



Home Office

Dame Diana Johnson MP
Chair of Home Affairs Select Committee

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www.gov.uk/home-office

BY EMAIL ONLY

13 December 2023

Dear Dame Diana Johnson,

I am writing to inform you that the Home Office has concluded its annual review of the level of financial allowances provided to asylum seekers and failed asylum seekers supported under sections 95 and 4 of the Immigration and Asylum Act 1999.

The UK has a statutory responsibility to provide accommodation and other support to asylum seekers and some classes of failed asylum seekers who would otherwise be destitute to cover their essential living needs. The Home Office annually reviews the level of the asylum support rate to determine the level of financial support that should be provided to meet essential living needs. This year, we have also reviewed the additional payments made to pregnant women and children under 3, and the level of the one-off maternity payment.

Standard weekly level of allowance

The standard weekly level of allowance for individuals in self-catered accommodation will be increased from **£47.39** to **£49.18**. For individuals in catered accommodation, the standard weekly allowance level will be reduced from **£9.58** to **£8.86**. In addition, the weekly allowance paid to individuals who spend extended periods of time in hospital will be aligned with the catered rate.

We have determined that CPI is not a wholly accurate measure of increasing rates as it is calculated using a basket of goods designed to represent the 'average' UK household, and therefore is unlikely to accurately reflect the true change in costs experienced by asylum seekers in meeting their essential living needs. Therefore, we have utilised an alternative methodology, which uses a 'disaggregated CPI'. The methodology takes a slightly different approach in quantifying changes in the cost of each of the essential needs categories. Baseline food costs have been determined using ONS's Living Costs and Food (LCF) survey, and a subcategory of CPI (food and non-alcoholic drinks) has been used to uplift this base rate to September 2023 prices. For non-food categories of need, the base rate is taken from the 2020 review, and subcategories of CPI or bespoke categories using item-level data from the ONS are used to identify price changes over the past three years. This methodology has been designed to offer a more accurate measure of changes in the price of items to cover essential living needs relative to CPI, since it only captures price changes of goods assessed as essential. In addition to this, we reviewed the 2020 base rates to ensure that any assumptions made in calculating those rates still held. This resulted in small adjustments to the rates.

As previous rate increases have been made using CPI rates, this has led to an overestimate of the cost of essential needs for an individual in catered accommodation, therefore, using the methodology set out above, the catered rates will be slightly reduced.

Additional payments to children and pregnant women

The additional weekly payment rates for children under 3 and pregnant women will be increased to align with the Department of Health and Social Care's 'Healthy Start' payments, which are currently £4.25 and £8.50. An additional allowance of £1 per week will also be added on top of this, to allow vitamins available under the Healthy Start scheme to be purchased. Aligning with the Healthy Start scheme also means that children aged 3 will now be eligible to these payments. The changes mean that the payments will be **£5.25** per pregnant women or children aged 1 and under 4 per week, and **£9.50** per baby under 1 per week, in order to encourage individuals to purchase healthy food. Supported individuals who are 3 years old will automatically have the additional payments added to their weekly allowance.

Maternity Payments

It has been determined that no changes are to be made to the level of the maternity payment paid to pregnant women on section 95 support. However, the level of maternity payment available to pregnant women on section 4 support will be increased from **£250** to **£300** to align with the section 95 rate, and the provision to apply for certain costs separately (such as the cost of a birth certificate) will be removed. In addition, the period in which maternity payments can be applied for will be increased to 11 weeks before the expected due date and 6 months after birth, to allow expectant and new mothers more time to apply for the payment.

These changes will be implemented on **8 January** and where allowances are in legislation, those regulations will be subsequently amended. We will also publish a report on GOV.UK early next year which will include further details of the review.

The Home Office will continue to keep the adequacy of the payment rates under review and in line with the statutory test to ensure we are providing the right level of support to asylum seekers, failed asylum seekers and their families.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Pursglove', is centered on the page.

Tom Pursglove MP
Minister for Legal Migration and The Border