

# Extending the “move-on” period for newly granted refugees: Analysis of benefits and costs

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## Section One: Executive Summary

This report considers the impact of extending the “move-on” period (currently 28 days) which is allowed to refugees, once they are awarded Leave to Remain in the UK. This question arises for those refugees who were in receipt of Section 95 subsistence and accommodation grants from the Home Office at the point of being granted refugee status.<sup>1</sup> The move-on period allows for the continuation of Section 95 support for 28 days, with the aim that work and/or mainstream benefits can be secured, and alternative accommodation arranged, by the time this support is stopped.

Over the last five years, a range of agencies and groups have suggested increasing this period to 56 days, as they believe 28 days is not long enough to allow this transition to take place. They argue that the 28-day rule increases the risks of homelessness and destitution for some refugee households, and that the potential benefits of a supported integration into work and community life are undermined. The agencies and groups include the British Red Cross, Refugee Council, the No Accommodation Network, the All-Party Parliamentary Group on Refugees, the All-Party Parliamentary group on Homelessness, and CRISIS (a national homelessness campaigning and service provision charity).

The overall numbers of asylum applications and decisions to grant leave to remain have recently increased, with around 9,000 applications received in Quarter 1 of 2019, and c. 2600 grants of leave to remain made in that quarter. The latest available Home Office figures from its Post Grant Advisory Service (PGAS), which assists recipients of Section 95 support in making the transition into the community, indicate a caseload of 3,875 households in 2017-18, and in this report we have used a baseline figure of just over 5,000, reflecting this increase in grants of leave to remain in the past three years.

The circumstances and experiences of refugees make it very difficult for them to successfully navigate the UK systems to claim and receive housing and benefits within 28 days. It is also difficult for them to secure housing through local authority homelessness prevention and relief services, who have a 56-day period in which to make decisions. Refugees granted Leave to Remain must have already satisfied stringent criteria around being unable to live in their home country due a fear of persecution due perhaps to ethnic discrimination, political oppression, human rights abuse, or a failed state. Their journey to the UK may have been traumatic and long. They may have suffered what has been termed the “seven D’s”: discrimination, detention, dispersal, destitution, denial of the right to work, denial of healthcare, and delayed decisions<sup>2</sup>.

The report cites evidence that refugees have been assessed to be five times more likely to experience serious mental distress, and have poorer general mental health than the UK population including depression and Post Traumatic Stress Disorder (PTSD). Around one in five have severe physical health problems due to their pre-migration experiences. Many may be reluctant to seek support to which they or their children are entitled due to highly negative experiences of engaging with public officials or other professionals or community members in their country or origin, and language barriers. They are also likely to lack English language skills and be unfamiliar with UK institutions. This makes it extremely difficult for refugees to engage effectively and within the 28-day

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<sup>1</sup> They would have also not have been permitted to work while on S95 support

<sup>2</sup> McColl, H., McKenzie, K. and Bhui, K. (2008) ‘Mental healthcare of asylum-seekers and refugees’, *Advances in Psychiatric Treatment*, 14(6): 452–459.

limit with the statutory agencies who can help. It is certainly more difficult than for native UK residents for whom these systems were designed.

It is government policy not to prepare applicants for life in the UK prior to the decision on their asylum applications, in case such preparations make it more difficult to remove them in the event of a negative decision. After the grant of leave to remain, and partly in recognition of the issues noted above, the Government has put in place a range of measures to provide specific support, most recently through the PGAS and migrant's Advice, Issue Reporting and Eligibility (AIRE) services. They have also introduced specific actions to speed up the provision of necessary documentation including Biometric Residence Permits, National Insurance Numbers, as well as easing the process of opening bank accounts. There has also been considerable parliamentary interest in this issue, and pressure to extend the move-on period, which is reviewed in the report.

Further sections of the report critically review a range of evidence about current levels of destitution and homelessness amongst refugees, particularly those whose Section 95 support has recently ended. This evidence includes official local and central government statistics and research and reports (including the Greater London Authority Combined Homelessness and Information Network database on London rough sleepers). It also includes published academic and research sources (including from the mental health charity MIND), Parliamentary reports and evidence, and information published by front line agencies working with people seeking asylum (including the British Red Cross, the Refugee Council, and the No Accommodation Network). This evidence is used to estimate the numbers currently experiencing, or at risk of, destitution and homelessness.

This evidence is then considered in terms of costs and possible benefits of extending the Section 95 accommodation and subsidy period to 56 days. The extent of possible benefits is expressed in terms of ranges of higher and lower likely impacts of providing an extra four weeks to enable refugee households to secure accommodation and benefits. Costs are from extending the S95 accommodation and support for the extra 28 days. Benefits are in terms of savings to public expenditure on services like health, mental health and prevention and relief of homelessness (including the provision of more expensive Local Authority temporary accommodation).

Benefits are also from additional tax revenue where refugees get into work quicker, and as benefits associated with increased wellbeing and life satisfaction due to refugees avoiding destitution or uncertainty with accommodation. Wellbeing has a well-evidenced and quantifiable value to society in areas such as better general health and employment outcomes, impacts on children in the household, and improved social relations including contribution to local community life. Improving the transition period leading to integration into the community on receipt of leave to remain is likely to be very important in improving or undermining general wellbeing. Estimates of benefits are made on a conservative basis which also explicitly avoids double counting and take account of the fact that these refugees are intended to be on a path to integration in the community through the award of leave to remain.

In monetising the social values, the risks and opportunities, this report draws on published analyses of social value which have been used in similar areas of social policy. This includes analyses of the cost benefits of reducing rough sleeping, of providing services to victims of modern slavery, and of providing community investment programmes around supporting better health, employment, and social relations. The report provides detailed and transparent explanations of how the ranges of possible numbers of cases have been derived from the evidence, as well as which specific monetised social values. Different considerations apply to households with families compared to single people, and these differences are explored in detail.

Taking into account all the evidence in this report, and using upper and lower ranges, the estimated net benefits, as well as the ratios of benefits to costs, are:

<b>Outcome</b>		
<b>Estimate range</b>	<b>Net Benefit (£k)</b>	<b>Ratio</b>
<b>upper</b>	£7,465	3.1
<b>lower</b>	£4,308	2.2

A full explanation of the cost benefit model is provided in Section Five of this report.

## Section Two: Context: refugees and people seeking asylum

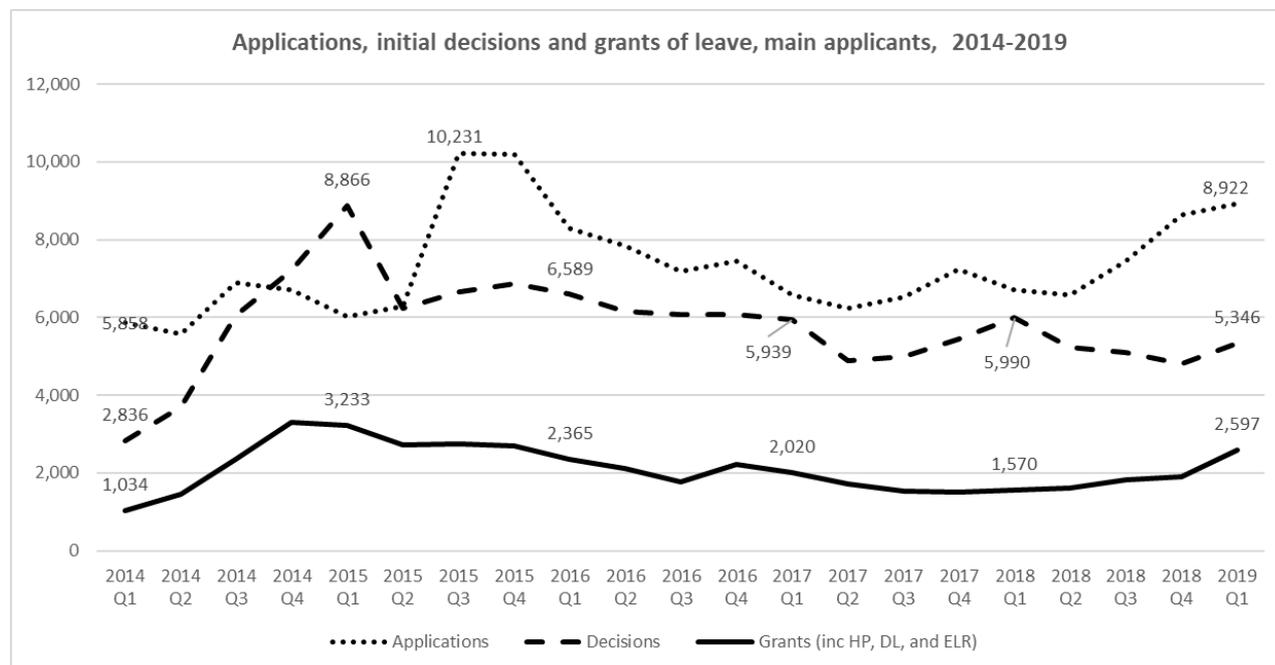
This section reviews the overall numbers of refugees, decisions being made and numbers of people granted leave to remain who are in receipt of Section 95 support. It also looks at the characteristics of these refugee households in terms of their traumatic experiences leading to an asylum claim, and their higher risks of physical and mental health problems. Refugees may also find it difficult to approach government officials due to previous experiences of discriminatory and poor governance, and of government persecution. It also notes the relevance of the Government’s Integrated Communities Strategy 2018.

### Overall numbers of refugees, decisions, and Section 95 support

Figure 1 sets out the numbers of applications for asylum in the UK, the number of initial decisions, and the numbers of grants of leave to remain made from 2014 to the beginning of 2019. Although the Home Office website states that applications will usually be decided within 6 months<sup>3</sup>, they may take longer, particularly in more complex cases. The Migration Observatory November 2019 briefing<sup>4</sup> noted that “the share of asylum applications receiving an initial decision within six months has fallen from 73% in 2012 Q4 to 25% in 2018 Q4” Decisions are therefore not linked to a particular date of application, and are not necessarily linked to an application made in the same year.

There is considerable variation over this period with a sharp increase in decisions (and consequently grants of leave to remain) during 2018-19. Changes are often due to different approaches to some specific countries. For example, grant rates on Iranian cases are much higher through 2019 compared to 2018, as with Afghan and Vietnamese nationals.

Figure 1 Asylum applications, decision made and leave granted 2014-19



Source: Home Office: consolidated immigration statistics as\_01\_q 2019

<sup>3</sup> <https://www.gov.uk/government/organisations/uk-visas-and-immigration/about-our-services>

<sup>4</sup> Migration Observatory 2019: <https://migrationobservatory.ox.ac.uk/resources/briefings/migration-to-the-uk-asylum/>

At the end of December 2018 there were 44,265 people receiving support under Section 95 of the Immigration and Asylum Act 1999, for accommodation, subsistence payments, or both. This is shown in Figure 2 below. These numbers reflect the period of delay in making decisions, and the consequent cumulative numbers of refugees waiting for decisions in receipt of this support.

Figure 2 Asylum seekers receiving Section 95 accommodation, subsistence payments, or related awards

	As at end of...								
	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018
<b>Section 95<sup>3</sup></b>	<b>22,039</b>	<b>20,894</b>	<b>20,182</b>	<b>23,459</b>	<b>29,753</b>	<b>34,363</b>	<b>39,389</b>	<b>40,736</b>	<b>44,265</b>
Dispersed accommodation <sup>4</sup>	18,724	18,108	17,594	20,687	26,350	31,432	36,626	37,716	41,316
Subsistence only <sup>5</sup>	3,315	2,786	2,588	2,772	3,403	2,931	2,763	3,020	2,949
<b>Section 98<sup>6</sup></b>	<b>650</b>	<b>962</b>	<b>1,067</b>	<b>1,197</b>	<b>1,476</b>	<b>1,985</b>	<b>1,990</b>	<b>1,802</b>	<b>2,129</b>
<b>Section 4<sup>7</sup></b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>4,831</b>	<b>4,994</b>	<b>3,821</b>	<b>3,773</b>	<b>4,114</b>	<b>4,032</b>

Source: Home Office, Asylum and Protection summary tables asy\_07b

The figures above give an overall context of the numbers of people seeking asylum awaiting decisions, in receipt of S95 support, and the current acceleration in the numbers of decisions being made. More specific information is available from the June 2019 Home Office report on the Post Grant Advisory Service (PGAS)<sup>5</sup>: This service offers assistance to refugees in receipt of S95 support and newly awarded leave to remain.

Figure 3: PGAS figures for new cases (newly recognised refugees)

Quarter	Eligible Refugees	Refugees contacted	% of those eligible contacted	% of those contacted who did not want assistance
2017 Q1	530	277	52%	8%
2017 Q2	452	252	56%	12%
2017 Q3	1074	607	57%	7%
2017 Q4	1152	731	63%	4%
2018 Q1	1197	693	58%	5%
2018 Q2	1407	797	57%	7%

Source: Home Office PGAS report 2019

We can see from this that the numbers receiving Section 95 support who are then granted leave to remain have been increasing steadily over the period shown. The last figure is for Q2 of 2018 which is over a year ago, although since the report covers action to improve the outcomes for people over the period following the decision to grant them leave, it is appropriate that the report should take account of this increasing volume of cases. The total cases for 2017-18 was 3,875. Increasing this by 30% to account for the rising volume of main applicant cases since then would give a total of 5,038 annually (rounded in the summary above to 5K). This is the figure used later in this report as an estimate of current volumes – though the calculations of social value are also expressed as a ratio of costs to benefits, so that these specific final numbers are not crucial.

<sup>5</sup> <https://www.parliament.uk/documents/commons-committees/work-and-ensons/Correspondence/190603-GAS-report.pdf>

## The impact of refugees' past experiences on claiming benefits and housing

### Overview

The 28-day move-on period presents difficulties for refugees for two main sets of reasons. First, they have experienced considerable trauma while having to flee their country of origin (confirmed by their being granted asylum), which has significant consequences for their physical and mental health, as well as the language and broader integration difficulties they are likely to face. These issues are explored in this section.

Second, they are required to obtain a set of documents (e.g. proof of residence) and set up a bank account in order to apply for benefits, which can delay the process of successfully claiming and obtaining benefits and housing. Even these documents, and the rights which go with them, can be misunderstood and wrongly administered by local agencies, who can be unfamiliar with the rights which they bring, and how to administer these claims. These issues are explored more in Sections Three and Four below.

### The experience of becoming a refugee

To be granted leave to remain as a refugee, people seeking asylum must satisfy the criteria<sup>6</sup> that they are:

*"...unable to live safely in any part of your own country because you fear persecution there. This persecution must be because of your race, your religion, your nationality, your political opinion, or anything else that puts you at risk because of the social, cultural, religious or political situation in your country, for example, your gender, gender identity or sexual orientation. You must have failed to get protection from authorities in your own country".*

Research<sup>7</sup> shows that refugees have fled from dangerous conditions in their country of origin including oppression and violence. While there are often economic drivers, many are fleeing discrimination due to ethnicity, political oppression, human rights abuses, violent conflict, state failure, or natural disasters.<sup>8</sup> They have often survived traumatic experiences including the murder of family members, sexual violence and torture.

