

# Refugee Council

## Spending Review submission



SUPPORTING AND  
EMPOWERING  
REFUGEES

### Executive Summary

In the year ending June 2020, close to 15,000 refugees acquired leave to remain in the UK, either by gaining refugee status through the UK's asylum system, or after applying through the United Nations High Commissioner for Refugees (UNHCR), and being brought to the UK from another country through one of the UK's refugee resettlement schemes.<sup>1</sup>

In the second half of that period, the usual working of both the UK's asylum system and Government's refugee resettlement programme substantially changed. As part of the Home Office public health response to COVID-19, asylum decision-making has been on hold for the majority of applications, meaning people have been able to enter the asylum system and make an asylum claim, but are waiting on a decision before they can leave the system. Resettlement flights have paused, meaning no newly-resettled refugees have arrived in the UK since March.

While it is important that the UK's asylum and resettlement systems are able to fully restart as soon as it is safe to do so, the asylum system could also be improved if other temporary changes that have been made during the pandemic are made permanent.

It is unfortunate that despite the relatively low numbers of refugees arriving in the UK<sup>2</sup>, and where the State has recognised them as in need of international protection, government spending to support new refugees is inadequate and incoherent.

Existing policy does not achieve its stated aims and refugee-focused legislation has not previously been made in a way that takes account of how other how areas of Government policy and practice interact to affect the lives and prospects of refugees. The 2020 Comprehensive Spending Review is an opportunity to change that.

Most new refugees in the UK are supported by Universal Credit after they first acquire refugee status. This is because they are likely to have arrived in the UK destitute, and require financial support in the first instance to support their integration – through finding secure housing, having enough to live on, and being guided to find a job.

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<sup>1</sup> In the year ending June 2020, 11,116 people were granted asylum, and 3,560 received protection through a resettlement scheme. More than 2,200 also received humanitarian protection or another form of leave following an asylum application. See <https://www.gov.uk/government/publications/immigration-statistics-year-ending-june-2020/how-many-people-do-we-grant-asylum-or-protection-to>

<sup>2</sup> Is it worth comparing to other countries? I was struggling to find the correct dataset – Eurostat had asylum applications, but couldn't find breakdown of decisions.

Yet the transition from asylum support<sup>3</sup> onto mainstream welfare benefits undermines integration. This ‘move on’ period, lasting only 28 days, causes significant personal harm to many refugees, with a social cost of destitution and homelessness for many, and a long-term cost to the state.

During the coronavirus pandemic, the terms of the move-on period were temporarily reworked, meaning refugees have been able to access mainstream welfare benefits before they leave asylum accommodation. This principle could be permanently encapsulated by extending the length of the move-on period to at least 56 days.

In addition, the principle of transitional support, where ‘run-on’ benefits are now part of the transition of people from legacy benefits onto Universal Credit, could also be applied to those moving from asylum support to Universal Credit.

Resettled refugees already receive some transitional protection while waiting for their first benefits payment, and this should be extended to all new refugees in the UK.

At the same time, resettled refugees face problems through other limitations on the social security they receive. Two flagship welfare benefits policies – the two-child limit and the benefit cap – affect large numbers of resettled refugees, yet the stated policy intention of these two rules does not, and cannot, apply to their circumstances, due to the way they arrive in the UK, and the choices open to them.

Reforming these policies would benefit a much wider group of people than just refugees, but would have an extremely positive affect on the people Refugee Council works with.

While the benefit cap and two-child limit undermine refugee integration, it is also true that resettled refugees have access to much greater integration support than those coming through the asylum system, and that both the funding and policy direction in this area in recent years has been very successful.

Resettled refugees are supported on an individual and bespoke basis, with support to access housing, welfare benefits, and other goods and services from the first day they arrive in the country.

Moreover, for those arriving under the Vulnerable Person’s Resettlement Scheme (VPRS), and the incoming UK resettlement scheme (UKRS), support continues over a five-year period, recognising that integration is a long-term process.

The funding and approach that undergird refugee resettlement in the UK should therefore serve as a model for supporting all new refugees in the country, although individuals and families will naturally have different needs.

To properly support refugee integration, and to continue the UK’s excellent recent record on resettlement, the government should commit funding in three broad areas:

**1. It should invest in a national refugee integration service, in conjunction with an extended move-on period of at least 56 days, and legal aid for refugee family reunion. Central features of this service should include up-front grants for new refugees, investment in a tenancy deposit scheme to bolster homelessness prevention, and increased funding for ESOL lessons.**

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<sup>3</sup> Asylum support is the financial and accommodation system that supports people while they are in the UK asylum system.

**2. It should re-evaluate and reform the welfare benefits system, with a focus on how it interacts with circumstances of new refugees, including by abolishing the two-child limit and the benefit cap.**

**3. It should maintain funding at current levels for its new consolidated resettlement scheme, and seek to expand it into a long-term commitment of resettling 10,000 refugees every year, from 2021 onwards.**

A full breakdown of the additional spending this would entail is set out at the end of the document, but amounts to a little over £2.5 billion. Committing this money would start to bring coherence to the UK's asylum and resettlement approach, and ensure funding was being used to further integration goals.

