



Rising cost of benefits for asylum claimants

Immigration and the Economy: MW 499

1. The number of people in asylum-related accommodation has *tripled* in the past decade - from 21,000 in 2012 to 64,000 in the year to September 2021. The **government has projected the number could rise to as high as 80,000 by Spring 2022** - an estimate that far outstrips the previous expected figure of 70,000 by 2029 (revealed just last year by the National Audit Office). This significant and rapid increase in the numbers housed in asylum-related accommodation has occurred in the midst of worsening asylum abuse and chaos, alongside a completely avoidable decay in immigration enforcement. Meanwhile illegal arrivals to the UK - including by boat - have risen by a large margin (par 2 below), with more than 90% claiming asylum following entry. **Current public spending on housing and payments for asylum claimants is estimated to be about £744 million per year (accounting for a majority of the total £1.3 billion in taxpayer money that is presently spent on asylum each year). Yet should the total number accommodated hit 80,000 the cost could be set to hit £850 million by Spring 2022.**

2. The context is one in which the number crossing the Channel illegally in boats in order to come to the UK has increased **93-fold**, from about 300 in 2018 to 28,000 in 2021. **Indeed, 10,900 people have come to the UK in dinghies in just the past three months** (see our [Tracking Station](#)¹). If that three-month total holds true, we would easily have another 10,000 arrivals by Spring. Around 7,000 to 10,000 enter hidden in lorries each year, so detected illegal entries, which ran at 13,500 in 2018, nearly tripled to at least 37,000 in 2021. Below is a summary of the benefits that claimants can receive (also see government's [summary](#))².

Accommodation

3. Those claiming asylum can ask for somewhere to live, a cash allowance or both. Asylum seekers are given a place to live, with all bills paid, if they can successfully claim to be 'destitute'. This could be in a flat, house, hostel or bed and breakfast. For the year to September 2021, the number of people in asylum-related accommodation was just shy of 64,000 - triple the number in 2012 (Figure 1 below). The number receiving asylum-related payments was just under 52,000 - double the number in 2012 (Figure 2 below).

Figure 1: People housed in asylum-related accommodation (Home Office statistics).

