Home Office

James Brokenshire MP
Immigration and Security Minister

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Dear NASF Member,

11 AUG 2014

**LEVELS OF SUPPORT TO ASYLUM SEEKERS PROVIDED BY THE HOME OFFICE**

I am writing to inform you of the outcome of the Home Office review of the amount of cash payments that should be provided to destitute asylum seekers and their dependants to meet their essential living needs.

The review has concluded that the levels of cash support currently provided should remain unchanged this year. This letter explains why.

Background

The government remains committed to an asylum support system that provides for the essential needs of asylum seekers and their children and ensures that those who need support are given it from the time they arrive in the UK until their claim is fully determined.

Asylum seekers and their dependants who are destitute are supported by the Home Office under the provisions of section 95 of the Immigration and Asylum Act 1999. The support package generally consists of accommodation and a cash allowance. The cash allowance is designed to meet "essential living needs" as specified in section 96(1)(b) of the 1999 Act which are not covered elsewhere (housing and utility costs, for example, are provided without charge). The level of the cash allowance provided depends on the size and composition of the particular household. Over 25,000 people currently receive the allowance and the cost in 2013/14 was £57.4 million. There is no legal duty to do so, but our practice is to conduct an annual review of the level of the cash payments to ensure they meet essential living needs.

The previous review, completed in June 2013, concluded that all payment levels were sufficient to meet essential living needs and they would therefore remain unchanged. This decision was challenged in the High Court by Refugee Action. The Court did not decide that the payment levels were too low, but found that there were some errors in the way that the review had been conducted – for example that some items such as household cleaning products and non-prescription medicines should have been considered as "essential" – and therefore explicitly factored into the overall assessment of whether the payment levels are adequate. We have therefore conducted this review in accordance with the Court's judgment, and taken account of the points it raised.

Approach to the Review

The review has focussed on the cash required to cover the needs of the normal able bodied, recognising that separate assistance is available from local authorities for the disabled and that section 96(2) of the 1999 Act allows assistance to be provided in other ways for exceptional cases (e.g. through maternity grants for pregnant asylum seekers).

The review has also taken account of the view of stakeholders, most particularly submissions from the "Still Human Still Here" (SHSH) group. Although we have not agreed with SHSH that the level of cash provided is too low, we are grateful for the constructive dialogue, which we hope to continue when reviewing cash payment levels in future years.

There is no perfect way of assessing what level of payment meets essential living needs or any direct domestic or international comparator. Income Support, or similar DWP benefit levels, are not subject to the same statutory test (essential living needs), so have limited value as a comparator.

The nearest comparator is survey data published by the Office of National Statistics (ONS) relating to household expenditure of the lowest 10% income group among the UK population. The way that ONS data was used in the previous review was criticised by the High Court. We have addressed the points raised by the Court by:

- Verifying from other sources that the levels of ONS expenditure on the particular item reflect the actual cost of meeting the particular need; and
- Making such adjustments as appear necessary to the spending levels in order to reflect the particular circumstances of asylum seekers.

Adult asylum seekers (with no child dependants).

The latest ONS data (taken from the Living Costs and Food Survey for the 2012 calendar year) breaks down weekly expenditure on various items. The items in the survey that most clearly correlate with the essential living needs identified in the judgment are set out in the table below. (The ONS figures relate to a household of 1.3 persons, so the figures have been adjusted to take account of a single person). The figures have also been adjusted to take account of inflation since 2012.

| | **ONS Expenditure data from 2012** | **After Adjustment** |
|---|---|---|
| Food and non-alcoholic drinks | £22.38 | £23.88 |
| Clothing and footwear | £5.31 | £2.51 |
| Toiletries | £1.08 | £1.08 |
| Healthcare | £0.55 | £0.55 |
| Household cleaning items | £0.92 | £0.92 |
| Travel (bus & train) | £2.62 | £3.00 |
| Communications & Post | £3.92 | £3.00 |
| Subtotal | **£36.77** | **£34.94** |
| After 2013 CPI (2.52%) | **£37.70** | **£35.82** |
| After 2014 CPI (1.76% in first quarter). | **£38.36** | **£36.45** |

In respect to toiletries, household cleaning items and non-prescription medicines, we consider that the ONS spending levels are sufficient to meet the particular need and have therefore made no adjustments.

