

Appendices A

Asylum Dispersal Grant

Background

As the UK's first City of Sanctuary, Sheffield has participated in asylum dispersal for many years.

All dispersed asylum seekers have their rent, plus utilities paid and receive a small weekly subsistence allowance. Although not eligible for social housing or benefits, they can access services such as education, social care, and health. Other partners such as VCFS provide essential wrap-around support to this community.

Participation in asylum dispersal has historically been optional for local authorities and government have not made reimbursement for costs associated with supporting dispersal arrangements.

Sheffield City Council does not acquire dispersed accommodation. The Home Office Asylum Accommodation and Support Contract (AASC) provider, Mears are responsible for procurement, and submit requests to the authority to get a local view. Whilst this view is acknowledged, Mears will on occasion, with Home Office support, proceed with procurement that the local authority have advised against.

Dispersed accommodation can be located anywhere in the city. However, some areas are more suited to the needs of this cohort, for reasons such as 'fit' with the existing community and access to medical care, religious worship, and appropriate food provision.

Nationally, there are significant, ongoing pressures on the asylum system, including an increasing backlog of undetermined applications and higher demand for accommodation due to the increase in the supported asylum population.

Sheffield - Overview

- c1300 supported (awaiting a decision) service users in Sheffield¹.
- Top languages: Kurdish, Arabic, English².
- Top nationalities: Iraq, Iran, Eritrea³.
- Most Wards have some dispersal – only five wards have none. This is usually due to lack of supporting infrastructure and distance from healthcare provision.
- Manor Castle is the Ward with the greatest number of dispersal accommodation bedspaces.
- Manor Castle, Nether Edge & Sharrow, Walkley, Burngreave and Shiregreen & Brightside have the highest number of asylum seekers, proportionate to host population.

Sheffield has three Contingency (temporary) Accommodation sites:

- Holiday Inn Express (Victoria Quays), opened November 2020, (c155 SU's resident).
- Jasmin Court (Burngreave) opened end 2021, (c47 SU's resident).
- Staindrop Lodge Hotel (Chapelton) opened May 2022, occupancy up to 140 SU's.

Additionally, Regency House in the city centre is scheduled to open in late October 2022 as Interim (reception) Accommodation with 92 bedspaces.

¹ Home Office R99 data – June 2022. Figure excludes those in Contingency Accommodation.

² Home Office R99 data – May 2022

³ Home Office R99 data – May 2022

As a welcoming city for those seeking sanctuary, Sheffield has significant retention of former asylum seekers who receive refugee status. As the asylum (and refugee) estate has expanded in recent years, so has the demand for statutory services, healthcare and wrap around support from the VCFS.

Government policy to date has failed to recognise the longer-term outcomes of asylum dispersal on participating areas, focussing only on initial acute impact and prevention of destitution for those arriving via this route.

Sheffield City Council, along with other local authorities, regionally and beyond, have long made the case for government support for dispersal due to demand on infrastructure, service provision and host communities, as well on the VCFS. For the longer-term socio-economic prosperity of the city, it is important that we are placed to respond effectively to these needs.

Move to 'Full Dispersal'

The [Nationality & Borders Act 2022](#) makes provision for a 'full dispersal model'.

On 13th April, Kevin Foster, Home Office Minister for Safe & Legal Migration launched a '*Consultation to improve arrangements for asylum accommodation dispersal*'.

This includes mandating asylum dispersal, where **all** local authority areas in England, Scotland and Wales will be expected to participate, without exception.

Additionally, in recognition of '*concerns raised... in relation to pressure on local services associated with supporting asylum seekers*', the government have made provision for an [Asylum Dispersal Grant](#) to be paid to Local Authorities. Specific funding to '*recognise the existing contribution and longstanding support*' of local authorities accommodating asylum seekers will also be made available.