Also, refugees often know very little about the UK or its immigration system when they arrive. Many did not choose their destination, and/or they may have arrived in the UK after having to flee their country of origin in a hurry. After claiming asylum, people are not allowed to work, do not have an automatic right to rent and have no recourse to public funds. They are almost certainly unfamiliar with the processes of making applications for mainstream welfare services in the UK, accessing rental or Local Authority housing or applying for a job.

Overall the seven common post-migration adversities have been described<sup>9</sup> as the 'seven Ds': discrimination; detention; dispersal; destitution; denial of the right to work; denial of healthcare and delayed decisions.

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<sup>6</sup> <https://www.gov.uk/claim-asylum/eligibility>

<sup>7</sup> Liebling, Helen; Burke, Shani; Goodman, Simon; Zadasa, Daniel (2019): Understanding the experiences of asylum seekers. International Journal of Migration, Health and Social Care, Figshare IJMHS-06-2013-0016.R;

<sup>8</sup> Neumayer, Eric (2005) Bogus refugees? The determinants of asylum migration to Western Europe. International Studies Quarterly, 49 (3). pp. 389-410. ISSN 1468-2478

<sup>9</sup> McColl, H., McKenzie, K. and Bhui, K. (2008) 'Mental healthcare of asylum-seekers and refugees', Advances in Psychiatric Treatment, 14(6): 452-459.

## Higher risk of mental health problems

Navigating the DWP and Local Authority homelessness processes can often be much more difficult for a person experiencing mental health problems.<sup>10</sup> A review of evidence by the Mental Health Foundation<sup>11</sup> indicated that refugees face an increased vulnerability to mental health problems. This is linked to their pre-migration experiences (which can be traumatic) and post-migration conditions (such as family separation, difficulties with asylum procedures and poor housing). This research suggests that refugees are five times more likely to have mental health needs than the general population and more than 61% will experience serious mental distress. In addition, refugees are more likely to experience poor mental health than the wider population, including higher rates of depression and PTSD

Other research<sup>12</sup> notes that refugees are among the highest risk categories for suicide in the UK. This literature also indicates high rates of self-harm, including among refugee children and young people. Clinicians report that destitution had an extremely negative impact on the mental health of torture survivors and increased their risk of suicide. Research by COMPAS (Centre for Migration Policy and Society)<sup>13</sup> indicates that refugees are substantially more likely to report mental health problems compared to other migrants; and that one quarter of refugees with a health condition reported having mental health problems. There is also evidence<sup>14</sup> that the creation of the National Asylum Support Service (NASS) appeared to have reinforced the view that since refugees are being supported via NASS, they do not require social work intervention. As a result, high levels of unmet need have been identified amongst refugees with mental health difficulties in areas such as housing, finances, and social contact. Research by the mental health charity Mind<sup>15</sup> found that restrictive policies on healthcare, education, accommodation, welfare support, employment and a lack of English language skills were excluding and marginalising refugees, as well as exacerbating existing mental health problems. 2017 research by Citizens Advice Bureau<sup>16</sup> also supports the finding that people with complex mental health problems are in general more likely to need advice and support around managing welfare aspects of their lives.

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<sup>10</sup> Citizens Advice Bureau (2017) *Joining the Dots: Integrating practical support in mental healthcare settings in England*. <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/health-and-care-policy-research/public-services-policy-research/joining-the-dots-integrating-practical-support-in-mental-healthcare-settings-in-england/>

<sup>11</sup> Mental Health Foundation (2016) *Fundamental Facts About Mental Health 2016*. Mental Health Foundation: London.

<sup>12</sup> Allsopp, J., Sigona, N. and Phillimore, J. (2014) *Poverty among refugees and asylum seekers in the UK: An evidence and policy review*, IRIS Working Paper Series, No. 1/2014. Birmingham: Institute for Research into Superdiversity

<sup>13</sup> Kone Z, Ruiz I, Vargas-Silva C (2019) *Refugees and the UK Labour Market*, Econref 04 2019. COMPAS Oxford. <https://www.compas.ox.ac.uk/wp-content/uploads/ECONREF-Refugees-and-the-UK-Labour-Market-report.pdf>

<sup>14</sup> Chantler, K. (2012) *Gender, asylum seekers and mental distress: Challenges for mental health social work*, *British Journal of Social Work*, 42(2): 318–334.

<sup>15</sup> Mind (2009) *A civilised society: Mental health provision for refugees and asylum-seekers in England and Wales* Mind, London

<sup>16</sup> Citizens Advice Bureau (2017) *Joining the Dots: Integrating practical support in mental healthcare settings in England*. <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/health-and-care-policy-research/public-services-policy-research/joining-the-dots-integrating-practical-support-in-mental-healthcare-settings-in-england/>

## Health status and access to healthcare

Many refugees come to the UK having fled situations which may have exacerbated pre-existing physical health problems. Evidence<sup>17</sup> shows that at the end of the 1990s, as many as 20% of refugees had severe physical health problems that made their day to day life difficult. Common pre-migration adversities can include war, imprisonment, genocide, physical and sexual violence, witnessing violence to others, traumatic bereavement, starvation and homelessness. Between 5 and 30% of refugees have been tortured. They may have also experienced poverty, lack of preventative healthcare, particularly immunisations, and diseases prevalent in their region of origin. Looking more generally, COMPAS<sup>18</sup> notes that refugees are more likely to report a long-term health condition and to indicate that this condition affects their employment performance. Close to 37% of this group report a health condition lasting longer than 12 months.

## Barriers to accessing support

Several studies<sup>19</sup> show that many refugees and people seeking asylum, do not access the support they are entitled to. This can be attributed to a range of factors. Families may be reluctant to seek the support to which their children are entitled under the Children Act 1989 for fear of being separated from them. Age disputes may also complicate access to entitlements for unaccompanied refugee children and young people. People seeking asylum may be unwilling to engage with public officials due to previous negative experiences in their country of origin. This lack of knowledge and experience of the UK labour or housing market is then coupled with language barriers, fear of authorities and mental and physical health needs.

In addition, a 2018 Equality and Human Rights Commission (EHRC) report<sup>20</sup> found that refugees are hesitant to access healthcare, due to serious concerns that their medical information could be used by immigration enforcement. Some fear that receiving treatment for certain conditions, such as infectious diseases or mental health issues, might affect their asylum application. Cultural and social attitudes, and stigma associated with certain medical conditions, can affect people's decisions to seek treatment. In particular, refugees with mental health needs or experience of trauma may mistrust health professionals due to previous poor experiences of services, including potentially discriminatory or abusive situations. This impact will linger after status is granted, because people will not have sought treatment when they needed it.

## Integration barriers

People who have recently been granted refugee status are likely to face several integration barriers. They are from a completely different country, usually speak a different language, and have different qualifications that are often not recognised in the UK despite indicating a high level of skills and experience in their country of origin. It will often take longer for someone from a refugee background to get a job because they may lack language skills, knowledge of the UK labour market and transferable qualifications. During the period of waiting for an asylum decision they have not been permitted to work. This makes it more likely that they will need to apply for Universal Credit as an interim source of money to live on, and be caught up in the in-built delays of this system.

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<sup>17</sup> Burnett, A. and Peel, M. (2001). 'Asylum seekers and refugees in Britain: Health needs of asylum seekers and refugees', *British Medical Journal*, 322(7285): 544.

<sup>18</sup> Kone et al 2019 Op cit

<sup>19</sup> Cited in Allsopp, J., Sigona, N. and Phillimore, J. (2014), op cit.

<sup>20</sup> EHRC (2018) *Access to healthcare for people seeking and refused asylum in Great Britain - a review of evidence* EHRC London

## Potential impact on the Integrated Communities Strategy

In its 2018 Integrated Communities Strategy<sup>21</sup>, (considered in more detail in Section four below), the Government set out the aim to:

*“support those working with refugees to understand refugees’ particular mental health and wellbeing needs, and signpost to suitable interventions. We will also improve the provision of information to refugees to enable their successful orientation and adaptation to life in the UK.”*

The evidence above for the impact on the welfare and integration of refugees and the implications for public expenditure, are relevant to this aim of the Integrated Communities Strategy.

### Summary

Newly-granted refugees are often coping with severe and continuing problems related to the persecution which caused them to seek asylum. They also have little experience of navigating UK procedures and processes which are a necessary part of claiming their rights. Welfare and housing systems in the UK are complex, and people often require advice to navigate them, for example from Citizens Advice or other housing and benefits advice agencies. For most UK citizens, 28 days would present difficulties in completing the paperwork and processes required to access Universal Credit or secure housing support, even without the need to obtain complex documentation showing they have the Right to Remain, the right to recourse to public funds and other related documentation, as refugees must do. This is evidenced by the extension of time for decisions to be made in the Homelessness Reduction Act 2018 to 56 days. For these reasons, the risk of destitution and homelessness for newly recognised refugees after 28 days are increased.

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<sup>21</sup> Available at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/696993/Integrated\\_Communities\\_Strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696993/Integrated_Communities_Strategy.pdf)

## Section Three: Evidence that refugees are experiencing homelessness and destitution in the move-on period and beyond

### Overview

This section considers the evidence that refugees are experiencing homelessness and destitution when the 28-day move-on period ends. Evidence is available from official and academic research and evaluation publications, and regularly updated front line reports and information from agencies who work with refugees. Some of this evidence has been the subject of parliamentary debates, reports, and Parliamentary Questions and that material is explored in Section Four.

Organisations such as the British Red Cross, Refugee Council (RC), the No Accommodation Network (NACCOM), the Jesuit Refugee Society (JRS), Refugee Action (RA), the Refugee Council (RC), and others work directly with refugees. These organisations are at the front line of providing support, guidance, and practical assistance to refugees. These include refugees who are awaiting decisions, those who have been granted leave to remain, and those who have had their asylum applications refused, including those appealing that decision. Most publish both regular and topic specific reports about the circumstances of refugee households, on issues including poverty, housing, deprivation, health, and access to rights and services. Organisations such as Crisis and St Mungo's work directly with and collect evidence on people who are homeless or at risk of homelessness, including refugees. Official statistics including the London CHAIN rough sleeping database and Government reports are also cited where these are available.

Overall this section pulls together current evidence of a significant level of homelessness and destitution under the current 28-day rule. This evidence will feed into the costings in the final section.

### Homelessness and rough sleeping

#### Frontline evidence

Refugees at risk homelessness and rough sleeping<sup>22</sup> include not only those who were previously in Section 95 accommodation, but also those who were receiving Section 95 subsistence-only support. There are also some recently granted refugees recently who were not in receipt of any form of Section 95 support, and where appropriate they are referred to in this section.

A review of homelessness amongst refugees was published in 2019 by NACCOM titled "Mind the Gap – one year on"<sup>23</sup>. NACCOM is a network of organisations with a remit including preventing destitution amongst refugees, people refused asylum and other migrants with no recourse to public funds (NRPF). The report showed that in 2018-19 in three of its shelters (in Camden, Manchester, and Leicester) 23 per cent of homeless people seeking beds (36 of 156) were refugees, and of these 36% had been granted asylum within the last six months. This represents a small snapshot of the

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<sup>22</sup>Official statistics provide the following definition of people sleeping rough: *People sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down in the open air (such as on the streets, in tents, doorways, parks, bus shelters or encampments). People in buildings or other places not designed for habitation (such as stairwells, barns, sheds, car parks, cars, derelict boats, stations, or "bashes" which are makeshift shelters, often comprised of cardboard boxes).*

*The definition does not include people in hostels or shelters, people in campsites or other sites used for recreational purposes or organised protest, squatters or travellers.* (MHCLG Rough Sleeping Strategy 2018 p13)

<sup>23</sup> NACCOM (2019) *Mind the Gap – one year on*, NACCOM, Whitley Bay

problem, as overall, including these three centres the NACCOM network includes a total of 55 Full Members (local shelters) in England providing accommodation.

The wider activities of NACCOM members are summarised in their 2017-18 Annual Report<sup>24</sup>. This shows that of the 3,471 people accommodated in 2017-18, 1,097 (32%) were refugees. Of these 401 were not yet in receipt of benefits, while 349 were in receipt of benefits or in employment (but were applying to NACCOM as homeless). This makes of total of 750 people in total seeking night shelter accommodation from this network.

In addition, these reports highlighted difficulties in obtaining private rented accommodation as a route out of homelessness. These included:

- Gaps in advice and support for housing options
- Delays in receiving Universal Credit (UC) benefits (including to pay rent)
- Barriers in the private rented sector:
  - The need for a rent deposit, and the delays and small amounts of Integration Loans to cover this
  - The shortage of landlords willing to take on UC claimants
  - The discrimination by private landlords against non-British tenants due to the requirements of the Right to Rent legislation to check immigration status of would be tenants
- Difficulties in accessing social housing due to being awarded low priority, and a failure of the Duty to Refer processes to identify recently granted refugees within this duty

The Refugee Council in September 2017 published a survey of newly granted refugees<sup>25</sup>. It was based on interviews with 54 refugees who had contacted the Council, and covers a wide range of experiences since their leave was granted. Asked about where they had been staying since being recognised as refugees:

- None had secured permanent accommodation
- Over half (31) had slept rough, in a night shelter or homeless hostel at some point since the grant of leave to remain
- Nine of the respondents were sleeping rough and nine were at a night shelter or homeless hostel at the time of the survey
- Of the 20 who had been in Section 95 accommodation and had to leave, two had slept rough and five in a night shelter or homeless hostel (a third in all)
- Some respondents who had been receiving subsistence only payments noted that once they received refugee status, their hosts soon expected them to leave as they were considered able to support themselves at this point.

Rough Sleeping statistics published by MHCLG do not include a breakdown of those who have just left Section 95 accommodation, but this is reliably recorded for London on CHAIN, the London-wide rough sleeper database<sup>26</sup> which provides details about each rough sleeper dealt with by the London street rescue and outreach teams. In the financial year 2018-19, CHAIN recorded 44 *new* rough

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<sup>24</sup> NACCOM (2019) *Annual Report 2017-18* NACCOM, Whitley Bay

<sup>25</sup> Refugee Council (2017) *Refugees without refuge: Findings from a survey of newly recognised refugees* Refugee Council, London

<sup>26</sup> Reports and data available at <https://data.london.gov.uk/dataset/chain-reports>

sleepers (i.e. not previously seen before on the streets) whose last settled accommodation was “asylum support accommodation”.