In respect to food, there is some evidence that it is possible to live healthily by spending less than the ONS level. However, this is likely to be subject to knowledge of the cheaper outlets and recipes, which new asylum claimants may take time to acquire. We have therefore retained the ONS level, subject to a small adjustment upwards. The adjustment compensates for the fact that the ONS survey recorded expenditure on takeaways separately.

In respect to clothing, an adjustment downwards has been made because we consider that the ONS spending level exceeds what is necessary to cover the essential need. The adjusted figure (£2.51) is based on our analysis of the retail cost of purchasing a reasonable number of items.

After reflection, however, we consider that arrangements for meeting clothing needs requires a different approach, most particularly because some asylum seekers arrive with inadequate clothing and need to purchase garments immediately. We will therefore intend to explore with partners a longer term solution– mostly probably through an upfront allowance payable shortly after the support application is made, with reductions on weekly payments to compensate.

Not all of the activities associated with meeting the remaining needs identified by the Court as essential incur an expense. Asylum seekers are invariably accommodated in urban centres where churches, mosques and other religious establishments are within walking distance. Also, many recreational and cultural activities in these areas are free (e.g. community centres and museums). The persons therefore generally have the opportunity to maintain interpersonal relationships and a level of participation in social, cultural and religious life without spending money, subject to occasional travel costs.

Overall, we consider that £3 per week (very similar to the ONS level) is on average sufficient to over essential travel costs. £3 generally covers the cost of at least one weekly return journey in most cities and towns across the UK. The costs of travel for purposes unique to asylum seekers are covered through separate arrangements. Travel to legal appointments for the purposes of giving instructions to advisors is met though legal aid and travel costs to reporting events, asylum interviews and appeal hearings are paid separately.

This leaves communication costs (telephones and occasional postal services). Our assessment is that the ONS figure is marginally higher than is necessary to meet the essential need. Our research has shown that the cheaper mobile phone contracts offer rental deals of around £7-10 per month, which typically pay for up to around 500 minutes of calls. The need to send letters or post documents (e.g. to legal advisors) is likely to be occasional, making the average weekly costs of writing materials and postage very low. A downward adjustment has therefore being applied

The methodology we have used (and allowing for inflation since the ONS Survey was compiled) shows that adult asylum seekers are capable of covering their essential needs through the cash payments currently provided. The adjusted figure of £36.45 is slightly lower than the current rate of £36.62.

There will be a further review of the payment level in 2015 to take account, among other things, of further ONS data and changes in the cost of living. We anticipate that this review will be carried out by using similar methodology, subject to consultation with partners.

Family cases (with child dependants).

Currently, a couple with children receives a payment of £72.52 plus a payment for each child in a family group (usually £52.96, but marginally more for very young children and £39.80 for children aged 16 or 17). A single parent receives £43.94 plus the same payment for each child. The overall impact means that family groups receive payments of about 80% of the level received by comparable families accessing Income Support.

The review has recognised that the needs of children are not identical to adults. They may for example need to replace clothes more often as they are growing. Babies also require nappies and formula milk. For the purposes of this review, we have also assumed that writing materials for educational purposes constitute an extra need for children.

Equally, however, some needs identified by the court as essential for adult asylum seekers (e.g. the need to keep in contact with legal advisors) do not apply to their children. Overall,

our assessment is that any extra needs are comfortably offset by the economies available to a larger household.

This assessment is supported by analysis of the ONS data available, which shows that expenditure on essential items by family groups is considerably lower than the payment levels provided to households with children supported under section 95.

The review has therefore concluded that the existing payment levels for family groups are more than sufficient to meet the essential needs of the household. The payments will therefore remain at existing levels.

There is one remaining discrete issue to do with children aged 16 and 17 who attract a lower payment rate (£38.90) than other children (usually £52.96). This is mainly the result of historical links with Income Support categories, which have since changed. The review has concluded that there is no clear rationale for the rate for older children being lower, but has found no evidence that the lower rate results in the total cash payment provided to affected households being insufficient to meet their essential living needs. The payment rate for children aged 16 and 17 will therefore remain unchanged at this stage, although we are considering longer term options to align the rate with the one provided to younger children

I hope that this is helpful in setting out how we have conducted the review and its conclusions. We will of course keep the adequacy of the rates under review to ensure that we are providing the right level of support to asylum seekers and their families.

Yours

Kam Bradley

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