

# Twenty-Fifth Report of Session 2019–21

## Home Office

### Asylum accommodation and support transformation programme

#### Introduction from the Committee

The Home Office (the Department) provides accommodation and support for asylum seekers and their families who would otherwise be destitute while their cases are processed. From 2012 to September 2019, the Department provided these services through six regional contracts, known as COMPASS. In 2019, following a two-year extension to the original contracts, the Department replaced COMPASS with seven similar regional contracts for accommodation and transport, plus a UK-wide contract for a new helpline and support service, known as AIRE-Advice, Issue Reporting and Eligibility. The Department provided services to 48,000 people in accommodation at the time the contracts transferred. The new contracts have a total estimated value of £4.0 billion over 10 years, from 2019 to 2029.

A sharp increase in the number of people entering the asylum support system from July 2019 meant that from October 2019 more than 1,000 people each night were placed in hotels rather than dedicated housing for asylum seekers. The AIRE service could not cope with demand in its initial months, with four-fifths of callers unable to get through on the phone. The COVID-19 pandemic has also resulted in additional demand pressures on the service.

Based on a report by the National Audit Office, the Committee took evidence on 1 October 2020 from the Home Office. The Committee published its report on 20 November 2020. This is the Government response to the Committee's report.

#### Relevant reports

- NAO report: [Asylum accommodation and support](#) - Session 2019-21 (HC 375)
- PAC report: [Asylum accommodation and support transformation programme](#) - Session 2019-21 (HC 683)

#### Government responses to the Committee

**1: PAC conclusion: *It is unacceptable that the Department has failed to engage adequately with local stakeholders.***

**1: PAC recommendation: *The Department should, as a matter of urgency, communicate with NHS bodies, MPs and other key stakeholders such as police, setting out how it will consult and engage with them in future. The Department should write to the Committee within three months to confirm its approach.***

1.1 The government agrees with the Committee's recommendation.

**Target implementation date:** February 2021

1.2 There are clear and established mechanisms for national and local engagement between the Home Office (the department) and its stakeholders and partners. UK Visas and Immigration (UKVI) has dedicated MP account management teams. There is a national structure for engagement with local authorities headed by a Chief Executives group, and a national structure for engagement with the third sector headed by a Strategic Engagement Group. The department and its accommodation providers also engage intensively at a local level. These fora generally work well and are effective, although they have not always met the needs of stakeholders, especially during the initial period of the Covid-19 pandemic.

1.3 The department has listened to the feedback of the Committee and stakeholders and taken further steps to improve its engagement work. The department has also recently been consulting stakeholders on how to make its engagement more effective and is conducting lessons learned exercises to look at how it

can be improved further. This will be reflected in the Directorate Engagement Strategy which will be shared with stakeholders.

**2: PAC conclusion: *We are very concerned that thousands of people continue to be placed in hotels rather than more appropriate accommodation.***

**2: PAC recommendation: *The Department should, within three months, set out a clear plan for how it will quickly and safely reduce the use of hotels and ensure that asylum seekers' accommodation meets their individual needs.***

2.1 The government agrees with the Committee's recommendation.

**Target implementation date:** February 2021

2.2 The government is committed to reducing and ending the routine use of hotel accommodation and is taking a range of steps with providers to achieve this. One of the ways in which the use of hotels can cease is through providers procuring sufficient dispersed accommodation, which requires the cooperation of local authorities. The department is doing all it can to encourage local authorities to support the procurement of sufficient dispersed accommodation and has recommenced the procurement of accommodation. The department, with support from the Cabinet Office, is working with its providers to accelerate their procurement plans and assess further options. The department is currently assessing the rate at which the hotel population can be reduced and the expected timescale for eliminating regular hotel use from the system.

2.3 The other way in which hotel usage can be reduced is through moving people whose asylum claim has been concluded out of asylum accommodation, and then returning to the usual flow of service users into dispersed accommodation. The department is working with local authorities to move people on from asylum accommodation when their claims have been concluded.

**3: PAC conclusion: *The Department's failure to prepare effectively for the new service means that it has yet to deliver what was promised.***

**3: PAC recommendation: *The Department should, within six months, review how long it would need to redesign the service for the next set of contracts and set a timetable to give itself enough time to prepare effectively and consider alternative models.***

3.1 The government agrees with the Committee's recommendation.

**Target implementation date:** July 2021

3.2 The department is considering a wide range of options for potential future models for accommodating asylum seekers, and the time that will be needed for their design and implementation. This is in tandem with, and being informed by, ongoing work to improve the operation of the current contracts.

