

Q325 Bell Ribeiro-Addy: With each provider specifically, not an overview?

Joanna Rowland: I will double check the published stats. I have a feeling they are each provider, but we will double check that for you.

Q326 Bell Ribeiro-Addy: We know that Migrant Help, for example, has consistently failed to meet KPIs. How can the Home Office have a grip on issues in asylum accommodation when the system for asylum seekers to raise issues is clearly not functioning in the way that it should?

Dame Angela Eagle: It is a pity they were not able to give you evidence today. I assume you will call them back in.

The Migrant Help contract was transformed from when it was previously let under our predecessors. It was completely different because, again, it went through the covid pandemic and the increase in numbers and usage. The number of contacts at the first response centre in 2019 when it was first let was 184,946. By last year, there were 1,273,020. There is



enormous pressure—much higher pressure than was anticipated when the contract was let.

Also, because people are in hotels and dispersed rather than going through reception centres, which was the idea when the contract was let, there is not nearly so much face-to-face activity as the original contract thought of. You have been to Wethersfield and so you will have seen that Wethersfield has Migrant Help face-to-face capacity, but the vast majority of the system does not have that. That makes it much harder for Migrant Help to do the job that was envisaged. I know that it is evolving its system into web chats and more active telephony, but it has been quite difficult for it to get a handle on what is going on in the changed circumstances. We work with Migrant Help to try to ensure that people can get through as quickly as possible to get help, and the help that is asked for is triaged, but it is not ideal because of the presence of hotels.

Simon Ridley: In the last month, calls were answered in one minute and four seconds, which is close to expectation. The time to get to an agent for a more detailed conversation is still longer than we would like, but it is coming down as well. Some of the reforms they are putting in place and some of the work we are doing with them is continuing to seek to improve that.

Dame Angela Eagle: The satisfaction rate is 84%, which I would be quite happy with myself.

Q327 **Bell Ribeiro-Addy:** Yes, but they do keep failing to meet the KPIs. I suppose the question is—

Dame Angela Eagle: The KPIs were set at a time when it was envisaged to be different. The KPIs have been changed to make them a bit more realistic. All this happened before I got here, but I wanted to give you a flavour of how the landscape in which they have to operate has changed from the beginning of the contract.

Bell Ribeiro-Addy: So the KPIs are not relevant?

Dame Angela Eagle: They are, but they have been changed to be more realistic.

Q328 **Bell Ribeiro-Addy:** Even by the more realistic ones, they are still failing. So, I suppose the question is whether they are failing and whose fault it is.

Dame Angela Eagle: In general, they do a good job in difficult circumstances. When I have talked to service users, I get that impression. However, if somebody has had a difficult time trying to contact them, they will have a different view. Trying to get through to the helpline, particularly for more complex assistance, has always been more difficult than the initial contact.



HOUSE OF COMMONS

We also ask Migrant Help to help with move-on, and they try to contact everybody who is granted asylum to help signpost them to what happens next, but it is not ideal when they cannot do face-to-face work.

Q329 Bell Ribeiro-Addy: Your responses seem to indicate that in some way it is not Migrant Help's fault. Is it the Home Office's fault? What more is the Home Office doing to make sure that this vital service is maintained?

Dame Angela Eagle: I would ask a more philosophical question than that, almost, which is: is a centralised system that runs like that the model?

Bell Ribeiro-Addy: You would like me to ask you that question?

Dame Angela Eagle: That is what I think of when I see this. I do not want to make it look like I do not appreciate and support some of the really good work that Migrant Help have been able to do in this area, but they are not perfect.

Bell Ribeiro-Addy: Again, by the KPIs, even if they have changed, they are failing, by your own evidence.

Dame Angela Eagle: You are being slightly harsh, but—

Bell Ribeiro-Addy: People don't like them.

Dame Angela Eagle: I have come across varying views of Migrant Help when I have been out and about.

Q330 Bell Ribeiro-Addy: Why has the estimated value of the AIRE contract gone down since 2019, given that demand for support is significantly higher?

Dame Angela Eagle: It hasn't gone down. That is the cost to date, and there is still three and a half years more to run on the contract. The NAO got slightly the wrong end of the stick on that one. We are expecting the value of the contract to be higher.

Simon Ridley: The £229 million in the NAO report is cost to date. That compares to an original estimated value of the whole contract of £235 million. Exactly as the Minister said, the contract still has several years to run, so it will end up having a higher value than envisaged, and that is a function of the huge increase in demand for the service.

Q331 Bell Ribeiro-Addy: As you know, I asked loads of questions of the Home Office on this subject matter, and I want to find out why the Home Office recently claimed to have no centralised data on accommodation providers' performance and what steps are being taken to rectify this. Those are the responses I get back.

Joanna Rowland: We do have data on performance. We have the KPIs that we have described. What may be happening is what we can say publicly on performance, because these are contractual relations. Some



HOUSE OF COMMONS

of it has contractual confidentiality to it. However, we can certainly share with the Committee the performance indicators that we make public. There are certainly performance indicators around the suppliers.

Q332 Bell Ribeiro-Addy: The questions have been quite generalised on the accommodation providers' performance, but I have been specifically told not that you cannot provide them for a reason, but that you do not hold the data on them.

Dame Angela Eagle: Let me have a look at the specific parliamentary question you asked and write to you about the context and tell you what we can provide you with.

Q333 Bell Ribeiro-Addy: One more from me. I want to understand the rationale for awarding further contracts to Clearsprings for asylum accommodation when the company had previously lost a Ministry of Justice contract due to performance issues, and why that past performance was not considered. I know people point a lot of the time to our Departments not talking to each other, but I cannot understand why a company would fail in providing services for one ministry and then be awarded a contract for another.

Dame Angela Eagle: Which part of the contract are you referring to and when?

Bell Ribeiro-Addy: You have awarded further contracts to Clearsprings for asylum accommodation, more generally.

Dame Angela Eagle: When? Do you mean in 2019?

Bell Ribeiro-Addy: Yes. You are retaining their services, are you not?

Dame Angela Eagle: The 2019 contract lasts 10 years with break clauses coming up in 2026. We inherited those contracts. We are spending time focusing much more on performance and all the indicators that colleagues have talked about in more detail before you today. We will always bear in mind the performance that we get from our contractors, Clearsprings and the others.

Q334 Bell Ribeiro-Addy: Do you do that Department by Department? Do you look at what they may have done providing a similar service to another Department?

Dame Angela Eagle: You might think that in a procurement, but if you have a contract with an organisation with KPIs and performance matrices and mechanisms, you have to put that contract into effect. We are working within the context of the contracts that were signed in 2019.

Q335 Bell Ribeiro-Addy: So we could realistically have a situation where they have lost a contract with another Department because they have performed poorly, even if they are doing the same thing—providing accommodation—but the Home Office would allow them to either continue past their break clause or potentially renew their contract?