Figure 4: CHAIN (2018-19) data on new London rough sleepers leaving asylum support accommodation

Last settled base	No.	%
<b>Long term accommodation</b>		
Private rented accommodation	907	34.3%
Local authority accommodation	133	5.0%
Housing association/RSL accommodation	94	3.6%
Owner occupied accommodation	83	3.1%
Tied accommodation	48	1.8%
Sheltered housing/registered care accommodation	16	0.6%
<i>Long term accommodation subtotal</i>	1281	48.5%
<b>Short or medium term accommodation</b>		
Hostel	161	6.1%
Temporary accommodation (Local authority)	48	1.8%
<b>Asylum support accommodation</b>	44	1.7%
B&B/other temporary accommodation	21	0.8%
Clinic/Detox/Rehab	12	0.5%
<i>Short or medium-term accommodation subtotal</i>	286	10.8%
<b>Institution</b>		
Prison	93	3.5%
Hospital	12	0.5%
<i>Institution subtotal</i>	105	4.0%
<b>Inappropriately accommodated</b>		
Squat	33	1.2%
Outhouse	5	0.2%
<i>Inappropriately accommodated subtotal</i>	38	1.4%
<b>Newly arrived in UK</b>		
Newly arrived in UK - not homeless in home country	221	8.4%
Newly arrived in UK - homeless in home country	45	1.7%
<i>Newly arrived in UK subtotal</i>	266	10.1%
Other	665	25.2%
Not recorded	2888	
<b>Total (excl. not recorded)</b>	<b>2641</b>	<b>100.0%</b>
<b>Total</b>	<b>5529</b>	

Source CHAIN Greater London report 2018-19

The 44 people who have Asylum Support Accommodation recorded as their last settled base may include people whose asylum applications were rejected, as well as those who have recently been granted refugee status.

CHAIN has further information relevant to understanding the extent of rough sleeping by people seeking asylum with Leave to Remain, as shown in Figure 6 below. In all, during 2018-19, 266 (non-EU) rough sleepers indicated that they had been granted Indefinite Leave to Remain, 3 had Exceptional Leave to Remain and 57 had Limited Leave to Remain. In addition to this, 42 stated that they were refugees (with Leave to Remain” but no further details). While it is unlikely that those with Indefinite Leave to Remain would have recently left Section 95 accommodation, the 60 people with exceptional or limited leave could well have recently been granted this status.

Figure 5: Immigration status of London rough sleepers on CHAIN 2018-19

4.4 The table below compares immigration status amongst different nationality groups, excluding UK nationals. Due to the difficulties involved in obtaining this information from rough sleepers, immigration status data should be treated with caution.

Immigration status	CEE	Other Europe	Rest of world	Total
EU National	2386	507	2	2895
Indefinite Leave to Remain (ILR)	0	15	251	266
Asylum seeker	0	2	66	68
Overstayer	0	1	63	64
Limited Leave to Remain (LLR)	0	1	56	57
Illegal entrant	0	3	49	52
Refugee	0	0	42	42
Failed asylum seeker	0	1	22	23
Asylum appellant	0	1	13	14
Exceptional Leave to Remain (ELR)	0	0	3	3
Student visa	0	0	2	2
Other	3	11	45	59
Not known	12	90	280	382
Missing	117	65	22	204
<b>Total</b>	<b>2518</b>	<b>697</b>	<b>916</b>	<b>4131</b>

Base: 4131 people seen rough sleeping in the year whose nationality was known and who were not from the UK.

The table above shows that the most commonly recorded immigration status was EU national (2,895 people). For those people from non-European countries, 'indefinite leave to remain' was the most frequently recorded immigration status (251 people).

Source: CHAIN Greater London report 2018-19

Taking the information from Figures 4 and 5 together, for London for the period April 2018-March 2019:

- 44 rough sleepers last accommodation was S95 accommodation
- 60 rough sleepers had Limited or Exceptional Leave to Remain
- 42 rough sleepers were “refugees “(with Leave to Remain)

We do not have the details which would allow a clear unpacking of the overlaps between the 44 whose last accommodation was Section 95 and the other categories. On the other hand, we also know that the data on the 44 rough sleepers whose last accommodation was Section 95 was drawn from a sample representing only 48% of the total rough sleeping population (the others not having these details recorded) – suggesting that the figure may be much higher. Taking this evidence together, we estimate that the figure of 50 CHAIN rough sleepers could very likely be newly evicted from Section 95 accommodation. In addition, some new rough sleepers may also have recently left Hostels, Local Authority temporary accommodation, B&B/temporary accommodation, or squats rather than Section 95 accommodation. These people will be considered more in Section Five alongside the CHAIN group of rough sleepers.

The final area of data and evidence for homelessness more generally, and in particular refugee households in “priority need”, is taken from the recently published (September 2019) experimental statistics on Homelessness acceptances based on the new system of case recording through the H-CLIC system<sup>27</sup>. In these tables, “NASS accommodation” refers to households leaving asylum support accommodation

Figure 7: Homelessness duties owed, April - June 2018 H-CLIC (MHCLG)

<b>Initial assessments of statutory homelessness duties owed</b>		
<b>April 2018 to March 2019</b>		
<b>England</b>		
<i>12<sup>th</sup> September 2019</i>		
Table A4 - Accommodation at time of application for households owed a prevention or relief duty by local authority England, April to June 2018		
		<b>NASS accommodation</b>
	<b>ENGLAND</b>	<b>670</b>
	<b>London</b>	<b>130</b>
	<b>Rest of England</b>	<b>540</b>
	North East	70
	North West	230
	Yorkshire and The Humber	110
	East Midlands	60
	West Midlands	60
	East of England	10
	London	130
	South East	10
	South West	20

Source: MHCLG Experimental Statistics: Statutory Homelessness, October to December (Q4) 2018: England

We can compare the figures above (670 in England) to the number of refugee households who leave Section 95 accommodation in the same period, April – June 2018 as shown in Figure 4, which was 1,407. This suggests that in the same period, 48% of Section 95 leavers were accepted by housing departments as eligible for assistance in relation to homelessness prevention or relief.<sup>28</sup> There is a relatively high incidence of acceptances of refugee households as owed a duty under the 2018 Homelessness Act. Given the framework of priority need categories, these are likely to be predominantly refugee households with children, pregnant women and single people able to demonstrate priority need due to disability or other vulnerability. The evidence of mental and

<sup>28</sup> There will be discrepancies in terms of the timing of leaving the accommodation and acceptances, but the indicative proportion is likely to be accurate as only those with leave to remain will be eligible for social housing. Note also that once someone is recognised as a refugee, they have an automatic Local Connection to the area where they are living in Section 95 accommodation.

physical health needs among refugees suggests that many leaving Section 95 accommodation would meet the priority need criteria related to health vulnerabilities, but this may not be clearly identified by Local Authorities. This also raises the option of a policy response of changing the regulations and code of guidance on homelessness to make all refugee households in this group a specific priority needs group.

For the purposes of this paper, we can also see that just over half of those who left Section 95 accommodation were **not** included in these figures. There is some mismatch in the timings, in that we cannot know for sure when these refugee households left, or were given notice to leave Section 95 accommodation, but the rough proportion is likely to be around 52%. Around 80% of acceptances were outside of London authorities, reflecting the dispersed locations of Section 95 accommodation, as will be explored further in Section Five below.

### Academic evidence

A recent academic paper on the causes of homelessness<sup>29</sup> in the wider population used longitudinal and other data from UK populations to provide an analysis of the characteristics associated with a higher risk of being homeless, as well as some protective factors. The highest risk factors are poverty, including childhood poverty, and economic status. The key protective factor to preventing homelessness amongst people at risk is the availability of social support networks. Even if they had higher status in their country of origin, refugees have limited experience in the UK and are in a disadvantaged position while awaiting their decision. Refugees granted Section 95 support are unlikely to have adequate social support networks to provide protection from the risk of homelessness and rough sleeping once Section 95 support is withdrawn.

### Destitution

#### Overview

Since being destitute is a necessary requirement for claiming Section 95 accommodation and payments, all refugee households in this group were destitute or at risk of destitution at the point of being awarded the grant. The aim of Section 95 provision is to remove them from destitution, while they wait for a decision on their asylum application.

For newly recognised refugees, the principal cause of destitution is the removal of Section 95 subsistence payments prior to welfare benefits - usually Universal Credit (UC) - being awarded. Few refugees can find work (as considered below), leaving them with no income. Having no income also affects their ability to gain access to private rented housing, as often a deposit is required and refugees are unlikely to have savings. As well as problems with delays, integration loans require evidence that repayments can be made, which can be impossible for refugees to provide while they have no income. Consequently, refugees often find themselves destitute, and reliant on charity, food banks and other forms of emergency aid.

#### Frontline evidence

Addressing the problem of awarding UC to coincide with the withdrawal of Section 95 is central to the consideration of the length of the move-on period. There are specific issues about UC which increase the risks of destitution, the first being the timing of awards and payments. UC is awarded monthly, at the end of the "assessment period", which lasts for one calendar month after the date of

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<sup>29</sup> Glen Bramley & Suzanne Fitzpatrick (2018) *Homelessness in the UK: who is most at risk?*, *Housing Studies*, 33:1, 96-116, DOI: 10.1080/02673037.2017.1344957

claim. There is then an additional one week “waiting period”, which means it will not be paid for five weeks after the claim is successfully made. Since Section 95 payments are made weekly in advance, this leaves five weeks without any money to live on.

This period starts once a claim has been made online and an interview in a local office is mandatory before it can be processed. To make a successful claim, refugees need to gather series of documents which can be difficult to obtain. The principal document is the Biometric Residence Permit (BRP) which records a person’s name, date and place of birth, fingerprints, a photograph of their face, their immigration status and any conditions of stay, rights of access to public funds, and sometimes their National Insurance number (NINO). The 28-day move-on period is triggered on receipt of the BRP document, although for refugees who are in private rather than Section 95 accommodation, notice to quit may be issued at the point of the award of leave to remain.

In reviewing the factors contributing to the risk of destitution, a 2018 British Red Cross research report<sup>30</sup> ‘Still an Ordeal’, based on research with 26 refugees, identified the factors contributing to the risk of destitution as:

- Problems inherent in the Universal Credit system
- Inconsistent outreach by the Post Grant Appointment Service (PGAS)
- Lack of clarity on habitual residence tests (HRT)
- Barriers to opening bank accounts
- Delays and mistakes on Biometric Residence Permits (BRPs)
- Awareness of the 28-day move-on period
- Homelessness

In 2017, British Red Cross supported 15,415 destitute refugees and people seeking asylum across the UK including the provision of destitution support to 3,795 people with refugee status

The Refugee Council 2017 survey “Refugees without refuge”<sup>31</sup> provided evidence of destitution from a survey of newly recognised refugees. Evidence from this report, based on interviews with 54 people with newly recognised refugees who had contacted the Council, indicated:

- Almost all newly recognised refugees in the study were forced to rely on charities, friends and family, and food banks once their asylum support payments stopped
- 30 people reported feeling uncomfortable about relying on others for food, money or accommodation, and 12 said they felt unsafe
- 35 almost or often felt lonely and isolated
- One reported multiple suicide attempts
- 3 people waited for six weeks or more to receive their BRP
- 12 people waited more than four weeks for their National Insurance number
- Only one person had a job at the end of the 28-day move-on period
- 27 people reported difficulties in opening a bank account

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<sup>30</sup> British Red Cross Policy, Research and Advocacy (2018) *Still an Ordeal – the move-on period for new refugees*. British Red Cross, London

<sup>31</sup> Refugee Council (2017) “*Refugees without refuge*” op cit.

## Academic evidence on destitution

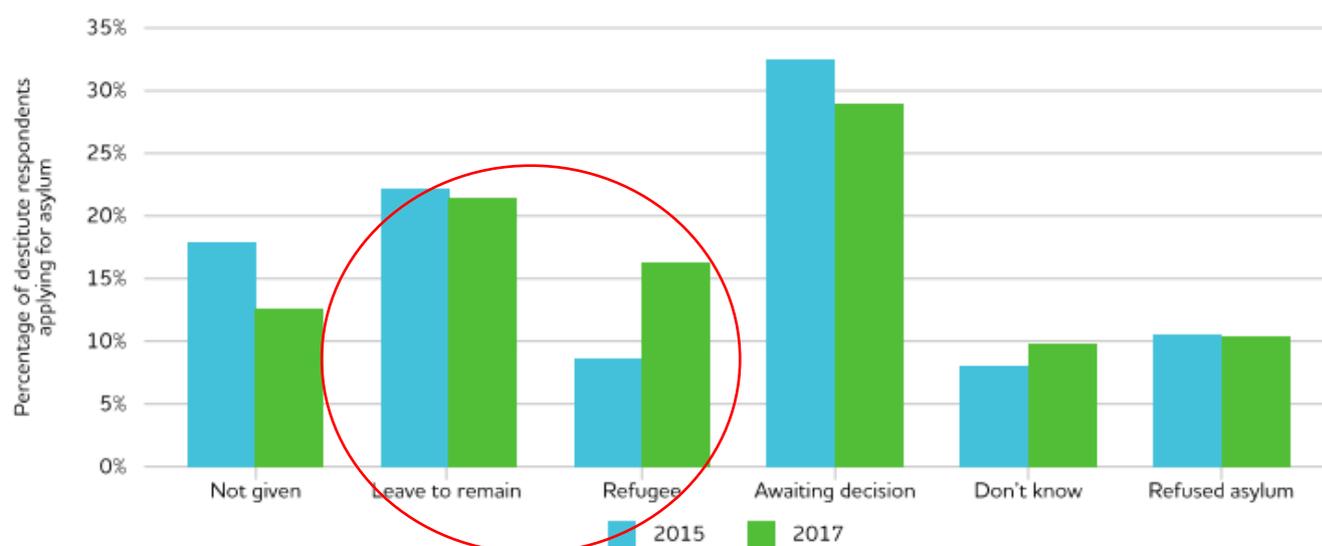
One recent study on destitution<sup>32</sup>, a mixed methods study including both quantitative analysis of data sources and in depth qualitative interviews, notes that

*...changes in immigration legislation, with impacts in the housing, social welfare and employment spheres, have '...explicitly sought to create a difficult environment for those that the government deems have no legal right to be in the UK' (Malfait et al, 2017, p.6). This 'hostile environment' has further restricted the support available to vulnerable asylum seeker refugees, refugees, European Economic Area (EEA) and other migrants, and has been associated in recent reports.*

However, even when someone is recognised as a refugee, with a legal right to be in the UK and the entitlements that comes with that status, the figure below indicates that just over one in five of this group experience destitution after being granted leave to remain.

Figure 8: Destitution amongst asylum applicants

### Status categories for destitute respondents who had applied for asylum, 2017 and 2015 comparison in original case study areas and services



Sources: Destitution 2017 and 2015 surveys, grossed weekly estimates from services common to both surveys in original 10 case study areas.