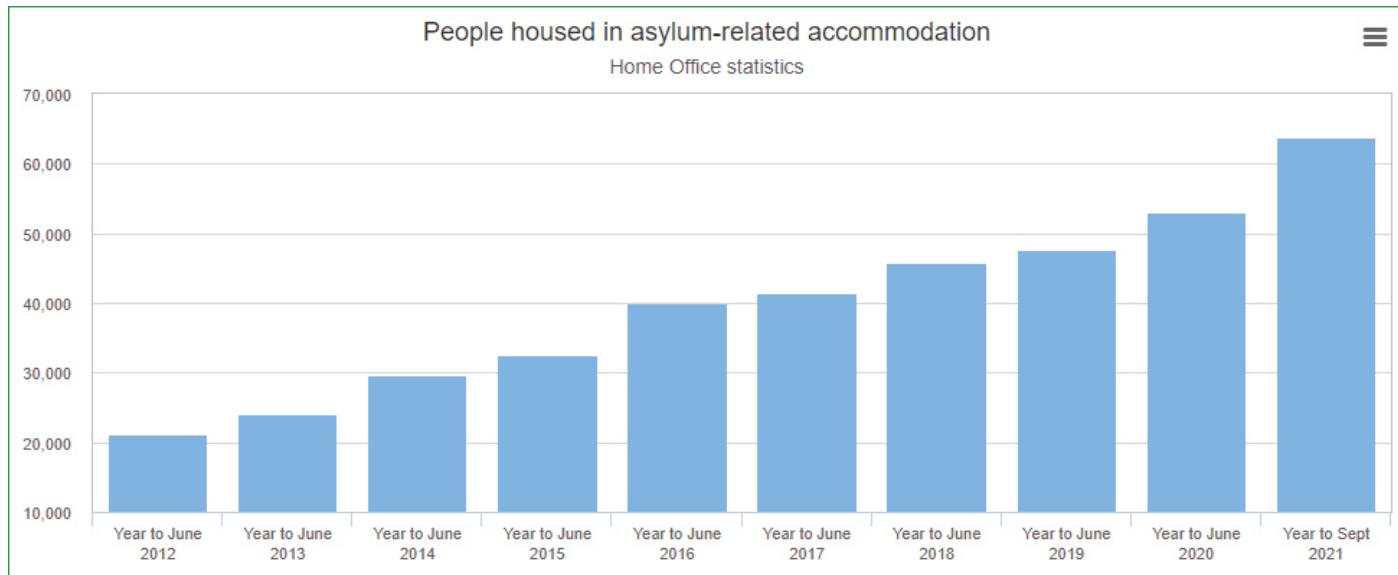
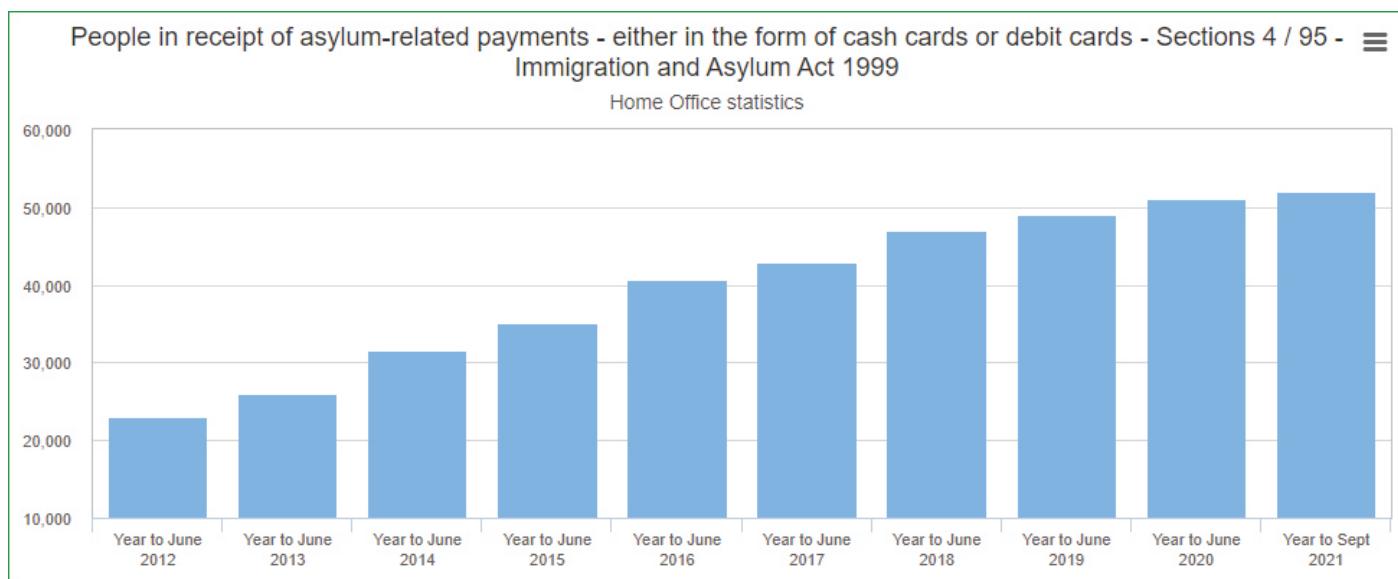


Figure 2: People in receipt of asylum-related payments - either in the form of cash cards or debit cards - Sections 4 / 95, Immigration and Asylum Act 1999 (Home Office statistics).



4. The government has estimated that the total number of people accommodated in asylum-related accommodation could reach up to 80,000 by the Spring of 2022³. This far outstrips the previous expected figure of 70,000 by 2029, revealed by the NAO last year. Asylum-support costs are estimated to now be £430 million per year - £4.3 billion per decade⁴. Yet costs are higher when more people are placed in hotels (as about 8,000 are - see Annex A).