HOUSE OF COMMONS

Joanna Rowland: Crown Commercial Services updated procurement rules across Government last year and, indeed, past commercial contracts with Government can now be factored into the award. We would need procurement experts to tell you exactly what the procurements were in 2019, but I do know for a fact that they have been updated recently for exactly the reason you cite.

Q336 **Chair:** Have any providers had contract breaches or formal warnings?

Joanna Rowland: There have been default notices sent to providers if they fall short of a standard. Default notices instantly either go into a dispute resolution if the provider feels it is unfair, or go into a period of opportunity for them to make good on the default. That has happened on these contracts.

Q337 **Chair:** Has it happened recently?

Joanna Rowland: Because we have scrutiny on contracts, it is not unusual for default notices to be applied and opportunity for rectification to happen.

Q338 **Chair:** What is the estimated value of the whole Migrant Help contract?

Dame Angela Eagle: In future?

Chair: What is the whole estimated value?

Dame Angela Eagle: From end-to-end, it is £300 million and something.

Joanna Rowland: £385 million is expected.

Dame Angela Eagle: Yes, higher than when it was first set, for understandable reasons.

Chair: I will bring Will Forster in, who is guesting with us from the Housing, Communities and Local Government Committee, and then I have Jake Richards and Ben Maguire.

Q339 **Mr Will Forster:** Thank you, Chair. I want to follow up, Joanna, on your answer to the Chair. Could you tell us how many times default notices have been given? I thought that was quite an interesting answer. You said that the contractors respond differently.

Most of the time, do they up their game rather than you going into a formal dispute mechanism? I suppose I am looking for a bit more information on the sheer number and then how many times you have had to do a more formal dispute resolution. Has it been a bit more of an informal discussion?

Joanna Rowland: I would have to write to the Committee on the number of times in the past to ensure that that is accurate. Yes, in the majority of cases, a resolution is found and the need for rectification is rectified.



HOUSE OF COMMONS

Q340 **Mr Will Forster:** I think the Committee would find that helpful, or I certainly would. If you do not have the full details in front of you, which I completely understand, do you think there is a general trend of the disputes going up or going down, or has it been static for some time?

Joanna Rowland: It is back in line with our assurance efforts. The more assurance we are putting around, the more we may find, but I would need to go through the data to know whether there has been any historical trend. I also need to check commercial confidentiality. That said, we have written on some aspects to the Committee in private to make sure that we are being transparent with the Committee.

Q341 **Jake Richards:** I want to ask about unaccompanied children in the context of providers. I asked a question in Home Office questions quite recently about this, and we had evidence from the Refugee Council and others that they thought this was a bigger problem than perhaps has been recognised—that children are ending up in unsuitable accommodation.

I do not need any comments on the age assessment process. That is not the subject of this inquiry. Are you comfortable, Minister, with the contracts and the obligations they place on providers on an ongoing basis regarding the welfare of potentially children, because we know some children do end up in these settings? Is there an ongoing obligation in the contract? Is that being satisfied? Are you confident that they are taking it seriously?

Dame Angela Eagle: There are obligations with respect to this. Clearly, if there is a child who turns up mistakenly in adult accommodation and they claim they are a child when they get there, the local authority must be contacted, and the local authority will do what is known as a Merton assessment. We do not knowingly disperse children into adult asylum accommodation. We do get back to this issue—I do not want to spend much time on it since you have told me not to, but there is an issue about age assessment.

If people claim they are a child when we first come across them and there is a dispute about that, there is a decision taken, if it is a small boat arrival in Dover and at Manston on whether a person is a child. If that person continues to contest the fact that they have been found to be an adult when they say they are a child, as soon as they arrive they can contact the local authority and have a much longer standing Merton assessment. While that is done, they are given the benefit of the doubt and moved into the children's care system.

I have to say that you must understand, Mr Richards, that large numbers of people have in the past claimed that they are children when they are adults, and vice versa. There is a safeguarding issue either way. If a child claims they are an adult, it is usually very difficult for modern slavery-type reasons. There are only so many ways we can use quickly to assess, therefore there are dangers on either side. There are circumstances and



HOUSE OF COMMONS

there are things that must be done that are well understood by local authorities in situ if somebody claims that.

Q342 **Jake Richards:** I do not for a minute suggest it is not fiendishly difficult on both sides of this coin. I am not suggesting this is very easy. My worry is that if a child has a Merton assessment at the border and they are deemed to be an adult, they are placed in an adult setting. Then, as you have said, the emphasis is on the child to go to a local authority to challenge that, and obviously we do not know—

Dame Angela Eagle: They can go to the accommodation provider and say, “I am a child”, and if they do that then the accommodation provider for safeguarding reasons would contact the local authority.

Q343 **Jake Richards:** I guess that is the key point. Are you confident that all staff for the providers, both for your primary providers and the subcontractors, are trained and understand that that is their obligation and how to do that?

Simon Ridley: It is a really important question. Providers do have obligations to have properly trained staff to be able to recognise safeguarding issues, and they do have obligations to refer safeguarding issues on to the relevant statutory authority, because of course they do not have statutory responsibility and they need to pass on to local authorities or whatever the right authority is. Those are the right obligations for us to have on the suppliers.

There are poor hand-offs between organisations in all of this, and that is part of the reason why we have set up a safeguarding hub in the Department. We take calls from third parties, from Migrant Help and from various people. We have been doing work with the LGA to make sure we are clear about roles and responsibilities between different parties in this work, because it is so complicated and challenging. We are confident that we have the right contractual obligations in the contracts for the providers, and we are seeking to make sure that we have the right mechanism for when issues are spotted that the right thing is always happening between the different parties.

Dame Angela Eagle: Clearly, scientific age assessment and/or photographic age verification is a very important part of what we are trying to develop, so that we can have more of an assurance particularly on the cusp of child and adult when people come to us with no ID and claim that they are children. There are safeguarding issues either way, if you let an adult into the children’s area or if you let children into adult settings. Therefore, we must try to do some work on that. The scientific age assessment approach is still being trialled because the capacity for it to be accurate is not good enough to deploy at the moment. I am personally much more confident about facial age verification.

Chair: We have questions on safeguarding coming up later.

Q344 **Ben Maguire:** I will quickly take you back to Bell’s question earlier,



HOUSE OF COMMONS

Minister. You mentioned about decentralising Migrant Help, and in one of your answers to me you mentioned the oversight of some of these contracts being shifted to local authorities. Clearly, you were reflecting on the performance, functioning and processes of the contracts to date. The English Devolution Bill will be coming before the House soon. Is there scope there to partner with that Department in some of these conundrums?

