

Sir Geoffrey Clifton-Brown MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

9 December 2024

Dear Sir Geoffrey,

Thank you for your letter regarding the Home Office acquisition of the Northeye site at Bexhill.

Precisely what was known about the extent of contamination at the HMP Northeye site

Prior to contract exchange in March 2023, the Home Office completed a number of assessments including a Geo-environmental review, Environment Agency sampling tests, a Planning Appraisal and a Technical Due Diligence report. We did not undertake a full set of site surveys prior to acquisition, so could not fully understand the extent of the contamination.

The Department subsequently commissioned a Remediation Scope of Works (RSW) to develop understanding, and in November 2023 this suggested that significant works were required, giving a range of estimated costs at around £3m. A copy of this report is attached and £3.1m was retained by the Home Office from the sale price to address remediation costs.

To ascertain the full extent of the work required and obtain more accurate cost and time schedules, further surveys were needed; however, no action was taken as the future use of the site was still under review. Now a decision has been made, we will work with property and commercial teams to ensure that the transfer or onward sale of the site is well managed, and the correct financial assessments are completed.

Value for money assessments

Advice was shared with the Accounting Officer at the time before the site was purchased. This advice showed that, based on uncertain assumptions, the site could be value for money, in being cheaper than hotel accommodation. As I included in my written response to PAC on 5 September, the wider asylum accommodation programme has undergone a lot of changes and decisions on some sites have not

been made yet. As per practice, I intend to share a summary AO assessment covering all sites under the Programme, once Ministers have made decisions on all their future use, alongside a reset business case. I expect that to be in the first quarter of 2025.

Latest status of the site

The site's timings for standing it up made it unsuitable for use as non-detained asylum seeker accommodation. Later, it was considered as a potential new detained accommodation. Ministers have now decided not to progress with the site at Northeye, Bexhill.

I am very conscious of the need to ensure the best value for the taxpayer and progressing the site would have taken significant time and further remediation and operational costs.

Given the lessons we have learned through the acquisition of this site and delivery of other alternative accommodation sites, our assessment is this is in the best interest for the taxpayer.

Our property team will ensure that onward sale of the site is carried out appropriately, and the correct market value is reflected.

Yours sincerely,



Sir Matthew Rycroft KCMG CBE

Permanent Secretary