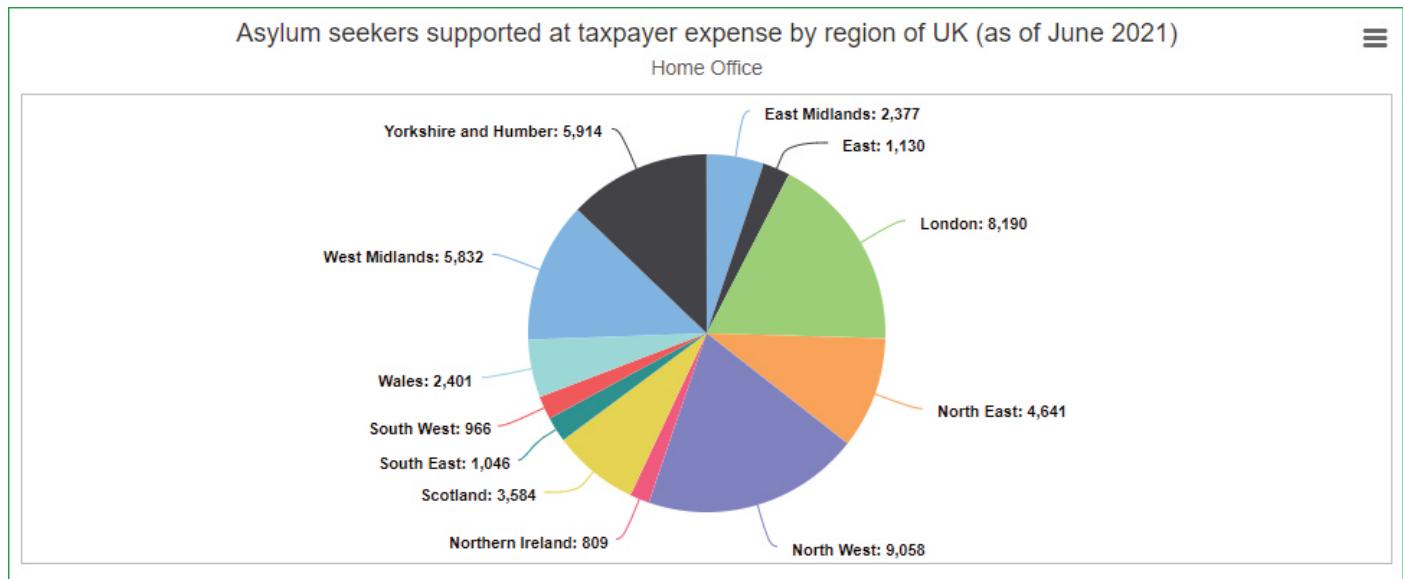
5. Since 2020 there have also been major extra costs, which the government says were related to Covid-19 but which are also likely linked to the major rise in illegal Channel crossings. The government told the Home Affairs Select Committee in March 2021: "For the financial year to date the Home Office has spent an additional £314m against our original budget for asylum support due to pressures associated with the impacts of COVID-19, of which £258m can be attributed to contingency accommodation. Based on our current exit plans and forecasts, hotel accommodation is forecast to cost a further £40-70m in 2021/22." If

the need for an extra £314 million continues, and is added to the £537 million estimated cost of housing up to 80,000 people in total, it would take the total to £851 million spent on asylum support in one year.

6. We lay out this calculation here. At £6,720 per person per year (the estimate provided by National Audit Office, mid-2020⁵), accommodating the current 64,000 people costs £430 million per year. Adding in £314 million extra which the government says is due to Covid-19 would take the total current annual outlay to £744 million. However, should the total number of people accommodated increase up to 80,000, the total cost to the taxpayer would rise to £851 million (or £537 million in basic costs, plus the £314 million in extra costs).