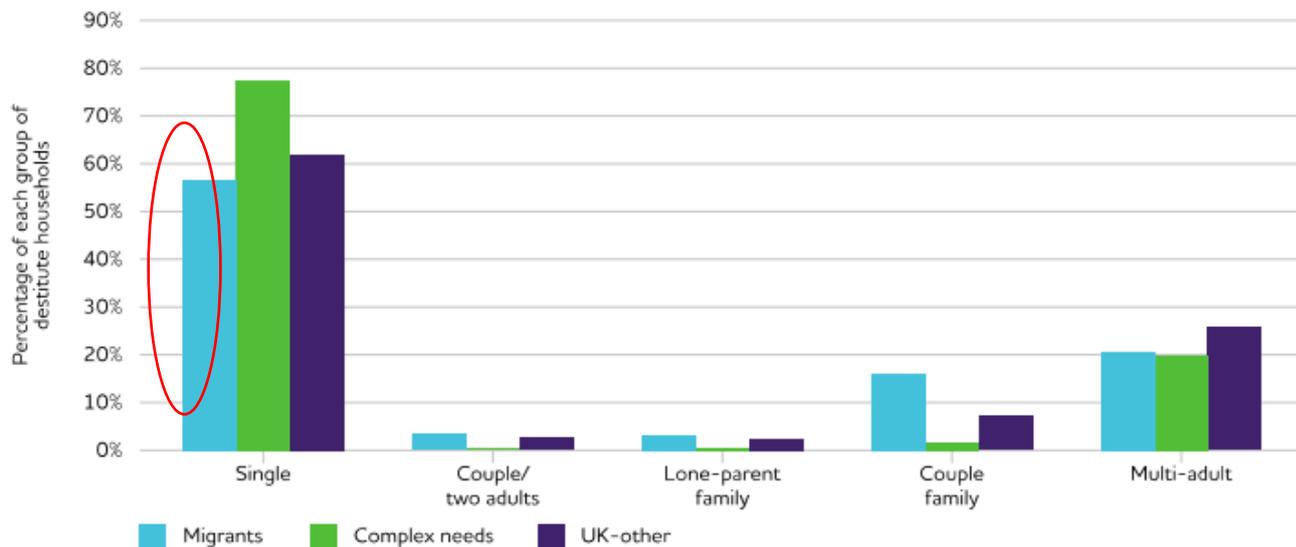
Source: Fitzpatrick et al 2018 op cit

<sup>32</sup> Suzanne Fitzpatrick, Glen Bramley, Filip Sosenko and Janice Blenkinsopp (2018) *Destitution in the UK 2018* Joseph Rowntree Foundation, York. This has an accompanying technical report: Bramley, Glen; Sosenko, Filip; Fitzpatrick, Suzanne. (2018) *Destitution in the UK 2018 - Technical Report*. Heriot-Watt University, Edinburgh <http://dx.doi.org/10.17861/BRAMLEY2018>

As might be expected, single people make up the bulk (over 65%) of destitute refugee households. These refugee households are also primarily younger, with two thirds between 25 and 44.

Figure 9: Household type of destitute households, refugees highlighted

### Household type composition of three main sub-groups of destitute households



Source: Destitution 2017 survey (national-annual weighting)

The report also notes that changing from one source of income to another (as happens at the end of the move-on period when moving from S95 payments to Universal Credit) was a major cause of problems:

*...it was clear that chopping and changing of income from benefits, even if the amounts involved are relatively small, could cause significant stress and a risk of destitution for those just getting by and no more. One interviewee explained that he was able to manage, even on a very small income, as long as the payments stayed constant<sup>33</sup>*

Destitution also raises the risk of mental health problems

*The mental health of most interviewees had been affected by their destitute situation. The most common mental health disorders were depression, severe stress and anxiety, with a few interviewees admitting to having suicidal thoughts<sup>34</sup>*

Another more recent review of literature around asylum and refugee support in the UK<sup>35</sup> was published in 2019. The report asserts that “qualitative research has found that people are liable to become destitute while in the asylum system, and after being granted Leave to Remain” and that “...such research has also found that those who are in receipt of asylum support are living in poverty and are likely to have additional needs which exceed state provision”.

<sup>33</sup> Ibid, P35.

<sup>34</sup> Ibid, P44.

<sup>35</sup> Lucy Mayblin & Poppy James (2019) *Asylum and refugee support in the UK: civil society filling the gaps?*, Journal of Ethnic and Migration Studies, 45:3, 375-394, DOI: 0.1080/1369183X.2018.1466695

## Evidence around employment outcomes

Following a positive asylum decision, which gives the right to work, research<sup>36</sup> indicates that the five-year time limit on refugee status, which is followed by review, makes refugees feel insecure and affects their ability to integrate in society, for example by reducing their appeal to potential employers. This insecurity exacerbates the existing problems of unemployment and underemployment among refugees, as well as operating against the development of longer term goals and aspirations. While waiting for a decision, few will have been able to gain job training or any experience of the UK work market.

Specific evidence on employment outcomes is provided by COMPAS<sup>37</sup>. This evidence is based on 2010-17 data from the secured access version of the UK Labour Force Survey produced by the Office for National Statistics (ONS), and consultations with a range of other agencies. Key points include:

- Unemployed refugees are more likely to rely on public agencies (e.g. job centres) to look for jobs. In total, 37% of unemployed refugees used public agencies as their main job search method. This is about twice the rate of unemployed job-seekers who were born in the UK.
- Refugees<sup>38</sup> are less likely to be in employment than those born in the UK and other migrant groups. The employment rate among this refugee group is 51%, compared with 73% for those born in the UK. The gap in employment rates is smaller for cohorts of refugees who have been in the UK for longer, but it takes time for it to narrow. For instance, the gap remains present – albeit smaller – even after more than 25 years of residence in the UK.
- Refugees who are employees earn less and work fewer hours than those born in the UK and other migrants. Refugees earn an average of £9 per hour and £284 per week. Adjusting for socio-demographic characteristics, the analysis suggests that refugees earn, on average, 55% less per week and 38% less per hour than those born in the UK<sup>39</sup> and work four fewer hours. Compared to those born in the UK, they are also 20% less likely to work full time and 19% less likely to be in professional or managerial positions.
- Among those who are in employment, refugees are more likely to be in self-employment than those born in the UK and other migrants. In total, 21% of refugees in employment are self-employed compared to 14% of those born in the UK.
- Among those in self-employment, refugees are more likely to have employees. Close to 24% of the refugees in self-employment have employees, compared with 18% of those born in the UK.

Further evidence<sup>40</sup> from the Breaking Barriers organisation, which aims to “*enable refugees in London to acquire the knowledge, confidence and experience they need to secure stable and fulfilling jobs*” indicates six main barriers to gaining appropriate employment:

- Lack of English language skills

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<sup>36</sup> Stewart, E. and Mulvey, G. (2013) ‘*Seeking safety beyond refuge: the impact of immigration and citizenship policy upon refugees in the UK*’, Journal of Ethnic and Migration Studies, DOI: 10.1080/1369183X.

<sup>37</sup> Kone et al (2019) op cit

<sup>38</sup> The report has information on people seeking asylum who were granted leave to remain, which it terms “asylum migrants”, but also compares this group to other migrants who were granted leave to remain for other reasons – such as “family migrants” or “study migrants”

<sup>39</sup> This excludes those in self-employment

<sup>40</sup> <https://breaking-barriers.co.uk/the-cause/refugee-employment-crisis/>

- Gaps on CVs due to the long asylum process during which they are unable to work
- Lack of UK work experience, which can be provided as evidence of ability to perform the tasks
- Lack of social networks including people to provide references or knowledge of recruitment methods
- Lack of UK recognised educational and professional qualifications and lack of understanding of UK cultural work norms
- Social stigma, including racism and negative stereotyping

## Summary

There is considerable evidence of destitution amongst refugees whose Section 95 support has recently ended. This is within the wider context of destitution amongst the refugees and people awaiting a decision on their asylum application, as well as people whose applications have been refused either as an initial decision or following appeal.

Refugees have full rights to work, receive access to public funds and public services, and are the focus of wider Government priority policies to support refugees to integrate into British society and local communities. In practice, claiming these rights can prove difficult, not least due to the problems and experiences which first led refugees to seek asylum, and which have given rise to serious personal risks and vulnerabilities. There are also clear barriers to gaining employment due to lack of UK work experience, qualifications, and knowledge of how to successfully navigate the recruitment process. Providing adequate and timely support is a Government priority– but evidence from front line agencies suggests that the 28-day move-on period is not sufficient to enable refugees to access housing and financial support to meet their basic needs, let alone engage with longer-term integration support around education or employment.

The next section examines how Parliament more widely has reviewed this evidence, and the outcomes of those reviews, as well as the impact of action already taken by Government to mitigate some of the problems outlined in this report.

## Section Four: Government and Parliamentary review, and mitigation actions taken

### Overview

There has been considerable parliamentary interest in the issue of support for refugees. There have also been significant initiatives taken by Government to address the problems and provide better services. This section examines the nature of the parliamentary scrutiny, including reviewing the Official mitigation activities and recently introduced wider policies which are relevant to this issue.

### All Party Parliamentary Group on Refugees

Much of the evidence set out above, except for the most recent figures, has been reviewed through the work of the All Party Parliamentary Group on Refugees (APPGR), including in its 2017 report<sup>41</sup>. Chapter Two of that report considered a range of issues around the move-on period, informed by evidence from a range of individuals (including refugees), front line agencies, and other published reports and data. In the report the APPGR stated:

*92. Recommendation: We recommend that the Government **extend the move-on period to at least 50 days, reflecting the time it takes in reality for refugees to access accommodation and financial support, especially with the introduction of Universal Credit. The length should be kept under review: newly recognised refugees should not experience a gap in their support.** (emphasis added)*

In considering this issue, the main contributing factors highlighted by the Committee reflect many of the issues discussed in this report:

- Delays in receiving the BRP
- Delays in receiving a NINO
- Lack of guidance about DWP claims in refugees' own languages
- Low awareness among DWP staff of the procedures for dealing with these claims
- The need to make a payment of Universal Credit within the move-on period, and if necessary bringing this payment forward, paying prior to bank details being provided, or extending the move-on period, as well as exempting this group from the 7-day waiting period
- Additional training for Bank staff to more quickly deal with the documents this group can provide
- Addressing the reluctance of private landlords to let to this group, due to fears about the "Right to Rent" provisions requiring them to establish the immigration status of tenants
- The need to fast track Integration Loans of sufficient value to be used to secure private tenancies
- The need for a caseworker to be provided to assist this group of refugees, like that provided by the Refugee Integration and Employment Service in the resettlement programme

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<sup>41</sup> All party Parliamentary Group on Refugees (2017) *Refugees Welcome? The Experience of New Refugees in the UK* APPG, London. Available at [https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/APPG\\_on\\_Refugees\\_-\\_Refugees\\_Welcome\\_report.pdf](https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/APPG_on_Refugees_-_Refugees_Welcome_report.pdf)

## All Party Parliamentary Group on Homelessness

In 2018, The APPG for Ending Homelessness<sup>42</sup> heard evidence that 28 days is not sufficient for refugees to find housing and access support through the welfare system before Home Office provided financial support and accommodation ends. Consequently, refugees are left facing homelessness and destitution, delaying their ability to regularise their status and secure accommodation. Many end up relying on voluntary schemes (i.e. night stops) for support. NACCOM's annual report for 2016/17 reported rising numbers of refugees seeking accommodation, including those facing destitution after the end of the move-on period. The increase in newly recognised refugees experiencing homelessness is also supported by the JRF's evidence to the APPG that the proportion of destitute migrants with refugee status had risen from 8% in 2015 to 16% in 2017<sup>43</sup>.

The APPG on Homelessness also provided evidence to the Immigration and Social Security Co-ordination (EU Withdrawal) Bill<sup>44</sup>. This evidence specifically recommended "Extending the 28-day move-on period for refugees to at least 56 days."

## Integrated Communities Strategy

The importance of these issues, and the need for mitigating actions, is reflected in the Government's Integrated Communities Strategy Green Paper, published<sup>45</sup> in March 2018 by the Ministry of Housing, Communities and Local Government (MHCLG). Chapter Two deals with the issue of supporting refugees to integrate (emphasis added to highlight key points):

*We will support the development and sharing of good practice in English language training for refugees, and encourage innovative approaches tailored to refugees. We will continue to support the development of specialist interventions to help refugees overcome **the barriers they can encounter when seeking employment** in the UK and share the learning about what works. We will support those working with refugees to understand refugees' particular **mental health and wellbeing needs**, and signpost to suitable interventions. We will also improve the provision of information to refugees to enable their successful orientation and adaptation to life in the UK.*

*The government has recently launched a new initiative to trial the use of **Local Authority Asylum Liaison Officers [LAASLO]**. 35 officers in around 20 local authorities will work with those granted refugee status to provide them with information and advice on **how to access essential mainstream services such as housing, health, employment and language skills**. This is intended to assist new refugees towards self-sufficiency and integration in a way that benefits the whole community....*

*Learning from these pilots will inform the operation of the **asylum accommodation and support arrangements**. **New contracts** for asylum accommodation and support commences*

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<sup>42</sup> Report (2018) available at [https://www.crisis.org.uk/media/239050/appg-for-ending-homelessness-report\\_final.pdf](https://www.crisis.org.uk/media/239050/appg-for-ending-homelessness-report_final.pdf)

<sup>43</sup> Ibid page 14, drawn from Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. & Watts, B. (2017) *Destitution in the UK*. York: Joseph Rowntree Foundation

<sup>44</sup> <https://publications.parliament.uk/pa/cm201719/cmpublic/immigration/memo/ISSB34.htm>

<sup>45</sup> Available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/696993/Integrated\\_Communities\\_Strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696993/Integrated_Communities_Strategy.pdf)

*in 2019 and will, among other things, help people to understand their communities and local services. Underpinning this will be **better data sharing with relevant agencies, enabling the development of local solutions to address local issues**. The new contracts will also build on the close work the Home Office has undertaken with the Department for Work and Pensions **to ensure that newly recognised refugees are able to access benefits and employment support services swiftly***

The “LAASLO” service mentioned above is funded by the Home Office in 19 pilot local authorities with more than 500 refugees in receipt of Section 95 support. It is a two-year pilot funding 35 Local Authority Asylum Support Liaison Officers (LAASLOs)<sup>46</sup> to deliver a tailored support service to new refugees to facilitate their transition into mainstream society during and after the move-on from government-supported accommodation by providing advice and information on essential services. For refugees awaiting a decision, LAASLOs will help make them aware of the support available once a decision has been made, as well as preparing them for the consequences of a negative decision by supporting a voluntary return to their home countries. The evaluation of this project is due at the end of 2020.

The main areas of action include how LAASLOs would receive notification of dispersed refugees, who this information will be provided by, managing expectations of new refugees, benefit entitlement, language barriers, health issues including registering with a GP, mental health issues of refugees and safeguarding concerns, particularly in relation to children. Regular monitoring will capture outcomes around accommodation, employment, training or volunteering, benefits, English classes, and health services. In addition, there is a formal action plan that is being progressed and monitored by MHCLG and the Home Office.

The “new contracts” referred to above are for the provision of suitable accommodation for people seeking asylum across the UK. These were announced in January 2019 and awarded to three major private sector providers, Serco, Mears and Clearsprings. The contracts also place an increased requirement on the accommodation providers to engage with local authorities and NGOs throughout the lifetime of the contracts. This followed a critical NAO report<sup>47</sup> on the previous COMPAS accommodation contract arrangements, as well as a consultative procurement process<sup>48</sup>. There had also been parliamentary interest, including a Home Affairs Select Committee inquiry which concluded in 2018<sup>49</sup>. The report recommended<sup>50</sup> that the Home Office show greater urgency about the degrading conditions in which refugees are being housed, including torture survivors, individuals suffering from PTSD, pregnant women and mothers with small children. It also recommended the transfer of inspection duties currently carried out by the Home Office to local authorities, including the ability to impose sanctions.

