



BY EMAIL ONLY

08 June 2020

Dear Chief Executives,

Thank you for your letter of 20 May about the cash allowances provided to asylum seekers supported by the Home Office to enable them to meet their essential living needs. I am aware that some of you have written more than once on this very important issue and raised the matter with officials. I want to assure you that I have given this matter very careful consideration and reviewed all the information available. You will agree that this is a complex matter and, therefore, important that my decision on the level of the allowance going forward be fully informed by the evidence available about the true costs of meeting these needs.

The cash allowances are only one part of the package of support the Government provides to asylum seekers who would otherwise be destitute. In addition, individuals are provided with fully furnished and equipped accommodation with no utility bills or Council Tax to pay. Access to healthcare and schooling is free and individuals can also access many of the same “passport benefits” as other lower income groups in the UK (for example free school meals for their children and free NHS prescriptions).

The cash allowance is intended to meet other essential living needs. The assessment of the amount of money needed to purchase sufficient food is based on data from the Office of National Statistics (ONS) about expenditure on the item by people in the lower 10% income bracket in the UK. The ONS data has in the past been used as a guide to the amount required to meet certain other needs (toiletries, non-prescription medicines and household cleaning products), but Home Office officials also conduct research into the cost of purchasing the items. The assessment of meeting costs related to communication and travel is also based on this research.

Further detail of how the review methodology works, which has been in place since 2014 and which the courts have agreed is rational and lawful, is set out in the reports that can be found at:

<https://www.gov.uk/government/publications/report-on-review-of-cash-allowance-paid-to-asylum-seekers>

The 2020 Review – Provisional Outcome

The trigger for this year's review was the publication of the relevant ONS data on 19 March 2020. We have not yet completed our research into the cost of purchasing non-food essential items, which typically takes a least 3 months, but have made the following provisional findings:

- The ONS data shows that expenditure on food by the lower 10% income group during 2018/19, adjusted in the same way as in past years to provide a value for a single person, was £26.49 per week.
- Our research in 2019 assessed the cost of meeting all other items (clothes, toiletries, household cleaning products, non-prescription medicines, travel and communication) at £12.44 per week.
- Taking these two figures, plus inflation at 1.7% (CPI from February 2020), gives a figure of £39.60 per week.

I have reflected carefully on these findings and decided, ahead of the completion of the full review, to implement **an immediate exceptional increase of the standard allowance to £39.60 per week** (which is an increase of around 5%). As shown by the latest ONS date for April, the increase is substantially more than general inflation year-on-year (0.8%) and food inflation (1.4%).

In taking this decision, I recognise that it is possible that some supported asylum seekers may be experiencing difficulties related to Covid-19 because of their individual circumstances, for example because of the closure of local shops in their area or because they are unable to leave their homes due to an underlying health condition. The Government has responded to these pressures by implementing practical measures, including through arranging for the delivery of food parcels. The increase to the standard allowance, pending completion of the full review, will ensure that there is no shortfall in what is necessary to meet essential living needs during this difficult time.

The purpose of the cash allowance is to enable those in receipt of our support to purchase food and the other essential items and there is currently very little evidence that the associated costs have risen since the onset of the virus. In fact, I draw your attention to the latest April ONS data, which shows that food costs fell between March and April and only rose by 1.4% over the year. If, on completion of the full review, there is evidence that costs have risen there may need to be a further adjustment to the allowance. I will write to you again on these matters when the review is complete.

The new standard rate of £39.60 will take effect from 15 June and will also be provided for each of any dependants in the asylum seeker's household. The allowance will not be provided to those receiving full-board support in an initial accommodation centre or hotel.

Where individuals can show that they have exceptional additional needs, it will be open to them to apply for additional funds in the normal way provided they submit supporting evidence.

I am aware that your organisations consider that failed asylum seekers supported under section 4(2) of the Immigration and Asylum Act 1999, because they are temporarily unable to leave the UK, should receive the same allowances as asylum seekers supported under section 95 of the 1999 Act. I can confirm that the temporary exceptional increase of the allowance to £39.60 will also apply to these cases.

I trust this letter is helpful in setting out the Government's position. For the reasons I have set out, I am satisfied, on the basis of the evidence currently available, that the increase I have authorised is sufficient to enable asylum seekers to meet their essential living needs whilst they pursue their asylum claim in the UK and sufficient to enable failed asylum seekers to meet their essential needs until they are able to return to their country of origin.

Best wishes,

A handwritten signature in black ink, appearing to read 'C. Philp', with a horizontal line extending to the right.

Chris Philp MP
Parliamentary Under-Secretary for Immigration Compliance and the Courts