



Home Office

Dame Antonia Romeo DCB

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Rt Hon Dame Karen Bradley DBE MP
Chair, Home Affairs Select Committee
House of Commons
London
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9 July 2025

[By email]

Dear Dame Karen,

SPENDING REVIEW 2025

Thank you for your letter of 17 June regarding the Spending Review set out by the Chancellor on 11 June.

You have raised a number of questions which I will address in turn.

1. What cuts, if any, do you anticipate will need to be made to frontline services to meet the average annual 2.6% real terms reduction in Resource DEL?

We are currently assessing the impacts of the Spending Review. We will review the resourcing required to meet core requirements and will look to prioritise the frontline and achieve administrative savings first. We will continue to reduce our use of external contracts and consultants and consider how we align our people and resources to our priorities – as well as reduce the cost of the asylum system. Going forward, we will focus on efficiency improvements as a means to deliver the Department's priorities.

2. What role do you estimate departmental income will have in achieving the real terms reduction in the Home Office's budget and what is the basis of such estimates?

We expect income will increase over the Spending Review period, with forecasts of rising demand for Home Office products. As is standard practice, fees for Home Office products are kept under review.

3. Can you clarify whether the £200 million in Transformation Funding is new money or part of existing allocations, and over what time period it will be distributed?

It is an additional £200m over the first two years of the Spending Review to support the transformation of the asylum and returns system.

4. How were savings on asylum support forecast, and what estimates of asylum decisions and small boat arrivals informed these forecasts? How will the effectiveness of the Border Security Command be measured, particularly in terms of reducing small boat crossings and disrupting organised immigration crime?

The Government is committed to reduce significantly the cost of the asylum system.

We will do this by delivering an ambitious package of reforms to the asylum system to reduce the size of the supported population and end the use of hotels to accommodate asylum seekers. We have already raised initial asylum decisions from 24,348 in Q1 2024 to 34,434 in Q1 2025 and plan to reach frictional levels by the autumn.

Reducing the demand on the system through lower intake is also a focus. Intake is currently 32% small boats and 68% other arrivals, including visas. We are working to reduce irregular migration through the work of the Border Security Command to tackle the organised criminal groups who facilitate dangerous small boat crossings, and reduce intake by tackling abuse of visa routes as a means to claim asylum.

While we work to reduce intake, we will also make savings through faster throughput and more rigorous management of our accommodation estate, including optimising utilisation rates.

Through these reforms, we will deliver a more affordable and sustainable asylum system which allows us to reduce asylum costs by at least £1 billion per year by 2028-29 compared with 2024-25.

Organised immigration crime gangs have established a strong foothold across Europe, and built-up supply chains for equipment and people stretching through to the Middle East and beyond, and it will take time to disrupt and dismantle these. Based on the further investment announced in the Spending Review, together with the measures already announced, our objective is to lead work across government and internationally to reduce small boat crossings and increase border security.

Our savings forecasts are based on internal modelling which accounts for the reforms we are making. We subject these forecasts to rigorous assurance to determine the impact and the scale of expected savings.

5. What contingency plans are in place if the Department cannot achieve the projected savings on asylum costs?

The package of reforms that we are taking forward uses the additional £200m over two years to transform the asylum system. In addition to our work to tackle system inflow, referenced above, we are investing in more efficient case-working to clear the backlog of asylum claims, increasing the number of returns of those with no right to stay in the UK, and making wider reforms to appeals processes to reduce delays in the system and their associated costs. This is a comprehensive cross-system transformation, and we expect that it will reduce the cost of the asylum system and deliver substantial savings. We will keep our reform package under constant review and will not hesitate to take further action as needed to ensure that it delivers on our commitments.

As with all budgetary matters, we will use forecasts against budget to inform in-year financial decisions.

6. What estimate has the Home Office made of the total annual cost to police forces of employing 13,000 new neighbourhood policing roles? Given that no specific funding has been allocated for the remainder of the 13,000 new neighbourhood policing roles, is the department's expectation that this commitment will be met by police forces reallocating existing resources or finding further efficiencies?

The Home Office will continue to work with policing to support frontline policing levels, reflecting the Government's Plan for Change commitment to put an additional 13,000 police officers, police community support officers and special constables into neighbourhood policing roles over the Parliament.

Ultimately, as is always the case, it will be for individual forces to determine how best to allocate their funding, and the precise funding allocations for different forces will be confirmed in the police settlement later in the year as usual. The Government recognises the challenges faced by police forces in prioritising resources and will continue to work with them on this.

We will also continue to work closely with police to deliver reform resulting in better outcomes for the public and driving greater efficiencies, which will be set out in the Police Reform White Paper in the coming months. Any efficiencies target for future financial years for policing will be confirmed in the police settlement later in the year.

7. What estimate has the Home Office made of the cost of the national criminal operation into group-based child sexual exploitation, and the national inquiry into group-based child sexual exploitation, announced in response to Baroness Casey's National Audit on Group-Based Child Sexual Exploitation and Abuse, and will

these be funded by reallocating existing resources – and if so, which – or by the provision of additional resources from the Treasury?

We, alongside Cabinet Office, HMT and other lead departments are currently in the process of estimating these costs.

8. What proportion of the £533 million in planned efficiency savings is expected to be cash-releasing, and how will these savings be reinvested?

Plans are currently being developed and will need to remain flexible to allow for maximum harnessing of emerging technology, which makes it difficult to predict the exact proportion of efficiencies that will be cash-releasing. However, we expect it to be a significant proportion. The Home Secretary will decide later this year, through the departmental allocations process, how savings will be reinvested from 2026 onwards.

9. Will efficiency savings targets be revised or deferred if it becomes clear that meeting them would have a detrimental impact on service delivery?

Delivering our efficiency targets is crucial to living within our means as a department, and there are currently no plans to revise or defer these targets. We will track and monitor the delivery of these commitments via quarterly commissions and feed this information into our Government Efficiency Framework returns. This process will help us to identify any risks to delivery and to intervene if required to get back on track.

Yours ever
AR(R)

DAME ANTONIA ROMEO DCB