One important part of the new arrangements was the engagement of the third sector agency Migrant Help to run the AIRE (Advice, Issue Reporting and Eligibility) element of the provision. This

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<sup>46</sup> Two each in Birmingham, Bradford, Coventry, Leeds, Middlesbrough, Newcastle, Sandwell, Sheffield, and Wolverhampton, and 17 in the Greater Manchester Combined Authority area.

<sup>47</sup> Available at <https://www.nao.org.uk/wp-content/uploads/2014/01/10287-001-accommodation-for-asylum-seekers-Book.pdf>

<sup>48</sup> See <https://publications.parliament.uk/pa/cm201719/cmselect/cmhaff/1758/175805.htm>

<sup>49</sup> See <https://www.parliament.uk/business/committees/committees-a-z/commons-select/home-affairs-committee/inquiries/parliament-2017/asylum-accommodation-inquiry-17-19/>

<sup>50</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/home-affairs-committee/news-parliament-2017/asylum-accommodation-report-published-17-19/>

will provide advice and guidance to service users on the asylum process, their rights and signposting to different services. It will also provide refugees with a single point of contact, independent from the accommodation providers and the Home Office, to report issues.

### Westminster Hall debate

Similarly, a Westminster Hall Debate on refugee homelessness in July 2018<sup>51</sup>, sponsored by Labour MP Kate Green, focused on what was described as the inadequate length of time provided by the 28-day move-on period to secure a tenancy and income resulting in homelessness among newly recognised refugees. A number of MPs pointed out the inconsistency between cross-departmental Government policies, notably that the move-on period is inconsistent with the Homelessness Reduction Act 2018, which extends the period during which someone can be threatened with homelessness to 56 days. Concerns were also raised relating to people who had discretionary leave to remain, and no recourse to public funds, as a result of their asylum claim. This included concerns over the monitoring and evaluation of measures taken by the Home Office to combat refugee homelessness, such as the post-grant appointment service [PGAS] and the LAASLO scheme, and the inhibiting effect on integration of preventing refugees from working while awaiting a decision on their asylum claim.

In response, the MHCLG junior minister Nigel Adams claimed progress had been made on refugee resettlement commitments, as well as further improvements being possible in the context of the 2018 Homelessness Reduction Act. He asserted that the government was committed to supporting both refugees and people affected by homelessness, and that Home Office accommodation providers already have a contractual duty to notify the local authority of the potential need to provide housing when a refugee in that accommodation is granted status.

### Government statements about progress

In addition to the general statements of policy, insights can be taken from other Government statements in debates, answers to PQs, and similar sources. In summary, these indicate an awareness that although steps are being taken, the issues are not yet resolved.

Recent examples illustrate this. On 20<sup>th</sup> March 2019, in reply to the question from Baroness Lister “*To ask Her Majesty’s Government what steps they are taking to prevent destitution among newly recognised refugees in the light of the British Red Cross Report Still an ordeal, published in December 2018*”. Following a question from Lord Kennedy of Southwark asking, “*does the noble Baroness accept that the present arrangements, as highlighted in this report, can plunge the asylum seeker accepted as a refugee into destitution?*” the reply from Baroness Williams was:

*I certainly accept that the Government are doing everything they can to ensure that measures and interventions are put in place during the 28-day period to ensure that the person who has been granted asylum gets the help they need in a timely fashion and that they do not have a gap in which benefits are not paid. **But I certainly think there are all sorts of situations, including this, where people can be brought into destitution inadvertently.***

(emphasis added)

On 19 June 2019 in reply to a letter from Frank Field MP, chair of the Work and Pensions Committee, asking about the timeliness of payments of Universal Credit and the work of the PGAS initiative, the Minister for Family Support, Housing and Child Maintenance, Will Quince MP noted:

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<sup>51</sup> See <https://hansard.parliament.uk/commons/2018-07-17/debates/6DDAB279-15B3-409B-9F76-BF978821450D/HomelessnessAmongRefugees> for a full transcript of the debate

*Our analysis has highlighted that, although the [Post Grant Appointment Service, PGAS] appears to be working well for those who take part, **there is still a sizeable minority who we are unable to reach**. The Home Office is considering other ways of making effective contact, including moving this work over to a third sector provider.*

*Reassuringly, all of the Universal Credit claimants in the sample received their first regular payment on time and **over a third accepted and received an earlier advance payment before the expiry of their Home Office support** (i.e. within the 28 days move-on period). (emphasis added).*

The PGAS report<sup>52</sup> cited in the reply provides more details of this initiative. It was set up in 2017 to provide refugees with a more personal level of service, which did not rely solely on written material, to reduce the risk of some falling into destitution after the expiry of the 28 days period. The report, published in 2018 and covering the first 18 months of the programme until the end of June 2018, shows that PGAS officers managed to contact 58% of the caseload; and that 89% of those contacted wanted assistance.

Commenting on this unreachable group, the report states:

*...it is likely that a sizeable portion of the group **do wish to make a claim and would benefit from the assistance** available to make it. ...The Home Office therefore needs to consider other ways of making effective contact. One possibility is that some of the group are **suspicious of talking directly with Home Office officials**. If that is so, moving responsibility for managing the service to a third sector provider may have some advantages. The Home Office has recently awarded the contract for the advice service for those in the asylum system (**the "AIRE" contract**) and it will be possible for the provider of that service to assume responsibility for managing the PGAS.*

A UC payment being received "on time" does not mean that the payment was made within the 28-day period. In this context, an "on time" UC payment means that the payment was made one calendar month and one week after the date of claim. The reply from Will Quince MP (above) states that a third of the Universal Credit claimants in the PGAS evaluation sample received their first payment within the 28-day move-on period. In other words, two thirds of UC claimants did not receive any payment by the end of the 28-day period.

These UC claimants were in the minority, as most refugees in the sample applied for other benefits due to UC not yet being fully rolled out. Fifty two percent of this larger group were paid within 28 days. For the 86 cases where information was available, 47% did not get paid before the end of the 28-day period.

Even if we were to assume that those who did not contact the service were able to get benefits paid in time and with the same success rate as those in contact with the service, this would mean that around half of the eligible group, or 3,000 refugee households in an 18 month period, did not receive their benefits in time and were therefore at high risk of being left destitute.

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<sup>52</sup> Cited above in relation to the numbers leaving Section 95 support and accommodation, and available at <https://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/190603-PGAS-report.pdf>

## Further policy options

While this report considers the impact of not changing the 28-day period, the alternative options for changes to the move-on period can also be considered. The Government have already changed the definition of the start of the move-on period to when the BRP is received and the period can be extended on a discretionary basis in some exceptional circumstances<sup>53</sup>.

While the aim of this report is not to make policy recommendations, some remarks can be made in the context of the evidence and estimates of impact that are set out here. It may be most helpful if policy change to address the problems highlighted in this paper were as far as possible made through flexible and simple legislative means, and avoid impact on legislation in linked areas (for example, not require parallel changes to benefits or housing legislation). Changes should also be efficient and target the most vulnerable cases in need of protection. Refugees could be incentivised to move quickly, while still recognising that some refugee households do need more time to transition. This would remove any temptation for refugees to risk taking no action, so that they could remain in receipt of Section 95 benefits for longer than is reasonable or necessary.

Amongst the specific other options which could be considered are:

- Extend the period to 56 days on a temporary basis, until the mitigation actions can be shown to be effective – perhaps initially for a two year period. Note that the APPGR recommended that *“The length [of the move-on period] should be kept under review”*.
- Introduce additional changes to the definition of the start date, for example to the date of claim for benefits, or registration with Homelessness services. This needs to be considered in the context of the risk noted above that some refugee households might knowingly fail to take appropriate action, so as to keep Section 95 support for longer. It also needs to recognise that not all refugee households will necessarily claim benefits or housing (though most will). Nevertheless, provision could be made to require refugee households who do wish to make such claims to request this extension at the start of the process, assisted by AIRE advisors.
- Make a provision that the period can be flexible up to a maximum of 56 days, provided certain actions have been taken (like applying for benefits or registering for housing), and the period would end at the point of decisions being made for these applications. This would also include flexibility or a longer period for more vulnerable cases, as noted above.
- Add a new category of “priority need” to the housing homelessness schedule of groups to include all refugee households who have just left Section 95 accommodation.

None of these suggestions constitute recommendations, but rather are noted as considerations.

## Summary

In response to concerns expressed over the last five years, respective Governments have been putting in place mitigating actions addressing these and similar issues. They have also received and responded to regular reports from agencies about the problems of destitution and homelessness experienced by refugees, as well as specific problems with the accommodation being provided under Section 95.

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<sup>53</sup> Immigration and Asylum Act 1999, Schedule 8, sets out the framework for the making of regulations around the provision of support under S95 of that Act

Overall the response has been to recognise that problems exist, and to take mitigation actions as described above. There are also wider policy changes and proposals which complement the actions, including the introduction of the Homelessness Reduction Act 2018.

Evaluation of these initiatives is patchy, since many have only been recently introduced. Nevertheless, the limited evaluation which is available, and the evidence of continuing problems, suggests that progress is limited.

The problems can be viewed as of three main forms:

- First, refugees may be unclear what to do next once leave is granted, and often fearful of dealing with public authorities. This means that there will almost certainly be delays in taking the right steps in the right order and with the necessary speed to secure housing and benefits within 28 days. This is not a failing on the part of refugee households, but rather a consequence of the impacts of the trauma which led them to seek asylum in the UK and the policy driven lack of advice given prior to the decision on Leave being made. To expect them to be able to have the knowledge and confidence to deal with the public authorities on the same terms as other long-term UK residents is an unreasonable expectation. This could be addressed through personal support and counselling, along the lines of some of the services already in place, but with a suitable period in order to allow the support to achieve its aims.
- Second there are problems which relate to the provision of basic documentation including the BRP, a NINO, opening a bank account, and training local authority and DWP staff to recognise how these documents and the refugee households holding them should be provided with their entitlements. These are all problems which occur prior to even entering the DWP UC applications system or the Housing Authority homelessness prevention and relief systems. The 28-day period does not start until the BRP is received, and neither a NINO nor a bank account are necessary to make a valid DWP claim, but this is often not acknowledged by officers processing applications. This may be because these are less common types of cases for local authorities and local benefits offices to receive. This again makes the expectation for these cases to be dealt with promptly and accurately unrealistic as the cases are unusual and require detailed knowledge how the cases should be dealt with. Action to remedy this lies both in better training and guidance to public officials dealing with the cases, and in providing additional support to refugee households (such as the AIRE project).
- Third, there is a mismatch between the 28-day period and the time needed for the main administration activities involved in dealing with claims, irrespective of how well-informed the refugee or processing officials may be. UC is paid “on time” if it is paid one calendar month and seven days after the date of claim. Assuming a refugee gets advice and makes a full and valid claim three days after receiving notice and the BRP, this would be 40 days later. The provision of Advance Payment loans is possible, but this is an additional application which needs to be separately known about and made. Similarly, the Homelessness Reduction Act 2017 allows the local authority 56 days to come to its decision, and although in some cases temporary accommodation may be provided to refugee households in priority need, this seems to only happen in about half of all cases, and in any case is a very expensive form of housing provision (explored more in the next section). The preparation of appropriate personalised housing plan can be more difficult for these cases. For private housing, most landlords require a sizeable deposit – but Integration Loans are seldom available within 28 days and even so, may not be sufficient. It is unreasonable to expect

refugees to achieve these outcomes within a length of time which is considerably less than that given to the public authorities on whom refugees are reliant to deliver their side of the service.

Consequently, while the mitigation actions outlined above are commendable, and will certainly assist many refugee households in this group, they are nevertheless unlikely to deliver the housing and income needed within the 28-day period in all, or even in the majority of cases. The specific background and experience of these refugee households means that to prepare claims, present evidence and documentation, and receive a decision will almost certainly take over 28 days in all but the most straightforward cases.

In conclusion, as Baroness Williams stated in her Government response in the House<sup>54</sup> “... *I certainly think there are all sorts of situations... where people can be brought into destitution inadvertently*”.

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<sup>54</sup> Cited above

## Section Five: The costs and benefits of extending the 28-day move-on period

### Overview

The sections above have outlined the problems and issues with the current 28-day move-on period. The next question is how the cost of extending the Section 95 accommodation and subsidy for four extra weeks, to give refugee households more time to secure accommodation and Universal Credit, compares to the overall benefits that can be reasonably estimated to be likely to arise if the period were extended. This includes specific longer term wellbeing benefits with “social value”<sup>55</sup>.

It is very unlikely that newly recognised refugees will have received any official support to prepare them for living in the UK prior to positive decision. Nor were they allowed to work, so will have no recent and relevant work experience enabling them to move quickly to supporting themselves through paid employment. This is important for this report, as this means that the requirement to adjust to and organise housing, benefits, work, and integration in the community in a short time period is one for which refugees are very unprepared when they enter the move-on period.

Generally speaking, being granted refugee status is a very positive outcome for a person seeking asylum in the UK, and should be recognised as such. On the other hand, it comes with an immediate set of pressures around housing, income, and wellbeing. While the uncertainty of waiting for a decision is resolved, the need to complete applications to receive benefits and housing to replace Section 95 within 28 days presents enormous challenges. It creates significant anxiety about where the refugee household will live and how they will be financially supported once Section 95 accommodation and grants end in 28 days. It is also very likely to be more disruption to family life, particularly where a family is forced to move into Local Authority temporary accommodation (or several temporary homes) which can remove them from the official and social support of S95 accommodation, as well as being more expensive in overall public expenditure terms.

As noted above, on the granting of leave to remain the Government has committed, through the new AIRE contract outlined above, to provide support and dedicated workers to assist the move from Section 95 accommodation into the community. This scheme is new, and not yet evaluated, but builds on previous policies and initiatives to speed up the provision of documents and the level of support provided. However in considering the likely effectiveness of this new policy, if households have to move prior to this work being completed due to the 28-day rule then the support will be much less effective and potentially undermined by the forced removal of households from this support. This will also be the case even if households are taken into local authority temporary accommodation, where the support will be much more difficult to deliver, or lacking. In the case that the refugee household actually becomes homeless, the support will most likely stop. In addition, the cost of temporary accommodation to local authorities is much higher than the continuation of residence in Section 95 accommodation. For those applying for Universal Credit, more time in secure accommodation and a basic income would allow them to attend work coach appointments, job interviews, and view possible permanent housing. Being moved out to what may be isolated local authority temporary accommodation, or becoming homeless, can also sever the social support networks and ties which refugee households may have built up locally to their Section 95

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<sup>55</sup> The concept of “social value” was most recently re-framed and mandated by the UK Government in the Social Value Act 2013 (see <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources> ).

accommodation, increasing anxiety and the risk of failing to successfully integrate into the community.