There are two types of payment:

- A one-off 'thank you' payment of £250 for each asylum seeker resident in dispersed, initial, or contingency accommodation on March 27th, 2022. Home Office data indicated a total of 1200 asylum seekers living in dispersed and contingency accommodation in Sheffield, which has equated to receipt of £300,000 to the city.
- During the 2022/2023 financial year, the Home Office will make a single payment of £3,500 to Local Authorities for each **new dispersal bed space** created between 28th March 2022 until 31st March 2023⁴. This payment is for dispersal accommodation and initial accommodation e.g., Regency House – other new contingency sites e.g., hotels or other accommodation in this category is not covered by this payment. Under this scheme, Sheffield will receive £35,000 for the Q1 period.

Assuming full occupancy during the 2022/23 financial year, the opening of Regency House with creation of 92 new bedspaces, will result in receipt of a further £322,000 from the Home Office.

In-year, Sheffield will be in receipt of a minimum of £657,000 Asylum Dispersal funding - subject to full in-year occupancy at Regency House. This figure does not

⁴ Funding is fixed for 2022/23 and subject to future review.

account for any further bedspaces created across the city during the remainder of the 2022/23 financial year.

Local authorities have discretion regarding how monies are spent, providing it is *'used to implement and/or bolster services'* for this cohort.

Future Funding

In terms of 'business as usual' procurement, efforts to calculate potential future funding are unreliable, as creation of further bedspaces in the city is dependent on extraneous factors including availability of property, numbers of people seeking asylum in the UK and where they are dispersed to.

The Home Office has raised the need for all local authorities to accept their 'fair share' of those seeking asylum. The outcome of the 'Asylum Transformation Consultation' will determine the future allocation of asylum seekers for each of the UK regions. This in turn, will affect the upper allocation, or 'share' Sheffield can expect to receive, consequently the demand for new bedspaces and therefore the amount of funding.

What Next?

The *'consultation to improve arrangements for asylum accommodation dispersal'* is ongoing. The Home Office have committed to *'continue to work with local government to capture and evaluate data to understand the impact of asylum dispersal on local authorities going forward.'*

Working with relevant services across SCC, along with partners from health and the VCFS, we will make a collective, intelligence-led recommendation about future asylum intake in Sheffield, considering our ability to deliver positive outcomes for this group, alongside the host community.

It is essential to think not only about our ability to respond to future demand, but to also recognise the medium-long term impact of the asylum community on the city, alongside other refugee, and resettlement communities.

The potential impact of this approach on Sheffield is discussed in a separate paper, **Asylum Dispersal Share Plan**.

What Does This Mean for Sheffield?

Historic government policy has meant that asylum has been the 'poor relation' of refugee and resettlement pathways. The immediate funding, along with projected funding during the 2022/23 financial year is a welcome, although tentative, step in redressing this inequity.

People will continue to seek asylum and refuge. They will continue to arrive in our city, whether that be self-directed, or via government routing.

Strategic work is ongoing, with a medium-long term horizon, about how best the city can respond effectively to those seeking asylum and refuge in the city.

Ensuring a good quality, consistent and effective response is vital to our collective success. We need to be positioned to support inclusivity, empowering individuals, and families to become part of the Sheffield community, able to contribute positively to the social and economic fabric of the city.

How Might Funding be Utilised?

Clearly this requires careful consideration. Although more than £650,000 (£300,000 received to date,) is not a substantial amount in the context of the wider SCC budget, in the context of the VCFS in the city, it is considerable.

As detailed in the **Asylum & Migration Briefing** (July 2022), there is significant ongoing demand in the national and therefore, local asylum estate, along with a significant rate of retention in the city of those granted refugee status.

In addition to considering how we respond to acute demand; we need to take an intelligence-led view of the opportunity afforded by this funding and the prospect for systemic change.

The Migration Business Case, developed in October 2021, details three evidence-based recommendations, pertinent to this discussion:

- **Focus** on how our resources – investment, people and existing services can best be aligned to work more cohesively for the best outcomes for everyone in the city – *regardless of their route of arrival.*
- **Embed** openness, sharing, transparency and collaboration in the forefront of thinking and the way in which we work.
- **Develop** a strategic infrastructure and capacity within SCC for Migration to the city.

We know with certainty, that the quality of our collective response is important in preventing secondary costs to services, the city and people. As we have seen demonstrated in Sheffield, social and economic impacts of failure demand, created by lack of planning and early action can be significant and long-lasting.

The Communities Parks and Leisure Committee are asked to support and endorse the following recommendations.