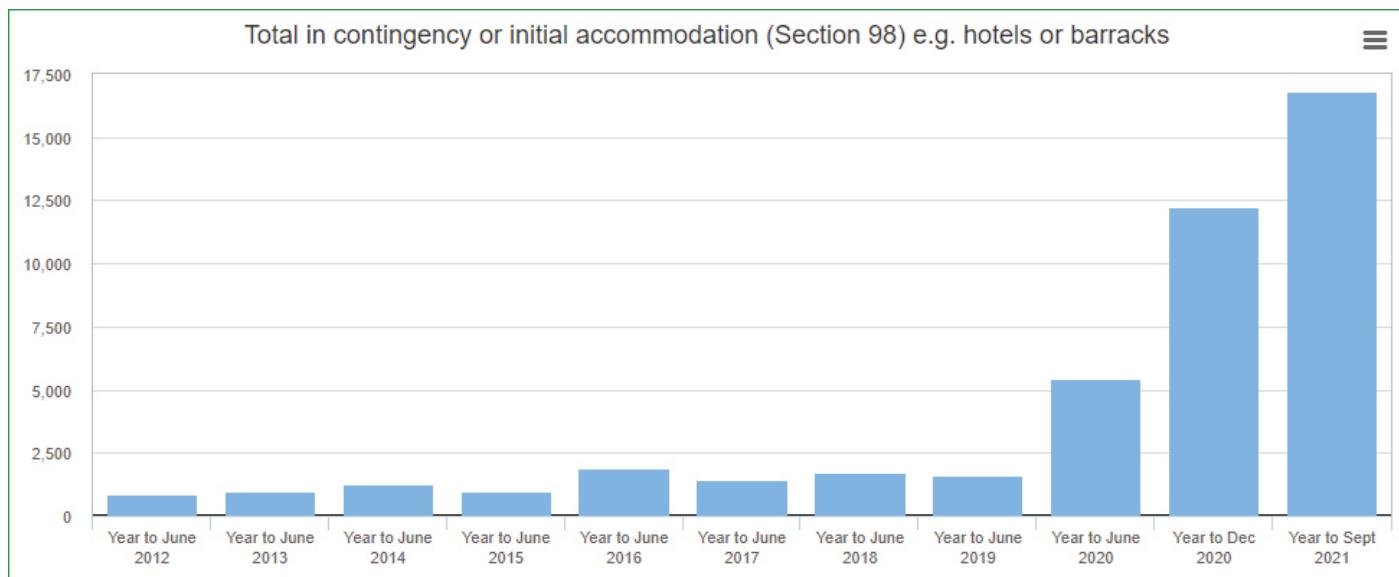
7. Accommodated asylum seekers are concentrated in urban areas. Figure 1 breaks down the 45,000 asylum seekers supported under the main provision of Section 95 by UK region.

Figure 3: Number receiving asylum-related benefits (S95 only) by region. Home Office.



8. Figure 4 below shows that nearly 16,800 are presently in contingency accommodation, including hotels, hostels, bed and breakfasts and Napier Barracks. The chart shows that there has been a considerable rise in the past four years. The government has blamed Covid. However, the number of people housed in hotels started increasing during the rise in Channel crossings in late 2019, well before the Covid pandemic began in early 2020.

Figure 4: Total in contingency or initial accommodation (Section 98) e.g. hotels or barracks.