Dame Angela Eagle: We are looking at the current model of provision of both accommodation and services that we have inherited. For the future, we are looking to see whether we can pilot different approaches. Some of that may be localised with wraparound services. Some of it may be local authorities just providing accommodation or other organisations providing wraparound support services. We are trying various pilots, and we have been very encouraged by the response from local authorities to our call for involvement in some of these pilots. We have had 198 local authorities, I think, express an interest in trying to do some work on this. We are going to pilot different approaches as we look to see what arrangements we might make in the future.

I do not want to upset Migrant Help too much, though. I asked a philosophical question. We are still where we are with that contract. I think some of the pilots may start to look at how we can provide a voice for migrants—an advocacy service, a help service—at more local authority level, and there is no reason why Migrant Help could not provide some of that. It was how the contract was originally envisaged, in my understanding, when it was let in 2019.

Q345 **Mr Paul Kohler:** I want to focus on Stay Belvedere for a couple of moments. When did Clearsprings start using Stay Belvedere, and when did the Home Office become aware of problems in relation to Stay Belvedere?

Dame Angela Eagle: We became aware of problems in relation to Stay Belvedere Hotels Ltd at the beginning of this year, and we became aware of performance issues—non-performance-related issues, I should say—with that chain. They provided 51 hotels to the portfolio that Clearsprings had, and we made it clear, following information that we got, that we wanted them removed from the supply chain as a major subprime as soon as practicable.

Q346 **Mr Paul Kohler:** You said non-performance issues?

Dame Angela Eagle: Non-performance-related issues.

Mr Paul Kohler: So the problem with Stay Belvedere is not to do with performance. Is that what you are telling me?

Dame Angela Eagle: No.

Mr Paul Kohler: Can you tell us more?



HOUSE OF COMMONS

Dame Angela Eagle: No, not in public, I am afraid, at the moment. Sorry to be so opaque.

Chair: The Minister did write to the Committee under private cover with a bit more detail.

Q347 **Shaun Davies:** For the record, I should declare that I am the vice president of the LGA, and before I was a Member of Parliament, I jointly chaired the asylum taskforce group with the then Minister for Immigration, Robert Jenrick.

In terms of the Home Office, broadly speaking did the Home Office lose sight, at any point during this contract, of what was happening in the accommodation up and down the country? I appreciate, Ms Eagle, that you can only comment from the point that you were in post, and the other civil servants might want to provide both their personal reflections but also the corporate reflections from the Home Office itself.

Dame Angela Eagle: Lose sight of what?

Q348 **Shaun Davies:** Who was delivering accommodation. We have heard about the prime contracts, we have heard about the subcontracting relationships—we have heard about the whole spaghetti of provision. In terms of the viewpoint from the Home Office, did you know who was providing the accommodation up and down the country?

Dame Angela Eagle: If I could answer initially, when I first came into office—only from July last year—I was briefed on these contracts and how they worked. I also talked, not only in the Tea Room but around the place, to people who had experiences on the ground of the impact in their local areas. I was not really satisfied that we had transparency on what was going on.

I do not think that the contracts—this is my personal observation, not anything else—were designed to have that level of oversight. They were designed for us to contract with the prime contractor and to leave most of the subcontracting and provision of services across the piece—including transport, food, that kind of provision—to our primes, and they could then contract that how they wanted. I do not think that that model does give you from the centre the capacity to have the kind of transparency that I would personally like.

Q349 **Shaun Davies:** Let us try to unpack that slightly, Minister. I do not want to put words into your mouth, so please correct me if I am wrong—

Dame Angela Eagle: No, I won't let you.

Shaun Davies: Would you accept that with the prime contractor model, effectively the Home Office is blind in terms of what is happening at a local level because of the reliance those prime contractors would have on subcontractors, and you would not necessarily know as a Minister?



Dame Angela Eagle: I do not think it is blind, and I think certainly if an issue arose we could quite quickly find out what was going on, but I do not think we have in real time sight across the whole piece of what is going on everywhere. We can get to the bottom of things quite quickly if we have to, but I do not think the contracts that we are working with at the moment were designed to have eyes on everything all at once from the centre.

Simon Ridley: Broadly, I agree with everything the Minister has said. The first thing is that the contracts were purposefully to contract for an end-to-end service. We did that through the prime provider, and the supply chain beneath that is then contracted for by the prime provider or by the subcontractors as it goes down. Our contractual relationship is therefore with the prime contractor, and that does not give us the contractual visibility of everybody through the supply chain. We can know and we do know what is going on through the various structures of relationships and governance we build, whether that is with local authorities, our suppliers, the inspections we do and the contract management we can do, and we have talked about some of that.

These contracts are end to end through a prime. There are other models—there are absolutely other models—and the Department, at the time, went for this one. What we are doing at the moment is ensuring we can maximise the value from that. That is challenging in some ways.

Joanna Rowland: I would add that we do have the contractual right to say to a prime that we withdraw authority for a subprime, if they are a material subprime provider. We have discussed that with regard to Stay Belvedere Hotels Ltd. The KPIs are deliberately performance end to end, so if there is a subprime provider not providing the right level of performance, that will become apparent through our inspections and KPIs. Yes, as Simon and the Minister say, our route to that is through the prime, but the KPIs are deliberately broad enough that it is measuring the service as a whole even if a subprime provider delivers parts of that service.

Q350 **Shaun Davies:** Now that you are in the thick of operationalising this contract, for good or for ill, do you think it is the most efficient way—given the multilayers of profit, accountability and assurances required, and the trust and confidence the Home Office needs to have in its primes—to make sure the prime is holding the subcontractors to account? Do you think it is the best way to provide this type of end-to-end service that you talk about?

Dame Angela Eagle: I do not personally like it. I do not think it is something that I would have signed off on, but we are where we are on that. I think that certainly in theory, there are swings and roundabouts in the way in which you try to contract for services that are like this. There are advantages and disadvantages of different ways of doing it. My instinct personally is that I would prefer to see something that is a bit more collaborative locally and available locally than to have a top-down,



HOUSE OF COMMONS

constant, all-encompassing contract with a private company, but I understand that that is one approach.

- Q351 **Shaun Davies:** My final question is about what proportion of the asylum accommodation estate is managed by subcontractors rather than the prime contractors. Do you have that? If not, could you please write to us on that?

Joanna Rowland: It is important to establish that these contracts are end-to-end services. They have transport, they have security and they have catering as well.

- Q352 **Shaun Davies:** On the provision of the accommodation itself, and the relationship between the accommodation provider and the subcontractor rather than the relationship to the prime contractor, what proportion is subcontracted?

Joanna Rowland: I think we would have to write to the Committee.

Simon Ridley: The vast majority are subcontracted.

Dame Angela Eagle: It would be the vast majority.