Recommendation 1

The VCFS, led by City of Sanctuary, VAS and SPRING have identified the value of SCC being positioned to occupy a space of strong city leadership, driving co-ordination and partnership working, as being significantly important to the sector, and pivotal in creating a successful, inclusive city.

Current financial arrangements enable the current Communities Asylum & Migration team function to continue until March 2023, although **no resource is currently allocated to this work beyond this point.**

The Asylum Dispersal Grant offers opportunity to fund continuation of this function for the 2023/24 (and 2024/25) financial year(s). Indicative costs (based on current available figures) are set out below.

			Basic Salary 22/23 (Based on 2% from 21/22 - actuals required)	Overheads	Total Cost
Strategic Lead	G11	SCP46	50,787	66,023	
Strategic Development	G7	SCP27	31,973	41,565	

Officer					
Senior Support Officer (pending recruitment)	G5	SCP15	24,012	31,215	138,803 (1yr) 277,606 (2yrs)

Continuity of posts in this structure require commitment through the General Fund from 2024/25 onwards.

Recommendation 2

Funding could also be made available to VCFS providers who continue to occupy a significant space in providing wraparound support to those seeking asylum as well as those arriving via other resettlement and refugee pathways.

- **Funding for Strategic Partners:** Under the guidance of colleagues in the Voluntary Sector Liaison Team, allocate grants to identified organisations who provide good quality specific / niche services known to benefit those seeking asylum and refuge.

Partners include (but are not necessarily limited to) organisations such as City of Sanctuary who run a ‘drop-in’ advice service for asylum seekers and refugees and the SPRING Partnership, providing a variety of services to those newly granted status in the city.

Initial discussions with both City of Sanctuary and SPRING suggest they would both seek funding in the region of £75,000, to be utilised over a 1 – 3-year period, which could help leverage match funding to promote longer term sustainability.

- **Open Grant Pot:** Under the guidance of colleagues in the Voluntary Sector Liaison Team, host a funding round, inviting bids from a broad group of organisations working for the benefit of the asylum and refugee community.

This would encourage approaches from multiple providers working in the same / similar space. Examples of those who may apply through this route include organisations supporting infrastructure outcomes of those newly arrived to the city e.g. health, housing and so on.

Specific communities seeking to establish themselves may also apply e.g., geographical communities such as those from Hong Kong, Afghanistan and Ukraine as well as inclusion and faith communities. Examples of support may include accommodation for social meetings, food banks offering culturally appropriate food etc.

Both approaches support strategic work noted above to ensuring a good quality, consistent and effective response to those seeking asylum and refuge in the city.

These recommendations support development of capacity to promote strong city leadership, and a stepping-stone towards growth within the VCFS for the benefit of those seeking sanctuary in the city.

Overview

At the time of writing, based on known in-year Asylum Dispersal Grant funding, **Sheffield will be in receipt of a minimum of a minimum of £657,000.**

Indicative expenditure as described above:

Item	Cost
Continuation of SCC Strategic Asylum Function:	
- 2023/24	138,803
- 2024/25	138,803
Strategic Partners:	
- City of Sanctuary	75,000
- SPRING	75,000
Open Grant Pot:	229,394
Total	657,000

This figure does not account for any further bedspaces created across the city during the remainder of the 2022/23 financial year. **It is highly likely that further bedspaces will be created during the remaining period, thus increasing the receipt to the city.**

Conclusion

Asylum and the resulting migration, shapes and impacts on the identity and prosperity of our city. The effects are visible in all aspects of everyday life - in our geographical communities, our schools, places of worship, retail centres and on infrastructure such as housing, health & social care and policing.

This is a complex area of activity which takes place in a much wider, highly complex system. The outcomes impact not only on the specific cohort, but also the wider city and its residents, including economic and social prosperity.

We need to work collaboratively, whilst demonstrating clear direction and collective leadership, placing the foundations for an **integrated, prosperous, inclusive city**. This work contributes directly to a number of our Corporate Priorities, specifically Sustainable Communities and Neighbourhoods as well as Education, Health & Care, Climate Change, Economy and Development.

Beth Storm
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