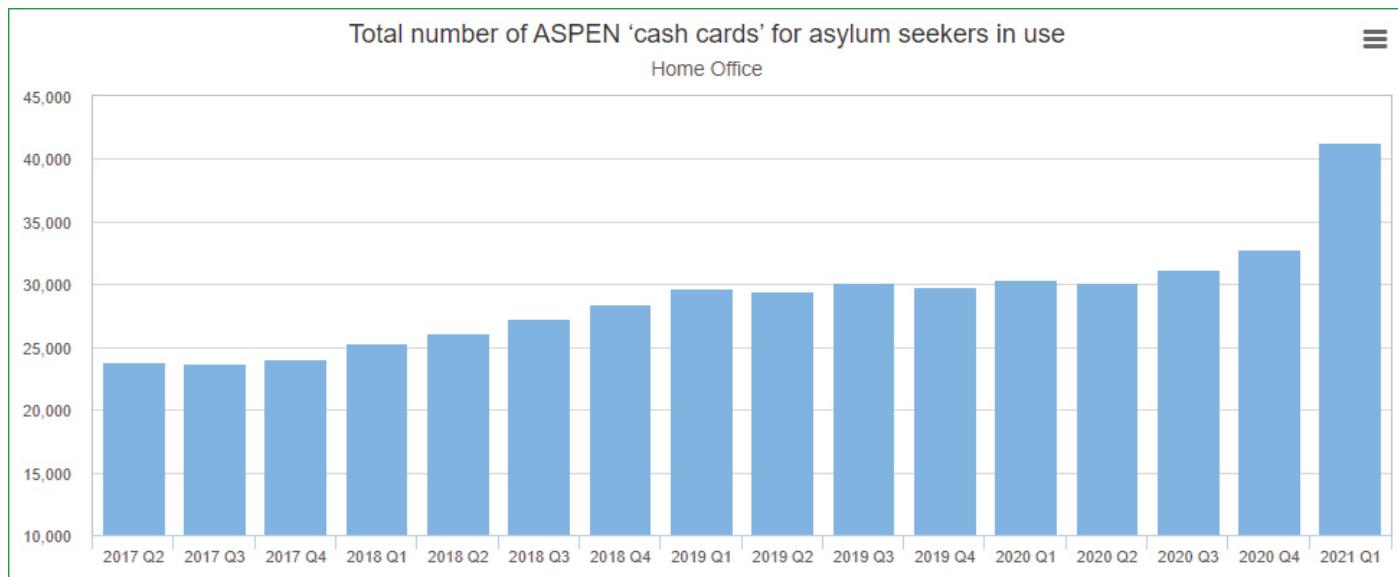


9. Claimants placed in such accommodation are housed for an initial period until longer-term accommodation ('dispersed accommodation') can be identified. The Home Office expects people with straightforward needs to move into dispersed (longer-term) accommodation within 35 days of their arrival in initial or contingency accommodation. Department data suggest that on average, asylum seekers spent 26 days in initial accommodation before leaving, between September 2019 and February 2020⁶. Contingency accommodation has included four-star hotels, including one grade II listed country house hotel. The Home Secretary has stated that putting people in hotels acts as a 'pull factor' for people to cross the Channel. See Annex A for the regional breakdown of hotels in which people are housed.

Cash and other payments

10. Asylum seekers can draw £39.63 for each person in their household. This is loaded onto a debit card (ASPEN card) each week. They are able to use the card to get cash from a cash machine. (This is in contrast to France where asylum claimants can get a similar amount to pay for living expenses but only by using a debit card e.g. in shops, not by accessing cash.) Figure 5 below shows the number of ASPEN cards which are currently in use. The number has increased from 23,800 in 2017 to 41,300 in 2021.

Figure 5: Total number of ASPEN ‘cash cards’ for asylum seekers in use. Home Office data.



11. Even if someone is refused asylum, they may be given £39.63 per person per week on a payment card for food, clothing and toiletries. They are not given the payment card if they do not take the offer of somewhere to live. There are presently about 6,000 failed asylum seekers receiving these services, also known as Section 4 support. However, thousands of other failed claimants also receive housing and payments under Section 95 (although the figures are not delineated in Home Office data). We estimated in 2020 that the cost of providing housing and payments for around 20,000 failed asylum claimants was £130 million per year⁷. **Yet we would like the Home Office to release more comprehensive data on this. They have even failed to respond to Parliamentary Questions on this matter. The public have a right to know.**

Extra money for mothers and young children

12. Asylum claimants are also eligible for extra money to buy healthy food if the claimant is pregnant or a mother of a child under three. The amounts are as follows:

The person's situation	Extra payment per week
Pregnant mother	£3
Baby under 1 year old	£5
Child aged 1 to 3	£3

Maternity payments

13. There is also a one-off £300 maternity payment if the baby is due in 8 weeks or less, or if the baby is under six weeks old. Failed asylum claimants can apply for a one-off £250 maternity payment if their baby is due in 8 weeks or less, or if the baby is under 6 weeks old.

Healthcare

14. Asylum seekers get access straight away to National Health Service (NHS) healthcare, such as to see a doctor or get hospital treatment. They also get

- a. free prescriptions for medicine
- b. free dental care
- c. free eyesight tests
- d. help in paying for spectacles

15. Failed asylum claimants who are deemed destitute and can show a reason why they have not left the UK can also get help with prescriptions for medicine, dental care, eyesight tests and spectacles.

Education

16. The children of asylum seekers get free-state education [between the ages of 5 and 17](#). Children may also be able to get free school meals. The Department of Education has estimated that the cost of the provision of education to children and unaccompanied child asylum seekers in the 12 months after they make an asylum claim in the UK runs at between £20 million and £30 million per year⁸.

Mobile phones

17. It is standard practice to give those entering immigration detention a mobile phone during their time there. This policy seems to apply to a number of those coming via small boat since many are detained for a short period upon arrival in short-term holding facilities, before then usually being bailed into the community. 14,000 such phones had been handed out between January and September 2021, according to the head of the Immigration Services Union. As a Home Office [blog](#) makes clear: "**All individuals in Immigration Removal Centres are provided with a mobile phone.**"⁹ The government provided further clarification of its policy when it noted in a Parliamentary Answer: "*To enable contact with friends, family and legal representatives, where individuals do not have a suitable mobile phone, Home Office suppliers can provide temporary access to basic model mobile phones for individuals in detention, or those awaiting initial processing. These mobile phones are returned when individuals leave the respective centre. No mobile phones are provided in Initial Asylum Accommodation, however; individuals can request a data sim card which enables internet access, for use during their stay.*"¹⁰

18. The published Detention Services Order 08/2012 sets out the Home Office's policy on detained individuals' possession of mobile phones in immigration removal centres. This states that immigration removal centres '*must provide appropriate mobile phone handsets to all detainees that do not own a mobile phone*'. It adds: "*Mobile phones must be provided free of charge to the detainee.*"¹¹

22 December 2021

Annex A

Asylum seekers housed in hotels by English region in August 2020 (Home Office).

