

Rt Hon Dame Diana Johnson MP
Chair, Home Affairs Select Committee
House of Commons
London
SW1A 0AA

30 January 2024

Bibby Stockholm Value for Money

Dear Dame Diana,

In my letter of 12 December, I committed to update you on the Home Office's review of our value for money assessment of the Bibby Stockholm. This has now been completed.

Last year the Prime Minister made a public commitment to end the use of hotels as they represented an unsuitable and costly form of accommodation. As part of this commitment, Ministers tasked Home Office officials to identify and implement alternative forms of accommodation. One of these was the Bibby Stockholm. The most recent assessment states that the Bibby Stockholm still meets the value for money test. The latest running costs are £120 per person per night, compared with the latest average hotel cost of £140 per person per night. These running costs exclude set-up costs. When those are included, there is a total-life saving from use of the Bibby Stockholm of £800,000. It is worth noting that the Illegal Migration Act impact assessment showed that the cost of housing asylum seekers in hotels and other temporary accommodation would reach c.£11bn by 2026 if we do not stop the boats and the costs of hotels continued to rise. It is therefore imperative that the Government identifies alternative, lower cost options.

Elements of the costs for the Bibby Stockholm are fixed, but the overall price per person changes depending on the number of service users accommodated at the site. The average hotel cost per person also fluctuates as we seek to exit hotels and move service users to more suitable accommodation. I keep the value for money judgement under review. If there is a significant change in the future, I will of course update your Committee and the Public Accounts Committee. The NAO are undertaking a value for money review of this and other sites.

I am copying this letter to the Chair of the Public Accounts Committee.

Yours sincerely,



SIR MATTHEW RYCROFT KCMG CBE
PERMANENT SECRETARY