Simon Ridley: The vast majority, if not essentially all, is subcontracted. We can come back with the detail.

Joanna Rowland: The role of the prime is the integration across all of those services.

Shaun Davies: I am surprised by your answer, but if you could write to us about the proportion, that would be helpful.

- Q353 **Mr Paul Kohler:** Ms Rowland, I would like to ask a question that came up in your answer earlier. When a subprime is terminated, as in Stay Belvedere, what happens to the accommodation? What has happened with Stay Belvedere's accommodation?

Joanna Rowland: It depends on the circumstances, but in this instance we are working with the provider to use exactly the same accommodation so that there is no interruption to service continuity. There would be a choice for us. We could discontinue the use of that accommodation and use alternatives, so there are a range of choices available to the authority in those circumstances.

- Q354 **Chair:** Mr Ridley, how often do you get feedback and reports on performance? Are you given this daily, or is it weekly or monthly?

Simon Ridley: On performance, the regular assessment is quarterly. We measure monthly, so there is monthly information that comes through, and then assessment is quarterly. If there are specific issues, they come through in real time when they arise, and we need to address that. Then the more regular data on MI, on numbers and the number of people in our accommodation, and those sorts of things.



HOUSE OF COMMONS

Q355 **Chair:** How often is that provided to you?

Simon Ridley: I look at that closely, again, monthly, but it comes through much more regularly than that. Jo Rowland has more regular MI that she and her teams look at as we manage the estate day by day.

Q356 **Chair:** Do you not have a daily chart of numbers in the system; how many are being processed?

Joanna Rowland: I get a daily sitrep of our accommodation utilisation, how many spare beds are in, how many people came in overnight, exits and so on, so there is a daily sitrep dashboard that is available.

Dame Angela Eagle: I tend to get a report on that weekly.

Joanna Rowland: We try to aggregate it up for you.

Dame Angela Eagle: I see it regularly.

Q357 **Chair:** So you would see it weekly, and then quarterly you get the KPI update?

Simon Ridley: Yes. We have a monthly meeting with Jo and her team that goes through the data not just on accommodation but on everything that is going on across the asylum system. We do that monthly, informed basically by a standard data pack. The performance assessment is done quarterly between us and the providers.

Q358 **Chris Murray:** We talked about the system that we have set up over the last five years, but let us focus a little bit on the future of the asylum accommodation system. The Government have been clear that you want to end the use of asylum hotels. First, asylum fluctuates. Sometimes there are increases and sometimes there are not. It is just a fact that the use of hotels generates more revenue for these three providers than other kinds of accommodation. Are you concerned that there is an incentive for these providers when things increase to start using hotels? It is baked into the contracts structurally.

Dame Angela Eagle: Jo will come in on the details of the contracts, but clearly we want to get out of hotels. The key part of doing that is to have the system that was paralysed, as I talked about earlier, working again so we get some throughput through hotels that gives us some more leeway. Obviously, it depends on demand at the other end as well, but it is clearly in our interest to get out of hotels as quickly as we possibly can for cost purposes, and to use the estate that we are paying for in the most efficient and effective way. We have saved the half billion by making progress on that, and I think we have had a 116% increase in initial asylum applications initial asylum decisions from what we inherited. We are beginning to make the system move. We now have fewer people in our hotels than we had at the end of last year, and we will continue to try to get out of hotels as quickly as possible. There are ways of doing that to save money, but there is also demand on the system.



HOUSE OF COMMONS

Jo, I do not know whether you want to talk about the fact that our providers cannot just open hotels willy-nilly. We have to decide if we need hotels, and we need to do that if it looks like we have to have some capacity because demand is going up.

Joanna Rowland: Our providers are crystal clear that we are exiting hotels, and we need to do that rapidly due to cost. However, one of the things that we need to guard against is that then there are uncontrolled levels of dispersal accommodation. Another priority for the Government is levelling up the allocation of dispersal accommodation across local authorities.

There has been success to date, in that there are now only 19% of local authorities without any dispersal accommodation. That is up from 30% a year ago. We need to do the hotel exit and the alternative accommodation in a highly controlled way, because if it was just an edict to close hotels and get dispersed, we would end up with uneven concentration. I know some local authorities are feeling that acutely right now.

Dame Angela Eagle: There are other things, such as we are trying to operate temporary accommodation in a housing shortage situation where there is a great deal of pressure on it. There are financial and practical constraints of opening up new supply. You cannot overburden particular areas with dispersed accommodation, because there might be local issues in and around that that are to do with social cohesion and the kind of burdens you might put on particular local authorities. It is a balance of trying to get this sorted in a way that causes the least bad problems.

Q359 **Chris Murray:** I understand that, but I am thinking about the dynamics baked into these contracts. It seems to me that you have an incentive to say to these providers, because of cost more than anything, "We do not want you to use hotels", but their revenue goes up when you use hotels, so they do not have a financial incentive. They want to maintain a contract with you, but they do not have a financial incentive to do so.

Given all those other components—those issues pressing in on all sides—even if you got asylum hotels down now, as asylum flows will ebb and flow over time, it will always structurally be in the interests of these providers to move into hotel accommodation rather than to strain every sinew to go into more dispersed accommodation.

Dame Angela Eagle: We do require them to find us dispersed accommodation and other accommodations, and they are constantly on the search for such things. I often get approached by MPs who have heard rumours that various suppliers are looking at buildings in their areas and want to know about it. Some of that is literally just surveying to see what is available—for medium sites, for example, which is what we are looking at at the moment. We do require them to bring choices to us about that. We want to get out of hotels as quickly as possible. We can require them to do that if we have alternative sources of supply.



Simon Ridley: The contracts are fundamentally built around dispersed accommodation volume requirements. The decisions about hotels are ours to make, not theirs to make, within the constraints of what the population is, so the important thing in terms of the long-run service is to build the dispersal estate in a way that is sensibly distributed. That is the work we are doing regionally with suppliers and councils and making sure we get the right spread of that.

To your point about ebbs and flows, the other thing is that getting out of hotels is in part an accommodation challenge, but it is also fundamentally about how we make sure we have a smaller population that we need to accommodate and address. There are various issues about visa overstaying that we have touched on in other hearings. It is critically important that we look at this in terms of the whole system. The point about accommodation is the importance to the suppliers of dispersal accommodation, because that is fundamentally what is built in.

Dame Angela Eagle: We are trying to look cross-Government at this, because there is a shortage of temporary accommodation in other capacities as well. One thinks of the number of households who have been made temporarily homeless in local authority areas because of no-fault eviction, for example—all of them in bed and breakfast or expensive hotels—as well as prison leavers and a range of things.