Contract Region (Provider)	Hotels	People	Local Authorities
Scotland (Mears)	3	188	Glasgow
Northern Ireland (Mears)	1	13	Belfast
North East Yorkshire Humber (Mears)	12	1031	Bradford, Calderdale, Hull, York, Leeds, Kirklees, Newcastle upon Tyne, Rotherham, Stocton-on-Tees, Wakefield
North West (Serco)	8	944	Liverpool, Halton, Sefton, Cheshire West and Chester, Cheshire East, Wirral, Didsbury
Midlands East of England (Serco)	11	1,702	Birmingham, Broadland, Bromsgrove, Coventry, Derby, Leicester, Nottingham
Wales (CRH)	2	53	Cardiff
South (CRH)	43	4,042	Barnet, Brent, Bristol, Camden, Croydon, Dacorum, Eastbourne, Epping Forest, Hackney, Hammersmith and Fulham, Harrow, Hertsmere, Hillingdon, Hounslow, Kensington and Chelsea, Lambeth, Lewisham, London, Luton, Merton, Reading, Slough, Southwark
Total	80	7,973	

Notes

1. Migration Watch UK English Channel Tracking Station for illegal maritime events, URL: <https://www.migrationwatchuk.org/news/2020/05/11/arrivals-via-deadly-and-illegal-channel-crossing-from-safe-countries>
2. Gov.UK, summary of what asylum seekers will get. URL: <https://www.gov.uk/asylum-support/what-youll-get>
3. In June 2021, the government noted: "For the year ending March 2022, our current modelling scenario project asylum applications ranging between 40,000 and 50,000, and an accommodated population of between 60,000 to 80,000. In the long term, our models project an upward trend in supported population." Letter from Home Office permanent secretary to Chair, Public Accounts Committee, June 2021, URL: <https://committees.parliament.uk/publications/6488/documents/70640/default/>
4. In December 2018, once it had selected its housing providers, the Home Office forecast that setting up and delivering these services from 2019 to 2029 would cost £4.4 billion. Yet on the basis that there were fewer people in dispersed accommodation, expected costs fell to £4.0 billion. Most of this spending will be on the contracts for accommodation (£3.7 billion) and the Advice, Issue, Reporting and Eligibility contract, which began operating in 2019 (£239 million). National Audit Office, Report on Asylum Accommodation, 2020, URL: <https://www.nao.org.uk/wp-content/uploads/2020/07/Asylum-accommodation-and-support.pdf>
5. Ibid.
6. Providers' contracts only require them to provide a total of 1,750 places in permanent initial accommodation. The contracts allow providers to use hotels and other contingency accommodation to meet excess demand for initial accommodation. Between September and December 2019, the Department paid providers £15 million for people in hotels and other contingency accommodation. Op. Cit.
7. Migration Watch UK, 'Estimated Cost Of Housing And Payments For Failed Asylum Claimants', 2020, URL: 3 October 2020, URL: <https://www.migrationwatchuk.org/news/2020/10/03/cost-of-housing-and-payments-for-failed-asylum-claimants-estimated-at-130-million-per-year>
8. See Parliamentary Written Answer, February 2021, URL: <https://questions-statements.parliament.uk/written-questions/detail/2021-02-10/%31%35%32%34%35%31>
9. Home Office factsheet, July 2021, URL: <https://homeofficemedia.blog.gov.uk/2021/07/22/returns-deportation-and-charter-flights-factsheet/>
10. Parliamentary Answer, November 2021, URL: <https://questions-statements.parliament.uk/written-questions/detail/2021-11-15/hl4001>
11. Detention Services Order 08/2012, URL: https://qna.files.parliament.uk/qna-attachments/1378730/original/Mobile_phones_and_cameras_in_immigration_removal_centres.pdf