



Report to: Communities Committee, 2nd November 2022

Report of: Corporate Director – Operations, Homes and Communities

Subject: ASYLUM SEEKER FULL DISPERSAL SCHEME

1. Recommendation

That the Committee:

- 1.1 Notes the contents of this report and in particular, the Government's commitment to reduce and eliminate the use of hotels for asylum seekers by moving to a full dispersal model for asylum accommodation;**
- 1.2 Instructs Officers to confirm to the West Midlands Strategic Migration Partnership, the Councils preference to adopt the alternative regional dispersal model proposed by Serco;**
- 1.3 Instructs Officers to seek agreement from Serco that, within the proposed dispersal model, they will work with partners to, where possible, achieve an equitable distribution across local districts; and**
- 1.4 Instructs Officers to continue their engagement with SERCO in order to identify locations for full dispersal properties within the City, based on criteria as set out within this report.**

2. Background

- 2.1 In April 2022, the Government (Home Office) wrote to each local council in the UK setting out their commitment to improve the asylum system by way of 3 key interventions:
 - 1) **To reduce and eliminate the use of hotels for asylum seekers** by moving to a full dispersal model for asylum accommodation;
 - 2) **To undertake an informal consultation exercise with Local Government on how the model can work across the country** and to better understand the impact on local councils on work around resettlement and unaccompanied children;
 - 3) **Provision of specific funding for local councils** to recognize their existing contribution and for new dispersed accommodation.
- 2.2 The Home Office (HO) has awarded a contract to Serco to manage sundry Asylum Seeker related responsibilities in the West Midlands. Serco has responsibility locally to manage the Home Office's Asylum Seeker Dispersal Programme.

- 2.3 Based on a full dispersal approach to allocations across the Country, there will be a requirement to house asylum seekers in Worcester by the end of next year. Serco are expected exclusively or overwhelmingly to source accommodation for these asylum seekers from the private rented accommodation sector.
- 2.4 The HO sought to quickly discuss with local councils how the full dispersal model across the country could be developed by discussing with regional Strategic Migration Partnerships. This Council along with its West Midlands neighbours is represented by the West Midlands Strategic Migration Partnership (WMSMP).
- 2.5 WMSMP developed a regional model that it submitted to the Home Office during early October that sought to distribute procured properties in each local council area across the entire region by way of a 'Fair Shares Approach'.
- 2.6 Furthermore, the proposed regional model was underpinned by 4 key principles, these being –
1. A maximum limit of 1:200 population (based on Worcester City population of 103,900 = 520) applied in each area
 2. The number of asylum seekers currently being accommodated within contingency hotels within an area to be included within 1:200 maximum limit (currently 115 asylum seekers being accommodated in Fownes Hotel)
 3. A 75% maximum cut off (i.e. any LA which is currently over 75% of their unweighted capacity of the 1:200 rule to be removed from modelling)
 4. A 50% reduction weighting to be applied to existing dispersal areas, acknowledging that these LA's have been asylum dispersal areas since 1999 and therefore, reduces the amount of procurement, but still enables the providers to procure some properties.
- 2.7 The 2021 Census confirmed Worcester's population as 103,900 and therefore based on the proposed WMSMP regional model the 1:200 population maximum limit would be 520 bed spaces. There are currently 116 asylum seekers being accommodated in contingency hotel accommodation in the city, meaning that the proposed balance would be 404 bed spaces.
- 2.8 Applying this Worcester number to the total number of regional bed spaces that the Home Office are seeking to procure by December 2023 (3500), means that 106 bed spaces would be Serco's December 2023 Worcester target. This would equate to around 30 private rented properties being procured by Serco. The Worcester City Strategic Housing Market Assessment 2019 indicated that around 8700 of Worcester City's 45,550 dwellings were either private rented or rent free.
- 2.9 When WMSMP informally submitted this model to the HO for their consideration it became clear that the challenges of procuring properties in the less urban areas, where proximity of key support services and a challenging private rental market, meant that the WMSMP model would be unlikely to receive approval of HO.
- 2.10 Since then, the HO via Serco have developed their own model which has been duly shared with WMSMP and presented back to local councils during a meeting on 12th October. This alternative model shared only one principle with that of the WMSMP

model, this being a maximum bed spaces limit of 1:200 but across the entire West Midlands region.

- 2.11 The Serco model's primary focus was on continuing to procure a significant proportion of dispersed accommodation in those large urban areas that have been designated dispersal areas since from 1999. This has had the impact of reducing the numbers in many other areas including Worcester. The Serco model proposes procurement of up to 66 bed spaces in Worcester City (compared to 106 noted above in the WMSMP model), equating to around 20 properties.
- 2.12 Although the impact of 20 - 30 properties being procured out of a total private rented stock of several thousand (8700) is likely to be minimal, the proposal nevertheless will restrict these properties being available for other people in need of accommodation. It is also possible that the consequential impact on supply could create further inflation in rents at a time when the cost of living is causing people to struggle.
- 2.13 The HO has signalled if agreement cannot be found on a single model through the consultation and engagement process via WMSMP, then a 'backstop' position will be applied which requires no approval at regional or local level. No definitive backstop position has yet been shared by the HO but it is expected that this will be identical or similar to the model proposed by Serco, which is to be expected given they are the HO contractor.
- 2.14 Each individual council within the West Midlands region has been asked by WMSMP to confirm which model, if any, they are willing to support, so that they can then report back to the HO with the regions position.
- 2.15 During September 2022, the council was contacted directly by Serco who advised that after consultation with the WMSMP they intended to commence procurement of property within the City and wished to engage with us to undertake a 'hot mapping exercise' which would help them understand locally which areas may be best suited or not suited to procuring properties.
- 2.16 Although officers are communicating with Serco, to date this meeting has not been held. A date however has been confirmed as it was felt better to try and influence where dispersed accommodation was being procured, having regard to the following factors -
 1. Proximity to key support services
 2. Preference to disperse properties across a wider area, rather than concentrating on a small number of areas, including existing contingency hotel accommodation
 3. Vulnerability / Safeguarding
 4. ASB profile of area (community cohesion etc)
- 2.17 Subject to approval of this report, once the 'hot mapping' exercise has been undertaken, Serco would then send property post codes to the council for a final stage of review before they proceed with procurement.