This assessment in this section has two main aspects, building in both cases on the evidence set out in the previous sections. First, we look at the costs of extending the period of S95 support. This is primarily the cost of the continuing provision of S95 subsistence grants and S95 accommodation to this group, which we estimate at in the region of £3.5 million. Second, we estimate the potential benefits associated with extending the period. Benefits could arise in a number of ways. One is through estimated direct savings due to costs to public services including health, mental health, prevention and relief of homelessness (including the provision of more expensive Local Authority temporary accommodation), and other welfare services. These benefits would come from a result of reduced incidence of homelessness, destitution, and mental health issues prompted by the 28-day limit. Such expenditure is often a direct cost to public services (at local and central government levels). There are also similar estimated specific direct benefit from additional tax revenue collectable where refugees get jobs more quickly, supported by AIRE and others.

Another aspect of benefits come from the effective integration of refugees into jobs, homes, and communities, as a consequence of extending the 28-day move-on period. Enabling an effective integration into the community is aided by avoiding a period of destitution or long periods in various forms of temporary accommodation, allowing time for more sustained support from AIRE and other services. This can increase the “wellbeing” of individuals and their families in the immediate and longer term. Wellbeing has a well-evidenced and quantifiable “social value” to society in areas such as better general health, better employment outcomes, and improved social relations including contribution to local community life. The impact on children in these households is also important to recognise, including on their mental health and longer term educational outcomes.

Note costs fall primarily on the Home Office while benefits accrue primarily due to savings to other parts of local and central government, or through wider social value benefits.

## Social Value

The concept of “social value” grew out of work on the “social return on investment” which was originally developed in the early 2000s, and explored up by the Government’s Office of the Third Sector in 2007. The first UK guide was published by the Social Value UK network in 2009. Subsequent governments have continued to develop policies in this area, and this approach to commissioning and procuring services is now a part of mainstream government policy, including a 2014 Government review<sup>56</sup> of the 2013 Social Value Act. The 2019 Government consultation on Social Value in Government Procurement<sup>57</sup> provided a definition of social value:

*Social value refers to the wider financial and non-financial impacts of projects and programmes including the wellbeing of individuals and communities, social capital and the environment.*

This approach is supported by networks such as Social Value UK<sup>58</sup>, the national network for social impact and social value. Social Value UK is a member of the global network Social Value International. Social Value UK sets out a more detailed definition of social value as:

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<sup>56</sup> <https://www.gov.uk/government/consultations/social-value-act-review>

<sup>57</sup> <https://www.gov.uk/government/consultations/social-value-in-government-procurement> at “The Proposals” section

<sup>58</sup> <http://www.socialvalueuk.org/about-social-value-uk/>

*Social value is the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organisation's work.*

*Examples of social value might be the value we experience from increasing our confidence, or from living next to a community park. These things are important to us, but are not commonly expressed or measured in the same way that financial value is.*

This network also sets out the “seven principles” of social value<sup>59</sup>, which “provide the basic building blocks for anyone who wants to make decisions that take this wider definition of value into account, in order to increase equality, improve wellbeing and increase environmental sustainability”.

Principle 3, on “Valuing the things that matter”, is explained in a Social Value International guidance note<sup>60</sup> as requiring “an explicit recognition of the relative value or worth of different changes or ‘outcomes’ that people experience (or are likely to experience) as a result of activities”. This report has set out the best evidence of the benefits which newly recognised refugees are likely to experience from an extension of the current 28-day “move-on” period.

### Quantifying the costs and benefits - introduction

Annex Two provides a set of summary tables of the overall costs and benefits set out below in more detail.

Each section below sets out for each highlighted area of focus:

- The number of households or people likely to be affected by each estimated benefit. This is based on the evidence in sections one to four above, and in most cases rather than arriving at a specific number, we offer a range of likely upper and lower number of cases likely to be affected. We have used the approach of upper and lower ranges partly due to the lack of detailed and extensive data on the specific client group being assessed (newly recognised refugees); and partly to allow for a “best” and “worst” case assessment. Nevertheless, the evidence used is wide ranging and robust, based on contemporary research evidence, published evidence from the third sector, government sources, official statistics, and relevant comparative data in relation to similar client groups facing parallel risks and opportunities.
- The value (monetisation) associated with the benefit. This might be the benefit of reducing the incidence of rough sleeping or the intervention of mental health services faster entry to the employment market, improved wellbeing, or avoiding the extensive use of more expensive Local Authority Temporary Accommodation pending permanent rehousing. In this report the monetisation of the unit values of these costs and benefits (per person or household) has been taken from existing published studies which provide extensively documented economic and social estimates of these costs and benefits. Those studies use relevant government research or systematically collected and published statistical and research based estimates of the cost of addressing such outcomes in comparative situations, such as for victims of modern slavery, other homeless groups, or mental health patients generally. Each has been chosen to reflect as far as possible the likely impact on our specific client group due to similarities in their demography, background and characteristics – for

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<sup>59</sup> <http://www.socialvalueuk.org/what-is-social-value/the-principles-of-social-value/>

<sup>60</sup> See <http://www.socialvalueuk.org/app/uploads/2019/12/Standard-on-applying-Principle-3-Value-the-Things-that-Matter-FINAL.pdf>

example in drawing on the literature around victims of modern slavery who share many of the characteristics of refugees and people seeking asylum.

- We have also in all cases taken a cautious and conservative approach to costings and adjusted some of the unit value to reflect the fact that refugees are expected to be in a transition period from Section 95 support to integration into the wider community, and of being newly awarded access to public funds.

This overall approach has been designed to particularly comply with the Principles of Social Value: *involve stakeholders, understand what changes, value the things that matter, include only what is material, do not over-claim, be transparent, and verify the result.*<sup>61</sup>

On overall numbers affected, PGAS figures show 1,407 new cases of households referred to them for assistance, in the period April to June 2018 (the latest period), and 3,875 in the year 2017-18. We also need to consider the increasing rate of decisions to grant refugee status which have been made in the recent past, and in positive decisions, as shown in figure 1 of this report. These figures indicate a 65% increase in the numbers of grants of leave to remain made in Q1 2019 compared to Q1 2018. Specific adjustments have been made to the rough sleeping and homelessness costings below, and more generally we have estimated an increase of 30% on the 2017-18 figures, to 5,038. This is the baseline figure used in the more detailed calculations shown in the attached spreadsheet, but the assessments of each benefit have been rounded up to the nearest 1,000 as reporting with greater numerical precision is inappropriate. The overall total is based on these rounded numbers (not on the underlying unrounded values). The final figures are also expressed as a ratio of cost to benefits, which will remain roughly constant if the flow of cases increases or decreases.

In summary, and anticipating the more detailed discussions below, a high-level overview of what is involved in the different types of social value studies on monetisation used to inform this report is:

Costs of Rough Sleeping relate only to a small proportion of refugees from amongst the majority of the total number who are not likely to be accepted as in priority need for rehousing by the local authority, often because they are young single people. The underlying costs and benefits in this model (which are standard to several versions of studies of the costs of rough sleeping) relate to health care, mental health services, social isolation, and criminal justice costs. There are also opportunity costs associated with barriers to training and paid work, leading to increased benefit expenditure and lost tax revenue. None of these costs or benefits for this rough sleeping sub-group are included anywhere else in the overall modelling, to avoid double counting.

Costs of mental health services contact is an assessment of the likely direct costs proportionate to estimated levels of community mental health contracts including community nurses, outpatient psychiatrist involvement, and a small number of cases of hospital admission.

Support to gain employment counts the estimated additional tax and national insurance revenue collected as a result of earlier entry of refugees into the job market

Wellbeing benefits include less anxiety and depression around the move-on and integration process, including anxiety about housing and paying for housing. This is an approach to monetising greater “wellbeing” or life satisfaction, which in turn has a value to society. It is based on extensive work on the links between surveys of life satisfaction and other

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<sup>61</sup> <http://www.socialvalueuk.org/what-is-social-value/the-principles-of-social-value/>

measures of “wellbeing” to consequent social and community outcomes such as better overall health, better employment, and improved social relations. The monetised value of these outcomes is a frequently cited aspect of social value studies documented by Social Value UK and other networks and government guidance. Here estimates are based on changes in anticipated wellbeing as a result of future policy change, rather than a retrospective review of outcomes of already implemented changes.

### Homelessness and rough sleeping

The estimates of incidence here are based on the starting point of the actual numbers of rough sleepers who gave their last accommodation as “asylum support accommodation” as recorded by the CHAIN London Database of rough sleepers for 2018-19. Section 3 above estimated the annual number of London rough sleepers linked to current S95 move-on period as 50.

This is for London only and so needs to be adjusted for the whole of England. Several other pieces of data are important in doing this adjustment:

- Just under 90% of refugee support accommodation is located outside London. Home Office tables of refugees in receipt of Section 95 support for accommodation in England and in London (Table *as\_16\_q*) (and taking the first quarter of 2018 as an overlapping reference point to other data in this report) shows that London had 3,626 households, which is 10.6% of the total for England (34,344).
- H-CLIC figures cited in Figure 7, Section Three above showed that authorities outside of London accounted for 80% of acceptances of priority need households in need of prevention or relief and whose last home was Section 95 accommodation.
- 73% of rough sleepers found by English city street counts in autumn 2018 were in cities outside London (MHCLG data in RS\_SATS\_2018\_LiveTables).
- 79% of rough sleepers in England presenting at local authority Homelessness Prevention and Advice Services (HPAS) were in cities outside London (Homeless assessment (experimental) statistic based on H-CLIC returns: MHCLG homelessness tables *Assessments\_20193*).

There are around three or four times as many rough sleepers in other English cities than in London; and there are nine times as many refugee households in support accommodation in cities outside of London than in London. This suggests that the 50 London rough sleepers represent around 20% or 25% of the England wide number.

We also need to bear in mind that NACCOM evidence shows that about a quarter of their night shelter guests in 2017-18 had leave to remain, amounting to 750 people. Not all these refugees will have recently moved on from Section 95 accommodation following receipt of leave to remain, but a proportion will have. While being in a night shelter is not technically “rough sleeping”, the restrictions on night shelter occupancy (generally a 28-day limit) mean that these people are at risk of rough sleeping. An additional 5% to 10% of these people would be reasonable to count here (38 to 75), given that we do not actually have reliable figures for how many recently left S95, though many will have done so at some point in the past. The Refugee Council research cited above also indicates that over half of the clients they dealt with had slept rough since being granted refugee status.

Finally, as noted above we need to consider the increasing rate of decisions to grant leave to remain, shown in figures 1 and 2 above. This is included in the general uprating of the numbers set out above, but needs to be specifically factored in here as we are counting rough sleepers using a different, “bottom up” methodology. Given that there has been no comparative increase in housing

available to refugee households entering the mainstream housing market, this increases the risk of rough sleeping amongst this group. We suggest this adds between 20% and 30% to the numbers likely to experience rough sleeping.

Putting this all together, we can set out ranges of likely figures of rough sleepers estimated for all of England who were previously in Section 95 accommodation. Taking the **lower range** of estimates above:

- Assuming the 50 London rough sleepers are 25% of the total
- Add a 15% increase for the additional asylum decisions being made and lack of supply of new housing to relieve the pressure on homelessness
- And using the lower number of 38 night shelter guests

Then, we get a figure of 268.

If we take the **higher range** of estimates:

- Assuming the 50 London rough sleepers are 20% of the total
- Add 20% for the additional decisions being made and lack of supply of new housing to relieve the pressure on homelessness
- And using the higher number of 75 night shelter guests

Then, we get in figure of 375. The “precision” of this figure is based on more broad brush estimates as set out above, but provides a means of generating an overall range, which is then rounded.

The next step in the modelling process is to estimate the likely cost of such rough sleeping. The outcomes faced by rough sleepers include costs for health care, mental health services, social isolation, criminal justice costs, and barriers to training and paid work. The Government’s 2018 Rough Sleeping Strategy<sup>62</sup> estimated the cost of rough sleeping to be between £7,100 and £15,200 per person per year. This has been explored in a more detailed report<sup>63</sup> on the cost benefits of preventing rough sleeping produced as part of a series of similar studies commissioned by the homelessness charity Crisis. This estimates that the public expenditure on surveyed single rough sleepers on the streets was, in 2016, £8,630 over a 90 day period. A subsequent 2019 Nottingham University study<sup>64</sup> builds on this work and reviews the cost benefits and social value of programmes aimed at victims of modern slavery. It provides estimates for a related client group with similar background to refugees at most risk of rough sleeping – people predominantly trafficked or lured to the UK from other countries, and mainly younger and single. It also provides estimates for short periods of rough sleeping, which has been adjusted in the costing here (reduced from £17,259 for 6 months of rough sleeping to £8,625 for 3 months). This reduction is to allow for the possibility that the period of rough sleeping would only last for 3 months – a reasonable and conservative adjustment given the granting of leave and expectation of housing in due course, and in line with the earlier Crisis estimate for 90 days. A less conservative view could argue that this is an underestimate of the impacts of rough sleeping, as it does not take account of

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<sup>62</sup> Ministry of housing, Communities and Local Government (2018) *Rough Sleeping Strategy* HMSO, London

<sup>63</sup> Crisis (2016) *Better than Cure*. Crisis, London. pp 8-12.

<sup>64</sup> Nicholson, Andrea, Schwarz, Katarina, Landman, Todd, Griffiths, Arianne (2019). *The Modern Slavery (Victim Support Bill): A Cost-Benefit Analysis*. University of Nottingham Rights Lab, Nottingham  
DO - 10.13140/RG.2.2.10283.59684. Table 2 p 11 provides the relevant costings, which are based on previous work done by Crisis (2016)

evidence<sup>65</sup> of the importance of getting people off the streets immediately when rough sleeping occurs. This evidence appears in reviews of the 'No Second Night Out' programme, and indicates that the risks of remaining sleeping rough for a longer period increase with every night a person sleeps rough, meaning even three months can have a lasting impact. Nevertheless, we have restricted the costing to three months here, using the Modern Slavery report estimates cited above. The resulting unit cost is £8,629, and using the range of estimated numbers estimated above this provides an upper estimate of benefits of £3,240k and a lower estimate of £2,312k.

## Destitution and general wellbeing

### Overview

The evidence around the extent of destitution amongst this group has been set out in Section Three above. Section Two also set out the wider difficulties that refugees have in dealing with everyday life in the UK and in establishing themselves in a new home. Having no income impacts refugees in ways beyond the obvious difficulties of having enough to support their families – and when the subsistence element of Section 95 support is cut off they often become dependent on NGOs, social networks, or food banks to get food. Refugees also need money to pay for travel to Job Centres and medical or legal appointments required for Universal Credit. Lacking cash to travel can keep people in poverty or rough sleeping for longer, as they cannot travel to the appointments that are needed to secure accommodation. They may also accrue debts or other obligations, which cause additional stress and undermine their general wellbeing and mental health.

A central problem is that being able to pay for housing is dependent on being able to obtain Housing Benefit (now paid within Universal Credit, or as a legacy benefit where UC has not been rolled out) in time to make a first payment of rent. In many cases a rent deposit may be required to move into privately rented accommodation. Evidence above has indicated that around a half of those leaving Section 95 accommodation are temporarily housed by local authorities under their homelessness prevention and relief duties. This may be temporary accommodation pending further investigation and does not guarantee a final decision that a duty is owed to relieve homelessness and provide rehousing. Even in the cases where the local authority accepts a "relief" duty to move refugee families on to permanent accommodation, this may be in the private rented sector where a deposit and advance rent is needed prior to moving in. In most cases, these funds could only come from Universal Credit awards. Resettlement loans are available if applied for, but are often not sufficient or available quickly enough, as has been noted above. Universal Credit advance payment loans are available once a complete application has been made online and a mandatory interview has been completed in a job centre. If these advance payments were used for a deposit to secure housing, it is likely that this would leave the refugee household destitute for several weeks without sufficient resources to provide for food, heating, clothing, and other essentials.