3.3 The NAO review of the asylum contracts commenced on the day the last contract went live. The project anticipated a short period of stabilisation followed by continuous improvement across the lives of the contract. The contracts are being closely managed to ensure they do provide the benefits that were envisaged. The impacts of the COVID-19 pandemic have led to unanticipated challenges for the contracts, so the department is working with providers to recover from that and will focus on delivering the contracts as they were designed.

3.4 The expiration and review dates for these contracts are in the department's procurement and project pipeline. Decisions will be made, in the timelines recommended, on the scale of change required and the length of time for a project to deliver that change.

**4: PAC conclusion: *Despite paying more for the new service than for COMPASS, the Department has not yet demonstrated that it is getting value for money in return.***

**4: PAC recommendation: *The Department should, within six months, explain to the Committee how it is strengthening its contract management approach to ensure that it is getting value from the increased costs.***

***The Department should not claim improvement without evidence and should write to the Committee within six weeks to provide an update on what the data is showing in terms of service improvement. The Department should thereafter provide the Committee with regular updates on this matter.***

4.1 The government agrees with the Committee's recommendation.

**Target implementation date:** July 2021

4.2 The contracts contain mechanisms by which the department can ensure value for money, including to apply service credits where provider performance fails to meet contractual standards, to assess providers' profits using open book accounting principles, and to share profits. The work on using the contractual 'open book accounting' clause to ensure value for money has been temporarily paused as the department experiences system wide stress and prioritises what is most important in response to the many challenges of the pandemic. The department intends to restart this work in 2021 and will look back through the period since the contracts became operational. The department is also taking significant steps to strengthen its contract management approach and commissioned external expert advice which was received in September 2020. The department is revising the structures through which the contracts are managed to ensure that roles are more clearly defined and sufficiently resourced for all aspects of contract management to operate fully effectively. It is developing more robust operating procedures with more formalised operational training to be provided, as well as taking steps to improve the capture and sharing of information.

**5: PAC conclusion: *The Department's lack of transparency on the service's performance is hindering the kind of engagement with stakeholders that it claims to want.***

**5: PAC recommendation: *The Department should immediately meet its commitment to communicate with stakeholders by publishing data for all key performance indicators, and should also identify what other information, if published, would provide stakeholders with a full picture of the service.***

5.1 The government agrees with the Committee's recommendation.

**Target implementation date:** July 2021

5.2 The department agrees that stakeholders should have greater transparency on the performance of the service and has been making progress on providing that transparency. Working within Cabinet Office guidance and commercial confidentiality, summary performance data is being shared. The department has also worked with stakeholders to identify the information that would be most helpful to share. The assurance team has been developing multiple sources of insight into service performance, including the customer experience surveys carried out by each provider which came into operation in October 2020 and will report quarterly, analysis of the rich data available from the Advice, Issue Reporting and Eligibility (AIRE) provider, and data from oversight of the new complaints service. A customer insight dashboard is also being developed which will capture the findings and will be shared with stakeholders. The department has also been working closely with local authorities through the Home Office Local Government Chief Executives Group (HOLGCEX) to define and deliver the further data sharing that is useful to support the functions of local authorities.

**6: PAC conclusion: *The Department has failed to ensure the safety and security of some of the vulnerable people who use asylum accommodation and support services.***

**6: PAC recommendation: *The Department should, within three months, publish its safeguarding assurance framework, specifying:***

- *when it will be implemented and how it will operate;*
- *how it will focus on the experience of service users; and*
- *how partners will feed in their concerns and experiences.*

6.1 The government agrees with the Committee's recommendation.

**Target implementation date:** February 2021

6.2 The welfare of service users is of the utmost importance to the department. The department does not believe that the wide range of activities which are required to safeguard service users would be susceptible of meaningful capture by a key performance indicator and has instead taken the approach of working closely with its providers and stakeholders to develop a safeguarding assurance framework. In addition to the more established channels of communication with stakeholders, a joint safeguarding board is in place between the department and its providers to oversee progress on all aspects of safeguarding work, a national safeguarding forum has been established with local authorities to discuss safeguarding across the contracts and help develop and share best practice, and local safeguarding groups will be held in each contract region, bringing together police, local authorities, health authorities and other partners to ensure safeguarding obligations are met within localities.