

Rt Hon. Meg Hillier MP  
Chair, Public Accounts Committee  
House of Commons  
London  
SW1A 0AA

4<sup>th</sup> January 2021

Dear Committee Chair,

**Twenty-Fifth Report of Session 2019-21: Asylum Accommodation and Support Transformation Programme**

Thank you for your recent report into the above. I am writing to you in relation to recommendation 4 of the report which concerned the Home Office's approach to contract management and service improvement:

*The Department should, within six months, explain to the Committee how it is strengthening its contract management approach to ensure that it is getting value from the increased costs.*

*The Department should not claim improvement without evidence and should write to the Committee within six weeks to provide an update on what the data is showing in terms of service improvement. The Department should thereafter provide the Committee with regular updates on this matter.*

The Asylum Accommodation and Support Contracts (AASC) are designed to provide value for money and to deliver a suite of benefits to service users over a ten-year period. The Department listened to stakeholders and invested in service improvement. A key change to the model was the introduction of the Advice Issue Reporting and Eligibility (AIRE) service.

The first fifteen months of the contracts have seen an exceptionally challenging operating environment – particularly the asylum intake levels in late 2019 followed by the global pandemic. Demand for asylum accommodation has increased by over 30% since March 2020, whilst accommodation availability and density have been restricted. It is important to note this unprecedented context when evaluating service delivery, as many of the benefits and service improvements have been impacted by these wider issues. As with other housing sectors, this has necessitated use of contingency accommodation.

Since the start of the new contracts, our providers have invested in their property portfolios, improved initial accommodation provision, delivered additional dispersal accommodation, and built dedicated safeguarding provision. Throughout the

pandemic the Department has ensured we can continue to accommodate all eligible customers, and attend to their welfare, whilst also working to ensure that improvements in the contracts, and in their management, are delivered and consolidated.

We have been working with our providers on improving our oversight of performance and of customer experience. Previously it was up to COMPASS providers to set customer expectations and meet them. But now:

- we have produced our own induction materials which set clear expectations for customers as to the service they can expect, and who to come to if that is not what they receive. These are given to all households in the most appropriate of eleven languages, along with additional induction materials from providers;
- the new AIRE service operated by Migrant Help provides an independent one stop shop for customers to request help, report issues and property defects, provide feedback or make complaints. Where it is for AASC providers to address these, the service monitors the AASC providers' response;
- matters not attended to adequately are escalated as complaints for the AASC provider to address in the first instance, and if still not resolved are escalated to a dedicated complaints team within UKVI to investigate and adjudicate.

These changes between them provide more confidence that an appropriate service is being provided on a case by case basis. They also provide rich sources of data from which we can understand more thoroughly the quality of the service. It has taken some time to put them in place across UKVI, Migrant Help and each of the AASC providers' systems. However, they are now in effective operation. As well as resolving individual issues, we are now routinely analysing the escalated matters and the AIRE data more widely, in order to generate continuous improvement and to hold each AASC provider formally to account for its performance.

Additionally, where common issues occur across providers, they are taken to the cross-provider Safeguarding Board or Continuous Improvement Board, to agree appropriate improvements. These Boards were brought in as part of transition to the new contracts to facilitate improvement across the system, whereas under the previous model changes had to be negotiated separately with each provider. Whilst these have met infrequently during the pandemic, due to other overriding priorities, they are now coming back into routine operation.

To give one example, analysis of the AIRE and complaints data has showed that providers were not always proactive in making appropriate provision for new babies, such that new mothers sometimes had to request and wait for items which we would expect to have been provided from the outset. This was discussed with providers collectively at the Safeguarding Board, and providers agreed to update their procedures to ensure consistently proactive and timely provision. Performance will continue to be monitored to ensure this has been successfully addressed.

There remain some data issues, which are being worked through, in areas where the AASC and AIRE providers' data give rise to differing perceptions of the service, and around departmental access to provider systems. Once those are resolved the Department will have a more comprehensive picture of service performance.

A further enhancement of the new contracts is the requirement for both AASC and AIRE providers to undertake regular customer experience surveys. These were piloted shortly before the first lockdown, unfortunately with little success as the intended avenues for their promotion ceased to operate. However, they were relaunched in October, are generating much more response, and will report quarterly from January. We are also developing a customer insight dashboard to consolidate the findings from the survey with those from the other sources above. This will be used to drive continuous improvement. It will also be shared with stakeholders, and it is hoped will help to bridge the gap between the Department's perception of service performance and those of its stakeholders.

We have also been strengthening our capability and capacity to manage and assure the contracts and commissioned external expert advice which was received in September. The contract management structures are being revised to ensure that roles are more clearly defined and sufficiently resourced for all aspects to operate fully effectively, and more robust operating procedures are being developed with more formalised training to be provided.

Despite these improvements we recognise there is more to do. It is unfortunate that the pandemic has significantly disrupted many of the improvements planned for 2020. Nevertheless, we are making progress and these initiatives will bear fruit in 2021.

Finally, the work on using the contractual 'open book accounting' clause to ensure value for money has been temporarily paused. We intend to start this work in 2021 and will look back through the period since the contracts became operational. A project team is considering how the Department can reduce some of the costs associated with the contingency hotels being used during the pandemic.

As requested, I will write to you again by May with an update on this recommendation. At that stage I should be able to provide you with a much more robust picture of service performance in light of the impact of the pandemic.

*Yours sincerely,*



**Matthew Rycroft**  
**Permanent Secretary**