### Impacts of destitution on Mental Health and anxiety

Destitution, or threat of destitution, is likely to have a negative impact on the mental health of refugee households. Evidence cited above suggests that 61% of refugees will already experience serious mental distress, and have mental health needs five times greater than for the general. Additional evidence of likely problems around the move on period is presented in the Medical

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<sup>65</sup> For example, cited here: <https://www.homeless.org.uk/our-work/campaigns/policy-and-lobbying-priorities/no-second-night-out-campaign>

Foundation for the Care of Victims of Torture report on “The Poverty Barrier”<sup>66</sup> which explores the circumstances of refugees and people seeking asylum. It states in relation to the period immediately following the granting of leave to remain:

*This period, while a time of great relief in some ways, is also reported by clinicians to be unexpectedly difficult for clients psychologically...Clinicians said that the additional psychological vulnerability that clients may experience at the time of transition can be severely affected by ongoing crises related to income and housing. “There’s nothing worse for our clients than thinking all your problems have ended because you get ‘status’ and then becoming homeless” (P60)*

Similarly, in relation to moving homes frequently and uncertainty about accommodation, a recent study by Mind<sup>67</sup> cites evidence that

*“...housing transitions can have negative effects on mental health. People with mental health problems who are very mobile are more likely to experience repeated crises and need longer in hospital (Lamont et al., 2000). There is also strong evidence linking residential mobility with suicidal behaviour (Glasheen & Forman Hoffman, 2015a; Bossarte et al., 2013; Potter et al., 2001). Frequent movers also have a generally lower life expectancy (Oishi & Schimmack, 2010). (P37)*

In this period, there are likely to be different risks for different groups. We have already assessed impacts on the group who are estimated to experience rough sleeping above, so can exclude them (upper estimate of 375, lower of 268). Households judged to be in priority need may be housed by the Local authority under the homelessness prevention and relief provisions who may experience moves to local authority temporary accommodation for a period, then perhaps moved to another form of temporary accommodation or to a permanent tenancy. They therefore will have lived in at least three different homes over the period, with the uncertainty and disruption involved, as well as the anxiety of not having the resources to pay for housing rents or deposits until their first Universal Credit payment is made. As noted above in Section 3 and Figure 10, this will be about 48% of the total. The third group are refugee households who are no longer housed in S95 accommodation, are not in local authority temporary accommodation and are not rough sleeping, but neither are they likely to have any settled homes, nor the means to pay for it. These (excluding the rough sleepers and local authority housed groups above) will make up about 45% of the total. A summary of these proportions and numbers is below:

Figure 10: Summary of types of intermediate outcomes

	Proportion	Number
<b>Overall total granted leave annually (excl. appeals)</b>		<b>5,038</b>
<b>1. Accepted as priority need for housing</b>	48%	2,418
<b>2. Non-priority need cases, not rough sleeping</b>	45%	2,244
<b>3. Estimated rough sleeping (upper range value)</b>	7%	375

Source: annexed 2 summary workbook, Demographics sheet; based on Section 3 Figure 7 above

Even if the housing and income issues are eventually resolved, there is a lasting negative impact of uncertainty, multiple changes of accommodation, anxiety about having the resources to pay for a

<sup>66</sup> Pettitt, J. (2013) *The Poverty Barrier: The Right to Rehabilitation for Survivors of Torture in the UK* Medical Foundation for the care of Victims of Torture, London

<sup>67</sup> Diggle, J., Butler, H., Musgrove, M. and Ward, R. (2017) *Brick by brick: A review of mental health and housing*. London: Mind. Available at: <https://www.mind.org.uk/media/26223865/brick-by-brick-a-review-of-mental-health-and-housing.pdf>

suitable home, and in many cases being evicted prior to any of this being resolved. The impact of these pressures can be both serious, and long lasting, as the quote from “The Poverty Barrier” above outlines.

A recent study by the Scottish Government<sup>68</sup> explored the relationship between health and mental health problems and the overlap with the experience of homelessness. While the figures are not specifically based on refugees, they are directly related to the experience of imminent or actual homelessness and related contact with assessment procedures. The findings showed (p3, p122) that an overall average of 30% of their study group of “ever homeless” people (those assessed as homeless or threatened with immediate homelessness) have had contact with mental health services (which excludes any who have additional drug- or alcohol-related issues). These contacts peaked around the time of the first homelessness assessment, which all of this group of refugees are expected to have. In the study, these figures are compared to similar groups of people who have never experienced homelessness, in two differing groups. The first is sampled from age and gender matched households in the most deprived 20% of Scottish local neighbourhoods (21%) having contact with mental health services. The second is sampled from matched households in the least deprived neighbourhoods (13%). The results showed an increased risk of mental health problems amongst the “ever homeless” group of between 30% and 57% higher than the other two matched household groups.

Figure 6: Increased contact with mental health services where had contact with homelessness services

% who have been in contact with mental health services		
Group	%	Increased risk
"Ever homeless"	30%	
Never homeless, 20% most deprived neighbourhoods	21%	30%
Never homeless, 20% least deprived neighbourhoods	13%	57%

Source: Waugh et al (2018)

Moving to a more detailed quantification of the increased likelihood of mental health problems linked homelessness in this transitional period, we can first take the group who are not in local authority temporary accommodation nor rough sleeping but are homeless (having been removed from S95 accommodation, 2,244 households as above). In all (as set out above in Section 2):

- 61% of refugees are at risk of mental health interventions, which gives a total number of 1,369 households in this category.
- The risk is higher at this transition period where they become homeless. Given that the Scottish Government study figures indicate an increase of the risk of contact with mental health services of between 30% and 56% linked to homelessness, we suggest that a reduction in risk with a lower range of 15% (205 people) and an upper range of 20% (274 people) – which is less than half the increase in the Scottish study cited above- would be a reasonable assumption, having taken into account the intention of the Homelessness Reduction Act 2018 to increase services to prevent homelessness.

<sup>68</sup> Waugh, A., Clarke, A., Knowles, J., Rowley, D. (2018) *Health and homelessness in Scotland*. Scottish Government Social Research, Edinburgh.

- Pleace and Culhane (2016)<sup>69</sup> in their study of issues around homelessness and homelessness prevention estimate the average cost of a person making use of Mental Health services was £2,375. This includes a range of interventions including the likely costs proportionate to community mental health contract, outpatient psychiatrist involvement, and a small number of cases of hospital admission.
- This gives a range of estimated savings of between £651k and £488k.

Refugee households who are accepted as homeless and in priority need are also likely to be affected. These households have to move to local authority temporary accommodation, away from the support of the AIRE Asylum support workers and the support of their peers in Section 95 accommodation. We have included the possible impact on this group at half the level of those in the former group of non-priority needs households, to reflect the likely lower impact on this group. The range of estimated savings for the range of between 147 and 111 people here is £350k to £263.

Taken together the overall estimated benefits for reducing contact with mental health services is between £1,001k and £750k.

### Wellbeing benefits

This section looks at the wider benefits of extending the move-on period in terms of “wellbeing” and the linked concept of “social value”<sup>70</sup>. Unlike the previous sections, which have focused on potential direct savings to public bodies from preventing some of the worst aspects of homelessness and destitution, this section focuses on the more positive benefits of such a change. The benefits are in terms of “wellbeing”, which is explained in more detail below but covers a range of short and longer term benefits to individuals, in terms of better social and economic integration - including levels of achievement in employment and education, and social relations.

The first few weeks as a recognised refugee are likely have a profound impact on how this group is able to deal with this major change in their circumstances. Having waited for perhaps many months or even years in S95, a new opportunity has opened up to them, and if they experience this as a positive, supportive process then this could frame their new status as a positive opportunity to thrive. If the move-on period is experienced as unrealistically short, and ill designed, and not aimed at providing them with the tools and understanding to make a good start for themselves, then there is a clear risk of setting back not just the practical process of moving on and integrating, but also affect their overall attitudes to life and wellbeing. Getting a good start is potentially hugely important.

Fujiwara, in the context of his wider work on the wellbeing impact of homelessness, debt, and poor housing for the Housing Association Charitable Trust (HACT)<sup>71</sup>, considers a range of benefits which can be attributed to aspects of being homeless or unable to pay for housing. The methodology and

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<sup>69</sup> Pleace, N. and Culhane, D. (2016) *Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England*. Crisis, London page 31

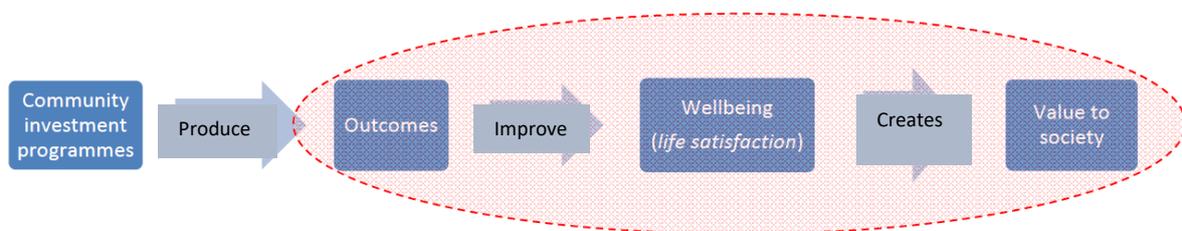
<sup>70</sup> The concept of “social value” was most recently re-framed and mandated by the UK Government in the Social Value Act 2013 (see <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources> ).

<sup>71</sup> Fujiwara, D 2014 *Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach* Housing Association Charitable Trust, London

evidence behind this work is set out clearly in three background papers<sup>72</sup>. In brief, the approach draws on HM Treasury Green Book and Magenta Book guidelines on policy evaluation, applied to “community investment”. Community investment includes initiatives such as community projects, employment assistance, mental health interventions, and other interventions intended to impact positively on people’s lives and hence create “social value”. The provision of Section 95 accommodation is also an example of a “community intervention” intended to provide support and assistance in gaining benefits, work, housing, and more general integration. Community investment creates specific outcomes, and the ones relevant here are related to reducing homelessness and destitution and more successful engagement with education and skills, family and community life. Using the underlying HMT methodology, these outcomes are linked to greater “wellbeing” or life satisfaction, which in turn has a value to society. This social value is in areas such as better health, education, employment, and social relations. The analysis draws on four UK datasets<sup>73</sup> as the evidence base through which to assign values to specific changes. The approach is summarised in Fujiwara (2014, P7) in this diagram:

Figure 7: Community investment and social value approach

**Figure 2. Community investment programmes and social value creation**



As mentioned above, normally this approach is used to retrospectively measure the impact of interventions already taken. In this case we have used it to assess hypothetical changes of policy in the future, and using the evidence above to quantify the nature and extent of possible impacts of the proposed changes.

Wellbeing in this context can be seen as achieving a well-managed transition to integration, housing, and income, and avoiding homelessness, and destitution. This includes avoiding periods without any income or periods where the household is forced to move to new temporary accommodation (or potentially a series of temporary homes) provided by the local authority or by another charitable organisation. As explored above, if badly managed this period can quickly move from one of positive supporting integration for these refugees, to one which seems unwelcoming, ill-adapted to their needs, and potentially devastating to their morale and overall wellbeing. As noted above, many are already dependent on NGOs to supplement these services, and because of additional needs for mental health, rehabilitation, ESOL, social activities, help with transport, education and other needs.

The Government has put in place both the AIRE and the LLAASO support contracts to ensure that refugees understand how the UK system works, and support an effective transition. A bit more time

<sup>72</sup> Fujiwara, D. and Campbell, R (2011) *Valuation Techniques for Cost-Benefit Analysis* HM Treasury/ Department of Work and Pensions, London. Fujiwara, D. (2014) *Measuring the social impact of community investment – The methodology paper* HACT, London. Fujiwara D. and Vine J (2015) *The wellbeing value of tackling homelessness* HACT London

<sup>73</sup> The British Household Panel Survey, Understanding Society, the Crime Survey for England and Wales, and Taking Part

would make both of these services much more efficient and effective, as well as providing refugees with the sense that their welfare was important and they were valued, which after their traumatic past is likely to be a hugely significant issue for them.

The benefits include mitigating the specific impact on adults and children of high uncertainty, anxiety around housing and paying for housing (including having benefits and possibly a housing deposit in place). Greater time can allow better choices to be made about issues such as finding housing in neighbourhoods where better integration support may be available due to good local community organisations, and welcoming schools. The benefits of extension can be, in the immediate and longer term, lead to greater wellbeing outcomes in areas such as better health, education, employment, and social relations mentioned above.

That said, the quantification of benefits here is less straightforward. While there are clear sources of wellbeing values, and while the likely benefits are reasonably clear to outline, the circumstances of this group are unusual. Their background and vulnerabilities have been set out clearly above, including health and mental health issues. Their unfamiliarity with the UK public services and the ways in which to navigate them are important barriers not least because of language and cultural differences, and the experience of waiting to receive a very uncertain decision. That the initial stage of integration should be as positive as possible can be clearly seen to be likely to have an overall positive impact on their subsequent wellbeing. Nevertheless one of the central principles of social value estimates is not to over claim, as noted above. For that reason in this section we have essentially taken the social value estimates in Fujiwara's HACT work as maximum amounts, then applied significant reductions in both the numbers of people likely to be affected, and also the amount per person of the likely benefit. We believe this to be a prudent approach, and to give a realistic if conservative figure.

The HACT analysis and related value tables includes a specific variable of "being able to pay for housing"<sup>74</sup>. We have applied this to a total possible beneficiary group which excludes the groups above, at the highest point in the range, and rounded this to 4,200. We then take a range of just under a third of this group as the upper range (33%), and just over a fifth as the lower range (22%). These numbers of people are then applied to a value of £1,837, which is a quarter of the original HACT figure in those tables. This results in an upper range value of £2,537k and a lower range value of £1,713k for this general wellbeing effect.

Fujiwara also considers the more general issue of "relief from depression/anxiety", which is an important aspect of being able to successfully cope with the transitional period here. This is less about contact with mental health services, but a more specific aspect of wellbeing. If we exclude all the groups benefiting above and round the remaining group to 2,600, we might take a further 15% of this remaining total as potentially having benefit due to less medically related but important wellbeing improvements linked to mental health as an upper value, and half that figure as the lower range (7.5%). The figure above of £1,837 is also almost exactly 5% of HACT's attributed amount for reduction of anxiety, so also seems reasonable. This would give benefits of between £716k and £358k.

As noted above these amounts have been chosen to be very conservative in relation to an overall welfare benefit which can nevertheless be clearly stated in principle.