We have been involved in some work with the Office for Value for Money at HMT to look to see whether in the medium term we could have a capacity for temporary accommodation for people who become homeless, which is more coherently provided cross-departmentally. That would save a lot of money rather than us bidding up the price of hotel A or B in a particular place. There are some medium-term solutions to this that would save money in the long term if we can get going on some of that, and there is certainly lots of work being done with MHCLG, with the Local Government Association and our pilots to try to look at something like that as well.

Q360 **Chris Murray:** That is positive to hear. That goes again to the structure of these contracts. If the money that had been spent over the last six years on these contracts had been invested in any kind of capital project or in any kind of local development, we would have something to show for it, but it has all gone on hotels and there is nothing there.

Dame Angela Eagle: That is very much my view. Trying to have an asset at the end of this that could be used for temporary accommodation if such needs arise again would be a better use of public money.

Q361 **Chris Murray:** If we had literally anything to show for it. Sticking on that point about contracts, people's frustrations with these contracts are enormous. First, there is nothing to show for them. Secondly, we had riots in the summer targeting some of this accommodation. Also, the profits that these companies have made are huge.



HOUSE OF COMMONS

One of their owners has entered *The Sunday Times* rich list. The bit that sticks in my throat the most is that this money is classified as overseas development assistance. It is money that the UK taxpayer has said we want to give to the poorest people in the world, and instead it is being spent in this way. One of the most significant milestones in these contracts is the break clause that comes up next year. What is your thinking around the break clause?

Dame Angela Eagle: First, on the ODA, I share your frustration. Again, it was a legacy issue that we have inherited. The best thing we can do is try to get the costs of these contracts down so some of that money can be sent back to that budget, so that we can do some preventative work in the world to try to prevent flows of migration when countries collapse and try to keep people in situ. That is better for their country, better for them and better for everybody else. If we could do more of that preventative work, I, for one, would be extremely happy. The £500 million savings is a little bit back. Some of that will go back, and we will continue working to get it down.

Concerning the break clauses, we are looking closely via the pilots to see what we might be able to do, given that the break clauses represent opportunities for us to evolve away from the system we are in at the moment to something different. That is all I can say at the moment, but I have clocked the break clauses.

Q362 **Chris Murray:** That is very Delphic, Minister. The structure of the contracts is the issue I am trying to drive at here, and what the Home Office's long-term thinking will be on this. The Home Office told the Public Accounts Committee in 2020 that it would need five years of planning time to radically change the asylum accommodation system. Did that work begin?

Dame Angela Eagle: That work has begun, and we are looking at some work on bridging contracts as well. We have been out to the market to look at how we might evolve. Joanna, I don't know if you want to go into a little bit of detail about that.

Joanna Rowland: Yes—exactly your point. It will take years of work to evolve a full strategy that is fully mobilised and able to completely transform the way we supply asylum accommodation, or indeed, as the Minister says, temporary accommodation on behalf of the Government. However, we do want to create more choice for the Government and the Minister in the meantime. We are looking at a bridging procurement, which is somewhere between how we operate now—

Q363 **Chris Murray:** What is a bridging programme?

Joanna Rowland: It is looking to let a contract that is somewhere between how we operate now but is slightly more fragmented, so it is not one prime supplier overseeing all services. That will just allow a bit more commercial choice for us while we are working on the pilots. The pilots



HOUSE OF COMMONS

are active work with MHCLG and others. They are looking at various ways to provide accommodation, for example putting a grant to local authorities and leasing back the property. There are elements of: could we give grants to remediate void properties? Is there a support-only option, so we are not providing accommodation? There are a lot of ideas, but we will need those pilots to give us an evidence base for how we might want to move forward.

Q364 **Chris Murray:** The problem is, why has that work not already been done? This is not a partisan issue.

Dame Angela Eagle: I do not think the previous Government were interested in change, and the present Government are. We started the work as soon as we possibly could.

Q365 **Chris Murray:** Are you sure that you will be able to do it quickly enough that you will have options, first when the break clause comes but even beyond that, at the end horizon of these contracts? One of the problems identified in the National Audit Office reports on these contracts was that there was little competition for them in the first place. Who else in the market will you be able to go to? These companies have you over a barrel here.

Dame Angela Eagle: That is what we are testing in the work that is going on at the moment. Crucially, the pilots that we are going to be doing are intended precisely to give those kinds of choices as the break clauses approach.

Q366 **Chris Murray:** Thank you for that. I want to follow up on the ODA point. You said, Minister, that there has been £500 million in savings, but only £74 million of that has gone back into the development assistance budget. Can you explain why?

Dame Angela Eagle: Simon may have more detail, but my understanding is that the development assistance budget only applies to people who claim asylum in this country for the first 12 months. Various bits to do with the accounting for that are going on.

Simon Ridley: The numbers you are referring to are the main estimate for the current year, compared to last year, where we need to save about £500 million on asylum, of which about £74 million, I think, is ODA. We follow the Development Assistance Committee rules. They are essentially that for the first year an asylum seeker is in the country after they put their claim in, support is eligible for ODA. Obviously, as we bring the costs down, some of that is for people who have been in the country for more than a year, and necessarily, even as we speed the system up, that first period is ODA eligible. So, the total cost saving is a larger proportion than the ODA saving. That proportion will shift as we speed the system up, if that makes sense.

Dame Angela Eagle: The faster the system works, the more ODA savings will be made, if we make a saving. However, because we



HOUSE OF COMMONS

inherited such big backlogs of people who have been here a long time, when we speed the backlog up, those people have already gone out of eligibility for ODA money.

Simon Ridley: Effectively, we only save ODA once we are getting people through in less than a year.

Q367 **Chris Murray:** That does make sense. I would like more information on that because, it does not quite tally with what we are hearing anecdotally, which makes it feel like the Home Office is not starting at the bottom and working back.

Dame Angela Eagle: There are many ways of dealing with a backlog, and starting at the bottom and working back is not always the most efficient one.

Q368 **Chris Murray:** But we can expect the development assistance money to be rediverted towards development, as you put it.

Dame Angela Eagle: It will go back to where it belongs, and they will decide what to do with it.

Q369 **Chris Murray:** We have touched on this next topic slightly before. I want to ask you about medium sites. This seems to be one of the Government's new plans, moving on from the large sites that the previous Government had focused on. Why do you expect medium sites to succeed where large sites failed?

Dame Angela Eagle: One of the issues with large sites was that they tended to be old MOD sites. I think Joanna has had a lot of experience trying to bring them on board and get them up to any kind of scratch when they had asbestos-filled buildings, poisoned land, unexploded ordinance and all those sorts of things on old army bases. A lot of the experience of trying to bring large sites into use—with the exception of Wethersfield, and that has had its moments—demonstrated that lots of money, far greater expenditure than was expected, was not delivering many rooms.