3. Preferred Option

- 3.1 The preferred option as set out within the recommendations of this report is to confirm to the WMSMP the council's preference for the Serco model that would see 66 bed spaces procured in Worcester, equating to around 20 properties.
- 3.2 In addition, in advance of any agreement being reached on a model, it would seem sensible for the Council to continue engaging with Serco by way of a 'hot mapping' exercise to identify areas across the city where it would be more appropriate for them to procure full dispersed accommodation.

4. Alternative Options Considered

- 4.1 The option of agreeing to the West Midlands Strategic Migration Partnership Model has been discounted as this model proposes an additional 8 – 10 properties being accommodated within the City, this having a greater impact on access to, and affordability of the private sector housing market for those living in the City.
- 4.2 The option of not continuing to engage with Serco (in advance of any model being agreed) in respect of where they procure accommodation within the city has been discounted. It will be important that local knowledge and intelligence provided by the Council forms part of this process and that the risk of accommodation being procured in unsuitable areas is minimised.

5. Implications

5.1 Financial and Budgetary Implications

The accommodation and support costs for asylum seekers housed in the City under the Asylum Seeker Dispersal Programme will be met by Serco under the terms of the Government contract.

It should be noted that Asylum Seekers will lose their right to accommodation provided by Serco if their application for political asylum and any subsequent appeal are rejected. They will then be left without recourse to public funds.

The additional pressures on the local private sector rental market may create additional pressure upon the Council's homelessness budget, as residents currently in local rented accommodation find it more difficult to find alternative local private sector rented accommodation. At this stage it is impossible to try and quantify costs associated with any knock-on impact, particularly in respect of our Strategic Housing Service.

As set out previously within this report, there is a commitment from Government to fund local councils to the sum of £3500.00 per bed space. Further clarity is being sought as to which tier of Local Government this payment will be made.

At this stage it is unclear as to the full cost requirement for our Council in undertaking their role to support Asylum Seekers to integrate and live within the City or indeed support them if their applications are rejected.

5.2 Legal and Governance Implications

As set out within this report, there are no legal restrictions in place that would prevent Serco from procuring private rented property in Worcester City. Neither are Serco legally obliged to consult with local councils if they intend to procure 'in area'.

It is likely that much of the accommodation procured will be Houses in Multiple Occupation (HMO) and there are legal mechanisms in place relating to density of HMOs and their safety, enforceable by the council's planning and housing services respectively.

5.3 Risk Implications

The risks associated with Serco procuring full dispersal accommodation within the city, without any input from this Council have been outlined previously in this report. These risks can be managed by the Council engaging in a 'hot mapping' exercise with Serco to identify locations where procurement would be more appropriate having regard to several factors that take into account asylum seekers and their needs and local communities.

5.4 Corporate/Policy Implications

The Worcester City Plan 2022 – 2027 collective vision is of a '*city that is prosperous, accessible, diverse and inclusive; with great opportunities for work, leisure, sport and tourism alongside a quality of life that is attractive to all*'. It goes on to state that '*by 2027 we want Worcester to be even more firmly recognised as a growing cosmopolitan cathedral and university city with a dynamic sporting and cultural heritage, where people are welcome from all communities and are given the opportunity to achieve the best possible lives for themselves and their families*'

One of the 5 themes within the plan is *Stronger and Connected Communities* within which it states that '*we will build on the existing and emerging strengths of our communities and ensure people are not left isolated or unsupported in our neighbourhoods*'. It further commits to '*developing communities where everyone can thrive in partnership with the third sector, faith and minority ethnic groups*'.

5.5 Equality Implications

There are no immediate equality implications requiring detailed consideration for the purpose of this report.

This report focuses on a cohort of people the significant majority of which it is fair to assume from existing data, will be of Muslim faith. Recommendation 1.4 confirms the Council's intention to work with Serco to identify locations across the city that are more suitable for full asylum seeker dispersed accommodation taking into account a range of factors that would support integration.

5.6 Human Resources Implications

There are no human resource implications in respect of this report

5.7 Health and Safety Implications

There are no health & safety implications in respect of this report

5.8 Social, Environmental and Economic Implications

Subject to approval of this report, it will be important that social factors are fully considered when assessing potential locations for procured properties.

These considerations will need to focus on the need to encourage and support asylum seekers to integrate into their local community, but also focus on the strengths and assets that exist within communities to aid that process.

There are no environmental or economic implications associated with this report.

Ward(s): All
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Background Papers: N/A