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<sup>74</sup> The HACT UK Social Value Bank Calculator V4.0 (2028) can be downloaded from <https://www.hact.org.uk/value-calculator>

### Savings to Local Authority temporary accommodation costs

Where local authorities accept responsibility for households assessed as in priority need for rehousing, or likely to be so, they have a duty to place them in accommodation, normally temporary accommodation. This is a very expensive form of housing provision. Figures from National Audit Office in 2017<sup>75</sup> indicate a cost of around £32.03 per night or £224.23 per week, for this form of housing, partly driven by increasing unit costs which most likely indicates this NAO figure is now an underestimate. Further research around this question has been commissioned from LSE by MHCLG (the responsible government Department). Using the NAO figures, the Local Authority cost compares to SERCO accommodation rates<sup>76</sup> of £11.71 per day, or £81.97 per week. If we assume that the local authority would not provide temporary accommodation where Section 95 accommodation is available for a longer period, then this would represent a saving of £142.26 a week.

In terms of numbers, we have estimated that 48% of the group are in LA temporary accommodation, as set out above, or around 2,418 households. The additional cost to the Home Office of extending both the S95 accommodation and the S95 support grant would be around £3.513k at an upper range, and £3.458k were 75% to get a payment of Universal Credit by week 7, reducing expenditure on S95 support grants. The saving to Local Authority temporary accommodation costs would be around £2.169k.

### Employability

The question here is how many of this group could be helped into work more quickly if they were provided with support by asylum case workers, such as the new AIRE service, within the context of settled and continuing Section 95 accommodation. A similar issue has been examined in the Nottingham study<sup>77</sup> of modern slavery victims. The approach of the Nottingham study is to consider the income tax and National Insurance benefits of enabling victims of modern slavery to secure work earlier due to appropriate support and assistance. The study does include wider economic benefits related to the longer programme of training and assistance being provided under the Modern Slavery provisions, but these additional benefits do not apply here.

The integration of refugees includes the expectation that a majority will enter the work force. The COMPAS report on refugees and the UK employment market<sup>78</sup> has been cited above in Section Three, and notes that the employment rate among asylum migrants is 51%. This is substantially lower than for other migrant groups (such as employment related migrants) and that of UK-born individuals. The gap between employment migrants and others reflects differences in education, age, gender, ethnicity, and location of residence. COMPAS also reports that refugees are twice as likely as UK-born unemployed people to rely on public agencies (e.g. job centres) to access

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<sup>75</sup> National Audit Office (2017) *Homelessness* National Audit Office, London. This indicates that in 2016-17, £845 million was spent on temporary accommodation as part of local authority responsibilities towards homeless households. At March 2017 77,240 households were in temporary accommodation, compared to 71,670 at March 2016. Taking an average over the year of these two figures, and turning the total cost to a weekly per household rate, and adjusting for rent increases as indicated by the ONS experimental statistics in the Index of Private Housing Rental Prices over this period, this results in an average nightly cost in England of £32.03 per night, or £224.23 per week.

<sup>76</sup> See House of Commons Home Affairs Committee *Asylum accommodation, Twelfth Report of Session 2016–17* at P12 for the cost of Dispersal Accommodation. New contracts are now in place, but the contractual arrangements have not been published as far as we can see <https://publications.parliament.uk/pa/cm201617/cmselect/cmhaff/637/637.pdf>

<sup>77</sup> Nicholson et al (2019) Op cit Section 2

<sup>78</sup> Kone et al (2019) Op cit

employment and therefore are more dependent on Job Centre Plus appointments and support to secure employment. Allowing more time in asylum support to apply for support from Job Centre Plus, attend work coach appointments and job interviews would be especially relevant to this group. In summary we can consider that the continuing provision of AIRE support and the avoidance of the disruption of becoming homeless or moving several times through temporary accommodation, will be likely to improve the chances of finding work either immediately or in the short term, for both those in priority needs groups and non-priority needs groups, as well as for rough sleepers.

Three groups are outlined in the Nottingham study, those securing jobs in two weeks, in three and a half months, or in nine months due to the support provided. This was based on evidence from two previous projects on the benefits of providing a longer period of continuing support to secure employment more quickly. Here we have used a range of benefits based on additional AIRE support enabling 10% more of all groups to get into work within 3.5 months, and a lower estimate of getting 10% into work in 9 months. This provides a range of benefits between £1,315k and £464k.

### Additional risks

Destitution and homelessness in the move-on period present further unquantified risks such as increased risks of domestic abuse, sexual violence and exploitation. Refugees facing destitution and homelessness, with limited English fluency, lack of recognition of existing qualifications or experience of working in the UK may be at additional at risk of exploitation and abuse. Research<sup>79</sup> has identified the 'move-on' period as a particular risk point for women, due to risk of exposure to abuse and sexual exploitation, including through transactional relationships. Home Office research<sup>80</sup> estimates that domestic abuse in England and Wales incurred a cost in 2016-17 of £66 billion.

Further evidence shows that traffickers deliberately target vulnerable groups for exploitation<sup>81</sup>. In 2019, "STOP THE TRAFFICK" conducted a survey with people who were rough sleeping or homeless in Greater Manchester, and found that 29% had been offered food, accommodation, drugs or alcohol in return for work, 24% had not been paid wages that were promised to them after doing work, and 17% had known someone to go missing after accepting an offer of work.<sup>82</sup> These findings build on past research conducted in Manchester by the Human Trafficking Foundation and the Greater Manchester Homeless Action Network, which identified having former asylum seeker status and no recourse to public funds as two of the key factors which increase the vulnerability of rough sleepers.<sup>83,84</sup> As a result of their research, the Greater Manchester Homelessness Action Plan called for a bespoke approach to dealing with homelessness amongst failed asylum seekers and those with

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<sup>79</sup> Women Seeking Asylum: Safe From Violence in the UK? Helen Baillot & Elaine Connelly, June 2018 [http://www.asaproject.org/uploads/Safe\\_from\\_violence\\_in\\_the\\_UK\\_ASAP-RC\\_report\\_.pdf](http://www.asaproject.org/uploads/Safe_from_violence_in_the_UK_ASAP-RC_report_.pdf)

<sup>80</sup> Home Office, The economic and social costs of domestic abuse (Research Report 107, 2019) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/772180/horr107.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772180/horr107.pdf)

<sup>81</sup> Home Office, A Typology of Modern Slavery Offences in the UK (Research Report 93, 2017) v. [www.antislaverycommissioner.co.uk/media/1190/a-typology-of-modern-slavery-offences.pdf](http://www.antislaverycommissioner.co.uk/media/1190/a-typology-of-modern-slavery-offences.pdf)

<sup>82</sup> STOP THE TRAFFICK, Modern Slavery Network, Greater Manchester Combined Authority (2019). *Homeless people's experiences of false and dangerous job offers in greater Manchester: Report on the Greater Manchester homelessness and exploitation survey, Autumn 2019.*

<sup>83</sup> Human Trafficking Foundation (2015). *Life beyond the safe house for survivors of modern slavery*

<sup>84</sup> Greater Manchester Homelessness Action Network (2018). *A draft strategy to end rough sleeping, and lay the foundations of a 10-year homelessness reduction strategy in Greater Manchester, by 2020.*

no recourse to public funds, including increased training for the public sector on the legislation and support requirements for these groups.

Home Office research<sup>85</sup> has estimated that the economic and social costs of modern slavery to the UK in 2016-17 comes to £600 million. These costs are less easily quantifiable for this research into newly-granted refugees, but present serious additional risks that could incur substantial economic and social costs to the person and the public purse.

There can also be serious safeguarding and child protection concerns and associated costs when very vulnerable families are left destitute and without adequate services. This was illustrated by the Serious Case Review of Child EG in 2010<sup>86</sup>:

## Summary Outcome

Taking into account all the evidence in this report, and using upper and lower ranges, the estimated net savings and benefits, as well as the ratios of costs to benefit, are:

	Upper savings (£k)	lower savings (£k)
Rough Sleepers	£3,240	£2,312
Employ	£1,315	£464
Mental Health contacts	£1,001	£750
Wellbeing - general	£2,537	£1,713
Wellbeing - anxiety	£716	£358
LA temporary accommodation	£2,169	£2,169
Total	£10,978	£7,766
Costs	£3,513	£3,458
Net saving	£7,465	£4,308
Ratio of benefit to costs	3.1	2.2

The overall summary is:

Outcome		
Estimate range	Net Benefit (£k)	Ratio
upper	£7,465	3.1
lower	£4,308	2.2

<sup>85</sup>Home Office, The economic and social costs of modern slavery (Research Report 100, July 2018) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf)

<sup>86</sup> <https://www.theguardian.com/uk/2012/oct/05/immigration-children>

## Annex One: Methodology overview

### General

This paper presents a cost benefit analysis of extending Section 95 accommodation and subsistence costs for four additional weeks, to enable refugee households to secure accommodation and benefits – and seeks to answer the question of whether doing so creates more quantifiable social value<sup>87</sup> than the alternative of retaining the current 28-day move-on period. To understand this, we have first explored the additional costs of maintaining the current 28-day move-on period, compared to the benefit of extending to 56 days. Secondly, we have explored the additional benefits likely to accrue if the move-on period is extended to 56 days, compared to what the position would have been if the period remained at 28 days.

A cost benefit analysis is a method of calculating and comparing the benefits and costs of a proposed idea. The analysis first finds, quantifies, and adds all the positive factors of the change (the benefits). Then it identifies, quantifies, and subtracts all the negatives (the costs). The difference between the two shows whether the proposed action is advisable, from a financial perspective.

In this case, the **benefits** identified are the positive impacts that would result from an extension of the move-on period for refugees to 56 days. This includes:

- The risks of homelessness and destitution associated with *retaining* the current 28-day period. Evidence is used to estimate likely levels of public expenditure on services like health, mental health, prevention and relief of homelessness (including the provision of more expensive Local Authority temporary accommodation), and other welfare services, as a result of homelessness and destitution prompted by the 28-day limit. Such expenditure is a direct cost to public services (at local and central government levels).
- The more positive opportunities associated with *extending* the period. These include specific direct benefits from additional tax revenue collectable when refugees get jobs more quickly, supported by AIRE and others. It also includes benefits associated with increased “wellbeing” or life satisfaction linked to avoiding destitution, homelessness or the stress of dealing with uncertain accommodation processes. Wellbeing has a well-evidenced and quantifiable value to society in areas such as better general health, better employment outcomes, and improved social relations including contribution to local community life.

The **costs** for this analysis are calculated from the costs associated with the extension of the move-on period to 56 days. This includes:

- An additional four weeks of the weekly Section 95 income grant (less an allowance for people who receive Universal Credit before the end of the 56 day period)
- An additional four weeks of Section 95 accommodation.

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<sup>87</sup> The concept of “social value” was most recently re-framed and mandated by the UK Government in the Social Value Act 2013 (see <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>).

### “Social Value” assessment and quantification

There is a separate set of issues related to how to monetise the costs of the estimated benefits discussed in Section Five. There is a wide body of literature reviewing the costs of rough sleeping and benefits of prevention, as well as the costs of related outcomes dealt with in this report. The former Department of Communities and Local Government (DCLG) published a review of the evidence in 2012 which included evidence from a range of previous reports as well as a comprehensive analysis of the costs to local and national government, including in relation to crime, health and mental health, substance misuse, employment and other aspects of wellbeing. Crisis, a homelessness charity, have produced several reports exploring the cost benefits of preventing rough sleeping and homelessness including a 2016 report from the Universities of York and of Pennsylvania on single homelessness, and a further 2018 report commissioned from the consultancy PWC on the cost benefits of Crisis’ proposals to reduce homelessness. There is also a further Crisis report on the impact of another initiative (“Housing First”) to reduce the cost attributable to rough sleeping. A 2019 report published by the University of Nottingham Rights Lab on the cost benefit analysis of the Modern Slavery (victim support) Bill provides additional evidence around similar and associated risks and costs. This modern slavery report has most overlaps with the group considered here

There is also extensive theoretical and practical guidance from the Housing Association Charitable Trust (HACT) around housing and wellbeing, which housing associations and similar housing and homelessness agencies have been using since 2014. This includes information on wellbeing, the benefits of moving from temporary to permanent housing, the benefits of reducing the anxiety of destitution and debt. This is set out in more detail in the Destitution part of Section Five above. The wellbeing approach is more usually applied retrospectively to projects which have run for a number of months or years, but in this case the approach has been used to assess potential benefits of the proposed policy change

## Annex Two: Cost benefit summary tables

Demographics				
	Proportion	Number	Source	Basis for estimation/assumptions
<b>Overall total granted leave annually (ex appeals)</b>		5,038	Starting point - based on the 2017-18 referrals to PGAS (from 2019 report), and increased by 30% to reflect current pattern in decisions and acceptances	
<b>1. Accepted as priority need for housing</b>	48%	2,418		HPAS and H-CLIC data
<b>2. Non priority need cases, not rough sleeping</b>	45%	2,244		Excludes rough sleepers higher number of 375
<b>3. Rough sleepers (upper range)</b>	7%	375		
<i>(Note that number totals are affected by rounding)</i>				

Costs of extending to 56 days								
	Weekly Cost	4 week extention	Total number in receipt	Range % (where used)		Source	Costs - rounded	
				Upper	Lower		Upper	Lower
Weekly S95 income grant assuming 2.5 people per household	£92	£370	5,038	100%	97%	For lower assume that 75% get first payment of UC or other benefit in week 7 so reduction by 3.1%.	£1,861	£1,806
Weekly accommodation, all groups	£82	£328	5,038	100%	100%	4 weeks for all (including non priority needs households who would not have become housed by Local Authorities under priority needs arrangements)	£1,652	£1,652
<b>Total costs</b>							<b>£3,513</b>	<b>£3,458</b>

Estimates of benefits of increasing the period to 56 days							
Cost area	Specific area	Group total	Range % (where used)		Unit cost	Benefits -rounded	
			Upper	Lower			
<b>Avoding Rough Sleeping</b>							
Fewer rough sleepers	Avoiding rough sleeping	Based on extrapolation of London actuals in CHAIN and NACCOM data			£8,629	£3,240	£2,312
<b>Destitution</b>							
Mental Health - group in LA temporary accommodation	Likely to have contact with Mental Health services (61%)	1,475	10%	8%	£2,375	£350	£262
Mental Health - group neither rough sleeping nor in LA Temporary accommocation	Likely to have contact with Mental Health services (61%)	1,369	20%	15%	£2,375	£651	£488
Wellbeing - better support and integration	Net rounded excluding others above	4,200	33%	22%	£1,837	£2,537	£1,713
Wellbeing better mental health from reduced anxiety	All, excluding rough sleepers and highest value of mental health and wellbeing groups above	2,600	15%	7.5%	£1,837	£716	£358
<b>Other areas of savings</b>							
Less use of LA temporary accommodation due to priority need	Whole priority needs group	2,418	100%	100%	£897	£2,169	£2,169
Support to gain employment (upper range)	All groups, taking into account 51% aylum refugee employment rate. UPPER rate	2,569	10%		£5,120	£1,315	
Support to gain employment (lower range)	All groups, taking into account 51% aylum refugee employment rate. LOWER rate	2,569		10%	£1,807	£0	£464
					<b>Totals</b>	<b>£10,978</b>	<b>£7,766</b>

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