The idea with medium sites is to use the likes of voided tower blocks, old teacher training colleges or old student accommodation that are not being used, where you could have more rooms than you can get with dispersed accommodation. The idea is to move from hotels to that kind of thing, rather than old military bases or Pontin's holiday camps.

Q370 **Chris Murray:** If we think about the experience with these three providers under the contract, when the previous Government tried to task them with setting up large sites, they failed spectacularly. The Northeye example—incredible levels of waste of public money. Are you sure that you have such a grip on the system that if you tasked the exact same providers with setting up types of sites that are not relatively that different in size and the number of people to be accommodated at the upper end, they will be able to do that without encountering the same



HOUSE OF COMMONS

problems they had at all the previous sites?

Dame Angela Eagle: Every old or derelict site has its issues and problems. However, I think it will be cheaper to bring sites like that on board if you are closing hotels. We wish to work in collaboration with local authorities rather than against them, which has often happened in the past, where you get many issues with planning permission and delay and all of that. Jo, I don't know whether you want to make any observations, given your work in this area.

Joanna Rowland: To be open with the Committee—we have previously given evidence on large sites—in the Home Office we, too, have developed our own expertise here. I now have a director who by trade is a property expert, and she has worked in both the public and private sectors, developing sites. She understands planning law and so on. So, we are far better equipped now.

The medium sites give us some of the benefits of large sites, such as Migrant Help perhaps being able to have more of a presence and give more in-person support, but with a lower concentration. They also give us an opportunity to partner with other authorities. One idea in the pipeline is whether some of the medium sites ought to be multi-use, so not solely for asylum purposes.

Simon Ridley: The challenges are actually quite different. A lot of the large sites are a different set of things, but they are effectively taking land where we had to get the accommodation and services in place, and they were often in rural locations compared with accommodation that exists with the infrastructure around it. Obviously, refurbishing and improvement work will be needed, but much closer to the point of service delivery, at the point at which you have the agreements with local authorities and the like in place. It is a different model from the larger sites on open land.

Q371 **Chris Murray:** I can understand how that is intended to be reassuring, but many difficulties that you encountered with the large sites were, from my perspective, completely envisageable. When you read the Northeye report, it should have been very obvious to the Home Office the problems they were going to encounter.

Ms Rowland, your point was that you have recruited a property director with expertise in this area. The contract was signed in 2019, and the idea that it is a great step that you have a property director on the books in 2025 does not reassure me. You should have had one of those straight away, and I do not think I am a genius for thinking that is the case.

Joanna Rowland: To be clear, the property director hasn't only just been recruited. She was recruited nearly two years ago.

Chris Murray: Even still, I think that is a bit behind the scale.



Joanna Rowland: This is all part of us embedding the lessons learned from large sites.

Dame Angela Eagle: To be fair to civil servants in the Home Office, Mr Murray—again, I was not there at the time— there was a centralised push from a small ministerial group that was not in the Home Office only to provide large sites. I think that is detailed in the Northeye PAC report for all to read in all its glory. With all due respect to colleagues here who had to do as they were asked, I think there were quite a lot of lessons learned about how not to do things. There is a lot to be learned about that.

My instinct is to try to be much more co-operative with local authorities and try to have a quid pro quo. Maybe some of the things that we develop will go to supporting local temporarily homeless people from the area in exchange for having some of the things we develop available for our own asylum seekers as well. It is a kind of co-operative approach, I hope, that will be more sustainable than the situation that we find ourselves in now.

Q372 **Chris Murray:** Thank you. I have one final question. I would like to draw the Committee's attention to my entry in the Register of Interests and declare the support my office received from RAMP. I should have done so at the beginning; forgive me, Chair.

Before we move on from the question about large sites and the lessons learned from them, have you totally ruled out large sites going forward? We did visit Wethersfield, and we heard a lot about the improvements that they have made to that large site over the sorts of ups and downs of its history. Just to be clear, are you sure that the Home Office will be able to apply the lessons learned from large sites to small sites?

My concern would be that just at the time when you have the institutional memory to manage large sites, just at the time those lessons are coming in, a new political leadership has come in and ruled out large sites, and is setting up something different, and we will just begin the whole process again. How have you walled off that eventuality?

Dame Angela Eagle: I am glad you enjoyed your visit to Wethersfield. It has taken a while to establish and stabilise, and I do not think large sites are the answer to what we are trying to do elsewhere for some of the reasons that you have talked about—the complexity of trying to find usable sites, and not least because they are remote and difficult. We think that medium-sized sites are more likely to demonstrate a capacity to provide services for temporary accommodation, which there is a shortage of for all sorts of people now. We want to see whether we can work across other Government Departments to try to deliver something that will be flexible and usable and not in the middle of nowhere.

Q373 **Mr Paul Kohler:** Minister, you described the use of ODA money as a legacy issue, but you do accept you were not bound by that decision. This Government have decided to continue using ODA money.



HOUSE OF COMMONS

Dame Angela Eagle: When I walked into the ministerial office that I currently hold, the asylum part of the Home Office was £6 billion overspent on the year. I suppose I could have gone to the Treasury and said, "We want to give all the ODA money back, and we want you to give us even more money to replace it with". I think I would have had pretty short shrift. Therefore, what we have to try to do is save as much as possible of the ODA money that is being used at the moment by speeding up the system and by reducing the costs of the system that we inherited. That is what we are doing, and we have already made progress.

Q374 **Mr Paul Kohler:** You have made no attempt to stop using ODA money. You have stopped fighting, apparently.

Dame Angela Eagle: We are allowed to use ODA money for asylum seekers in their first year to support them. I have said that in my view, it is not an ideal use of the money. However, that is the legacy that we have inherited, and money is not available to the Home Office to replace the ODA money with the costs of asylum that we are currently engaged in trying to reduce. As the Minister responsible at the moment, the thing that I can do to have the best, fastest effect on that is to reduce the costs that we are incurring by getting the system to work faster and returning as much of that as possible.

Q375 **Mr Paul Kohler:** But government is about making choices. You cannot describe this ODA money as a legacy issue because this Government have decided to continue using it.

Dame Angela Eagle: We are trying to get it down. Also, you need to understand, Mr Kohler, that you cannot come into Government and just write blank cheques for absolutely everything that you find. There are some practical constraints. Quite a lot of them stop at HMT, but we will get on to that later in the week.

Q376 **Mr Will Forster:** Do you have targets for reducing the overseas aid spending?

Dame Angela Eagle: I think they are implied by the targeting that we are doing to get asylum decision-making going as fast as possible and get those initial decisions made. We started that off by ending retrospection with the Illegal Migration Act so that we could begin to process those applications. We had a 116% increase in initial applications by the end of March from virtually a standing start, so we are making good progress. The more that we do that—the faster we make those initial decisions—the more money we will be able to return to the overseas aid project.

