Asylum Dispersal in London and the Transition to New Asylum Contracts

The number of dispersed asylum seekers accommodated in London has quadrupled in recent years. This briefing alerts members to the risks and opportunities presented by plans to issue new contracts for asylum accommodation and support providers.

Overview

Asylum dispersal accommodation (also known as NASS accommodation) is provided for asylum seekers while their asylum claim is processed by the Home Office. In the last three years, the number of asylum seekers in dispersed accommodation in London has more than quadrupled: from a low of 771 in Q3 2015, to 3,793 in Q2 2018. While London has a proud history of providing welcome and refuge to vulnerable migrant groups, some boroughs have been expressing concern about the impact of this change upon their services – especially housing and homelessness relief.

New asylum accommodation contracts have been awarded this week and will be coming into force in September 2019.

While the provider of accommodation will be the same as that under the current contractual arrangement, this is an opportunity to make improvements to how the system operates; once in operation, the new contracts will be in place for a minimum of seven years. There are also some risks with the transition to the new contracts which local authorities may have to work to mitigate.

Background

There are currently more than 5,000 asylum seekers in London receiving some form of support from the Home Office. Some are accommodated by friends and family and are receiving subsistence-only support from the government.

However most asylum seekers are unable to find their own housing while their application for asylum is processed, as they are usually not allowed to work and are unable to claim benefits. They are therefore provided with housing by the Home Office via accommodation
contracts, which are currently fulfilled by Serco, G4S and Clearsprings Group. Asylum dispersal accommodation in London is provided by Clearsprings Group.

The asylum dispersal system was originally designed to transfer asylum seekers away from the capital. London has therefore historically had relatively low numbers of asylum seekers in dispersed accommodation. This is no longer the case.\(^2\)\(^3\).
The quality of this accommodation can be poor. A recent report from the Chief Inspector of Borders and Immigration revealed that 69 per cent of Home Office inspections in London and the South East rated the properties they visited as ‘not fit for purpose’, ‘uninhabitable’ or ‘unsafe’.

Once an asylum seeker receives a decision on their application, they must leave their asylum dispersed accommodation within 28 days. This leaves little time to find alternative accommodation, obtain a National Insurance number, find work, or establish a welfare benefits claim. They may also lack the basic requirement to gain a tenancy in the private rented sector: a deposit. As a result a high proportion will face homelessness.

- Research by the Refugee Council in 2017 found that not a single newly recognised refugee in their sample had managed to find secure accommodation by the time they were evicted from asylum dispersal accommodation. Most of the respondents to the survey lived in London;
- The number of new homeless clients supported by the homelessness charity Crisis in London who ‘had nowhere to live after leaving asylum accommodation’ has increased six-fold in two years, from 41 in 2014/15 to 237 in 2016/17.

In London the problem is especially difficult due to the shortage of social housing and substantial gaps between Local Housing Allowance (LHA) rates and actual rents in the private rented sector.

Some boroughs are dealing with large numbers of vulnerable homeless refugee families who have had to leave their asylum dispersal accommodation after the 28 days. Boroughs report that newly recognised refugees may come to them poorly prepared for a tenancy. Some have poor English, since asylum seekers have limited eligibility for ESOL classes.

In addition to families who are granted refugee status, there are also refused asylum seekers who leave accommodation and have no recourse to public funds (NRPF), but who the local authorities may have a duty to support under the Children’s Act or other legislation.

Some boroughs also report that communication from Clearsprings and the Home Office has, so far, been inadequate. Local authorities in London with highest numbers of asylum seekers in dispersed accommodation say that they only became aware of this fact due to a spike in homelessness. On a day-to-day basis, little or no notice may be given to local authorities that individuals will be approaching them for help with housing.

**Analysis**

COMPASS, the current contract for asylum accommodation and support providers, is coming to an end in September 2019.

The functions of the COMPASS contract will be split in two: AASC (Asylum Accommodation and Support Services Contracts) and AIRE (the Advice, Issue Reporting and Eligibility contract). There will be one AIRE provider for the whole of the country. The AASC contracts will be regional – London will be a part of the ‘South’.

It was announced this week that the AASC contract has been awarded to Clearsprings, the current COMPASS provider. The AIRE contract has been awarded to Migrant Help. There is now a transition to the new contracts before they come into force in September 2019.
Potential Opportunities

The specifications for the new asylum contracts place greater emphasis upon collaboration with local authorities and the third sector. They also reiterate some significant requirements within the COMPASS contract which some boroughs report are not currently being adequately fulfilled. Notably:

- **AASC (Asylum Accommodation and Support Services Contracts) specification** states that ‘the Provider shall develop close working relationships with the Local Authorities in which Service Users are accommodated’
  - The Provider must consult local authorities on the location of new accommodation
  - They must provide notification service of cessation of support to help prevent homelessness
  - They must ensure HMOs are licensed.

- **AIRE (Advice, Issue Reporting and Eligibility Contract) specification** states that ‘the AIRE provider will be expected to work closely with Local Authorities, the AASC and Asylum Support Payment Providers to deliver the AIRE services, including induction and move-on services according to Service User needs.’
  - It also requires that they advise service user on ‘the steps they must take to secure access to accommodation’ after they leave their asylum dispersal accommodation, and provide signposting to local authority housing teams

While Clearsprings will continue to provide asylum accommodation, the new contracts represent an opportunity to ensure that the Home Office and Providers enter into a more productive relationship with local authorities and London boroughs in particular. The historically low numbers of dispersals in London has meant that relationships with contractors have been comparatively under-developed.

Potential Risks

The risks for local authorities in the transition are lower than they would have been if the provider of asylum accommodation was changing. There are, nevertheless, potential risks that may need to be managed. Due to some changes in the specification of standards, the new contracts could result in the movement of asylum seekers from between different accommodation units and from one local authority to another. This could result in shifts in the demand for school places and other services and may entail reputational risks where safeguarding concerns are known to local authorities. There are also potential political and community cohesion risks, especially in those outer London boroughs with more limited experience of migrant populations.

In addition, local authorities will need to approve any new properties which Clearsprings may wish to use in London.

Commentary

Local authorities in London need to be alert to the increasing use of properties in the capital for asylum accommodation. The rise could be having an impact upon homelessness, community cohesion and private rental markets in their local area. The new contracts represent an opportunity for greater strategic and operational engagement with the Home Office and the Providers around such issues, as well as posing some new risks which boroughs may have to mitigate.
Boroughs with high numbers of asylum seekers may also wish to explore what more they can do in partnership with the voluntary and community sectors. Charities and community groups can help support asylum seekers while they are in dispersed accommodation, and help ease their transition out of it. For instance, some organisations connect private individuals with a spare room with newly recognised refugees in need of accommodation.

London Councils is currently engaging with the Home Office on multiple levels to mitigate the impact of asylum dispersal in the capital upon local government. We will be in dialogue with the boroughs over the next year to help ensure they are well placed to respond to the transition to the new contracts. And we hope to embed a new framework for local government to engage in strategic conversations with the Home Office and the Providers, and to escalate problems as they arise.

Endnotes

2 Ibid
3 Note that these graphs do not include those asylum seekers receipt of Section 4 or Section 98 support, under which a relatively low number of asylum seekers receive short-term support. The Home Office does not provide a regional breakdown for those supported under Section 4 or Section 98.
5 https://www.refugeecouncil.org.uk/assets/0004/1432/Refugees_without_refuge_Sept_2017.pdf

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