



Home Office

Permanent Secretary

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Rt Hon Dame Diana Johnson DBE MP
Dame Meg Hillier DBE MP
House of Commons
London
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BY EMAIL ONLY

27 February 2024

Dear Dame Diana and Dame Meg,

I am writing ahead of today's publication of the Supplementary Estimates for 2023-24.

On 1 February, the Home Secretary issued a Written Ministerial Statement in relation to the £2.6bn Contingencies Fund Advance. This was to provide the cash needed until the Supplementary Estimates receive Royal Assent next month.

In total, the Home Office will receive £5.9bn through the Supplementary Estimates, of which £4.0bn is for asylum, £1.2bn for implementation of the Illegal Migration Bill/10 Point Plan, and £0.5bn for Afghanistan Resettlement Schemes. The remainder includes funding for the Economic Crime Levy, to tackle Anti-Social Behavior and for the Victim Care Contract.

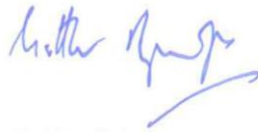
Below I set out why the Department has sought this funding with a claim on the Reserve through the Supplementary Estimates:

- For **asylum**, the £4.0bn claim in the Supplementary Estimates was within the forecast range of costs that we anticipated before the start of the financial year. It was not an unanticipated spend but a result of record levels of small boat arrivals since the Spending Review 2021. As I explained to the Public Accounts Committee on 11 December and the Home Affairs Select Committee on 29 November, at the Spending Review 2021 both the Home Office and HM Treasury recognised that asylum was a volatile area to budget. As a result, in subsequent financial years both departments have worked together to manage additional costs through the usual process of Supplementary Estimates. The Home Office has also been managing it through efficiency savings. Indeed, we are taking steps to ensure the asylum system delivers better value for money for the taxpayer, such as ending the costly use of hotels and looking at a range of alternative accommodation sites.

- Similarly, the **Illegal Migration Act** gained Royal Assent in March 2023 and due to this timing is funded through the Supplementary Estimates.
- Funding for the **Afghanistan Resettlement Schemes** was not included in Spending Review 2021 due to timing. Whilst these schemes were set up before Spending Review 2021 was announced, the costs were still being finalised when the Spending Review 2021 Settlement was reached. As such, HM Treasury agreed to fund these through the Supplementary Estimates.

I hope this provides helpful context ahead of today's publication.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Rycroft', with a long horizontal flourish extending to the right.

Matthew Rycroft
Permanent Secretary