Q377 **Mr Will Forster:** Thank you, Minister. I am pleased that they are implied, but why are they implied and not actual targets that would focus minds? If we fell over outside this building, we would go to hospital. There are clear waiting time targets and other health targets on this fundamental finance issue, but also for some of the most vulnerable people in our country, should there not be a target?



HOUSE OF COMMONS

Dame Angela Eagle: I can assure you that the targets to try to deal with the legacy backlog that we inherited in initial decision-making are being met and surpassed, and there is an implicit benefit in ODA expenditure in that target. I do not think much more would be achieved by having a separate target for essentially the same thing.

Q378 **Chair:** For the record, can I just be clear that the £0.5 billion that you have talked about saving is over this financial year, so it is going through until March, but it has not all been saved yet?

Dame Angela Eagle: Yes.

Simon Ridley: So, in 2024-25—that is, the last financial year—supplementary estimates published in February, we forecast at that point a saving of about £400 million, and returned £194 million of that to the Treasury. Our final saving for the last financial year, which will be higher than that, will be published in the Department's annual report and accounts, which are not yet out. We are going through the final steps of that. The main estimate for 2025-26 was published at the end of May. I cannot remember the precise date, Chair. That sets out that we will save a further £500 million-ish on asylum, of which I think the £74 million is the ODA number.

The target that focuses minds is the budget constraint that we have and the need to reduce the spending on asylum through all of the work that we are doing from end to end on decision-making, accommodation and everything else, and that will thankfully drive out an ODA saving.

Q379 **Chair:** Can I take us back just briefly to medium sites? What proportion of the estate do you expect will be medium-sized sites rather than full dispersed accommodation, in your new world?

Dame Angela Eagle: We have 198 expressions of interest from local authorities, which we are just ploughing through at the moment to see what they are offering. We are not in a position to give you an estimate yet until we know what buildings and what places are being offered and how practicable they are, but clearly we think that having medium sites like that is preferable to having hotels.

Q380 **Chair:** You still prefer full dispersal over that?

Dame Angela Eagle: There has to be a balance in full dispersal and medium sites. We have to see what the capacity is out there to develop medium sites and also our capacity to pay for the development of medium sites.

Chair: What about the disproportionate pressures? Are you considering that with medium sites as well?

Dame Angela Eagle: Yes.

Q381 **Jake Richards:** Minister, you spoke about the work that the Department is doing with MHCLG and Treasury, which you described as a medium-



HOUSE OF COMMONS

term potential solution for this whole issue. How developed is that piece of work at the moment, and is there anything that is going to come out of the Government on that in the next few months, or is that much longer term? What do you mean by “medium term”?

Dame Angela Eagle: The Office for Value for Money is publishing a report very soon on some of this. That does point out that the work will take a while to develop, because obviously we have to co-ordinate across Government and see what we can do to develop a capacity to have temporary housing services more obviously in local communities, which may be paid for cross-departmentally and with some local authorities. I do think that is a model that would make it far more flexible and cheaper for us to deal with unexpected levels of homelessness caused by migration issues or, indeed, by what has happened in the private housing market in the last few years.

Simon Ridley: And there is the work we are doing on the pilots, which we have touched on a couple of times, which are looking at how we can bring currently unused properties back into use by supporting local authorities with the maintenance. There is also the work we have just talked about on medium sites, as well as wider models like the local authority housing fund that was used as we moved Afghan refugees out of hotels. We are doing that work very much with MHCLG. From our perspective, we are obviously focused on how we help to exit hotels and make sure we have the best asylum accommodation models. We are doing that with them as well as with local authorities and other partners, so that dialogue is happening.

Dame Angela Eagle: Of course, that model does leave you with an asset at the end of it that can be used, rather than just payments.

Q382 **Jake Richards:** That is why it is quite attractive compared to what was considered. Then on the discussion between medium sites and large sites, I was not able to go to Wethersfield, so I am not an expert in this, but has the Home Office done an analysis of international comparisons with other countries who have not dissimilar problems to us in this area and what the optimum size is? Is that something that the Home Office has done? Are there other external organisations that have looked at that in terms of cost, outcomes and welfare?

Joanna Rowland: Yes. I personally visited a model in Switzerland recently to have a look at exactly what they are doing there. They, too, have gone to a more medium site provision where they try to do one-stop shop early in the process for initial decisions. Then if somebody needs to be in the system longer than that, they will go to authority-led and provided accommodation. It is fair to say that it is quite different across the board. There is no single model we could point to and say, “That is exactly what we need”. The international comparison has been helpful in crafting the pilots that we are now running.

Q383 **Jake Richards:** How does the Home Office organise the distribution of



HOUSE OF COMMONS

asylum accommodation around the country? The Minister mentioned MPs being in touch about their various constituencies. How is that done organisationally from the top down?

Simon Ridley: Organisationally, it is done in one of the teams in Jo's asylum accommodation team, but we are only one part of how this is done in the Home Office. We have built a much more collaborative system over the last 18 to 24 months, and since last summer we have had in place a system where we have built what we call an indexation tool—I think we referred to it in our written evidence—where we essentially weight different factors in different ways and then we put that through the total amount of accommodation we think we will need at the peak in the next 12 months. That sets out an amount for every local authority.

The main mechanism for the discussion is a monthly discussion we have regionally with strategic migration partnerships, local authorities and suppliers. That is led by the same team in Jo's outfit where we set out what the target is for each local authority, what the amount is for each local authority, and then we work with suppliers to either pause procurement in some areas or to direct them towards those areas that are under target or in the local authorities.

Q384 **Jake Richards:** That is the interim stage. Do you feel you have the levers—it is a question for the Minister, but also for any of you—to make sure that the asylum estate can be more effectively distributed across the country?

Dame Angela Eagle: I will make a couple of observations about that. In theory, yes, but we have come from a very unbalanced system where historically over the last few periods of dispersal—going right back to NASS, when I was last in the Home Office—there has been a very unbalanced distribution with the north-east in general taking well over its requirement, the north-west too, and the Midlands and Glasgow, but then not very good distribution necessarily within those regions. So, we are coming from a very unbalanced system. There are still many authorities with zero. I think it is 19% that have no dispersal at all.

The balance for that is actually the cost, because if it is a high-cost area and we are trying to get costs down, you have to balance all of these things out. The last thing that is a complicating factor is the increasing hostility towards migrants, which has gone up the political balance sheet rapidly and can cause real issues and difficulties. I have not mentioned it so far, but it is a real issue in terms of people's ability to accept asylum seekers, particularly those that have come illegally. All those things have to be balanced, and cost is an important issue too. We do have the levers, but there are these other balances we have to try to achieve.

Q385 **Jake Richards:** That has answered my next question, but cost is the No. 1 target to a certain extent—bringing down the costs of the asylum system and the asylum accommodation system. How much weight does



HOUSE OF COMMONS

the Home Office place on the need for this to be done fairly, even if that costs more money? Those decisions that will have to be made such as, “We are going to have to spend 30% more to do accommodation in Oxfordshire than we would in another part of the country”—are those conversations happening? Is that part of the decision-making process?

Chair: I am sorry to interrupt, but I am conscious a vote will be coming soon, so if we could have quite a brief answer, then we will have to move on to safeguarding.

Dame Angela Eagle: Yes, it is, but there are no easy answers to how one assesses that.

Jake Richards: I do not pretend it is easy.

Simon Ridley: As everybody knows, all dispersed accommodation is much cheaper than hotel accommodation, and it is quite consensual between the Home Office and local authorities on the desire to have a fairer distribution. Where it was about 176 local authorities that had some accommodation—I think that was in April 2022—it is now 298 local authorities, and some of the 70 without any accommodation have a pipeline. Therefore, the constraints we hit actually become housing market constraints, rurality constraints and those sorts of challenges, as much as money, as we try to balance this out.

Chair: Sorry to interrupt, but I am very conscious of time. We do want to cover safeguarding. I suspect we only have a few minutes. There are probably a few votes, so we may not be able to reconvene.

Q386 **Chris Murray:** No matter what your view is of the asylum system overall, from one perspective to another, there are undeniably very vulnerable people in this system. That is what “refugee” means. So, what are the responsibilities of the Home Office in safeguarding these people in its accommodation?

Dame Angela Eagle: I suppose the legal, technical answer to that is that it is not our responsibility. Our responsibility is to make sure that they are not destitute and to house them. It is up to other authorities in the places that they are in or our providers to do the safeguarding. We do try to assess vulnerabilities in all of these issues and ensure that we work with our providers and local statutory authorities to make certain that we can safeguard. We also have the Migrant Help contract, which has important aspects of safeguarding about it as well.

Q387 **Chris Murray:** When the providers appeared before us, they told us that safeguarding is not one of their key performance indicators with you in how you manage that contract, so are there any consequences for providers if they do not comply with safeguarding duties?

Dame Angela Eagle: We have a whole structure, which Simon might want to talk about, of how we try to assess this. It is not a key performance indicator because the indicators are about accommodating



HOUSE OF COMMONS

people, which is our statutory duty. There are softer areas in which we try to assist with the safeguarding issues.

Simon Ridley: As I said earlier, there are contractual responsibilities that providers have in the safeguarding area to have sufficient trained staff in safeguarding to be able to identify issues, to respond to referrals and to make sure that they have policies that look after the safety of their staff and the people in their accommodation in various ways.

The formal statutory responsibilities for different things are elsewhere in the system that is set up that we are continuing to run, which is to make sure that providers are responding to referrals quickly and effectively, and through the strategy and the performance conversations we have, we make sure that we are identifying issues because of those contractual responsibilities.

Q388 Chris Murray: Those are contractual responsibilities, but my question is: what happens if they do not fulfil them? It is not in the KPIs, so there is no contractual implication for them. What is the purpose, then, of the Home Office safeguarding hub?

Simon Ridley: Jo, I don't know whether you want to add to this. We have set the hub in the Department to work closely with providers, but also to make sure that we have a single place in the Department where all calls come in. We get referrals from Migrant Help. We get referrals from inside the Home Office—for example, asylum decision makers who identify issues—and it gives us a single place where we can pull all of that together.

We get a very wide range of issues into the asylum hub, some of which are complaints or wondering where their decision is, through to serious health referrals and other things. It gives us the ability to triage that and respond to those different things. It is an important second line of defence. Sometimes we get referrals that have also been passed on elsewhere and we can then connect that up.

Q389 Chris Murray: Do you think you make enough use of the data that that safeguarding hub generates? When we spoke to asylum seekers in accommodation and when you listen to some of the third sector reports, there are really serious safeguarding concerns out there. Are you sure that the Home Office is actually doing enough to address the data that comes into the safeguarding hub?

Simon Ridley: There is always more we can do. We do some important things. It means we can flag issues against individuals. It means we can have a conversation with suppliers, and it means we can make sure that people are referred into the relevant statutory body where they need to be. Where we have serious issues, we can look at whether there are patterns in a particular accommodation, in a particular area or any of those sorts of things.



HOUSE OF COMMONS

Some of that we are still building. We use it a bit. There is always more we can do, but that is not the same as saying that we do not do anything. We do want to do more in this area. It is absolutely fundamental.

Joanna Rowland: There are about 4,000 referrals to our safeguarding hub, which, as Simon says, is an important triage point so that we are not overwhelming local services, even though, as the Minister says, that is where the statutory responsibility sits. We do monitor all of those referrals, and we do create trend data.

What can also happen is that we will look at the suitability of the accommodation we have supplied to someone. We need to remember that these are often people who have been through trauma and who are now in a different country. Sometimes, all that is needed is some early support, which we can give through Migrant Help.

The safeguarding hub is there to help support those who just need that extra bit of support to adjust or to make sure that they are routed to professionals should the vulnerability be higher. Our contractors all have the responsibility to both identify and refer any vulnerable people.

Q390 **Chris Murray:** We touched on the issue of age dispute and age assessment earlier, but these contractors are not statutory services. They do not have the kind of professional qualifications that child protection authorities would have. How confident are you that they are responding appropriately when an age dispute arises?

Joanna Rowland: With a DG from the Department for Education, I co-chair a meeting with local authorities on this very subject. That is exactly the sort of question we ask ourselves. We are confident that the referrals happen, and that they happen quickly. All of our suppliers have a duty under the Borders, Citizenship and Immigration Act 2009 to promote the welfare of vulnerable children. That is one of the harder-hitting obligations on them.

It is something we will always keep a close eye on due to the level of vulnerability and risk. We will never be complacent. I am very content that there have been vast improvements in how the whole system works with unaccompanied asylum-seeking children.

Q391 **Chris Murray:** My final question is: given the significantly higher mortality and complaint rates in Clearsprings-run accommodation, what investigations have you undertaken to understand why that is, and what action do you propose to take?

Joanna Rowland: We do monitor all high priority incidents and we do look for trends. In terms of Clearsprings, there is no clear demographic of why the incidents—it is random allocation how people are supplied to providers, but it is something we are working with Clearsprings on.
[Interruption.]



HOUSE OF COMMONS

Chair: Once again, we are saved by the bell. Thank you so much, Minister, Mr Ridley and Ms Rowland for your time. There are a couple of other things that we have not had a chance to cover, which, if you will be okay, we will write to you about, but thank you for everything today. I realise it has been a marathon session, but I appreciate your time. I will conclude the session.