Ensuring that funding is focused, joined-up and strategic is important at this time, when many services that support refugees across the country are coming to an end as the UK's access to the EU's Asylum, Migration, and Integration Fund (AMIF)<sup>4</sup> ends from 2022.

Since 2014, this large fund allocated over £500 million to the UK for its priorities on migration and integration, and funded a wide range of both third sector and government spending on refugees and people in the asylum sector.<sup>5</sup>

The UK must allocate spending to cover this loss, but this change also presents an opportunity to rationalise Government spending on refugee support and integration.

## **Support for immediate and long-term integration of refugees**

### **Extending the 'move-on' period**

From the point at which an asylum claim is successful, new refugees are placed in a situation that is harmful for their immediate wellbeing and integration, and undermines their long-term prospects. In the first instance, they are at immediate risk of destitution and homelessness, because of a lack of access to secure housing, and the high likelihood of gaps in the receipt of welfare benefits.

These effects have been outlined in reports going back many years, from a range of organisations working with newly-recognised refugees, including Refugee Council,<sup>6</sup> British Red Cross,<sup>7</sup> NACCOM,<sup>8</sup> and others.

One of the common findings of these different reports is that the 'move-on' period, during which refugees transition from the asylum system into mainstream support services, is far too short. Ending Home Office-provided housing and subsistence support after only 28 days means it is almost inevitable that large numbers of refugees will be evicted without new support in place.

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<sup>4</sup> [https://ec.europa.eu/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund\\_en](https://ec.europa.eu/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund_en)

<sup>5</sup> For a full list of actions allocated funding up until 31 July 2020, see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/904107/AMIF\\_Project\\_List\\_31\\_July\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904107/AMIF_Project_List_31_July_2020.pdf)

<sup>6</sup> [https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Refugees\\_without\\_refuge\\_September\\_2017.pdf](https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Refugees_without_refuge_September_2017.pdf)

<sup>7</sup> <https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/improving-the-lives-of-refugees/refugee-move-on-period>

<sup>8</sup> [https://naccom.org.uk/wp-content/uploads/2018/10/NACCOM-Homelessness-Report\\_2018-10-24.pdf](https://naccom.org.uk/wp-content/uploads/2018/10/NACCOM-Homelessness-Report_2018-10-24.pdf)

Finding new accommodation and accessing welfare benefits in this time is extremely difficult – and in policy and practical terms it is out of line with a 35-day waiting period for an initial payment made under Universal Credit, and the 56-day period in which someone can be deemed as being ‘threatened with homelessness’ under the Homelessness Reduction Act.

The government should provide funding so that asylum support and accommodation continues for at least 56 days after a successful asylum claim, or until the first regular welfare benefits payment has been received and long-term accommodation secured.

Although this would incur an additional cost to the asylum support and accommodation budgets, it would allow a fairer transition to mainstream housing and benefits, and would better fulfil the UK’s protection obligations.

Moreover, the pause on cessation of asylum support and accommodation that was brought in in response to the COVID-19 pandemic, which meant people could also receive asylum support payments up until receipt of their first Universal Credit payment, has already shown that there are no practical or logistical barriers to implementing this change.

It has also been shown that an initial increase in spending in this area would later be recouped. Recent research from British Red Cross estimates that a 56-day move-on period would actually provide a net saving to the state of £7 million per year.<sup>9</sup>

Their cost-benefit analysis shows that, by ensuring refugees are better supported during the period immediately after they acquire refugee status, significant and social and economic savings would be made through a number of outcomes such as reduced use of temporary accommodation, and an increase in employability amongst new refugees.

### **National refugee integration services**

This longer move-on period should be part of a wider focus on integration, ultimately with the introduction of a national integration service for refugees.

This service would provide housing, benefits, and employment advice, mirroring the integration support that was provided under the UK’s global resettlement scheme, including providing an initial upfront grant to support people while they wait to secure longer-term income. Based on the last year’s asylum grant figures, funding for this grant would be approximately £3.4 million per year.<sup>10</sup>

Currently, new refugees who have a positive decision on their asylum claim receive limited support in this area, amounting usually to booking an appointment at the job centre. This lack of up-front support self-defeating, undermining the ability of vulnerable people to integrate, and meaning that while they may be officially protected, they are not fully supported to rebuild their lives.

### **Access to the Private Rented Sector**

Alongside funding for housing advice as outlined above, the service should encompass a tenancy deposit scheme to support new refugees seeking to access the private rented sector (PRS), by providing grants for a deposit.

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<sup>9</sup> For the full report, see <https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/improving-the-lives-of-refugees/refugee-move-on-period>

<sup>10</sup> Refugees arriving through the VPRS currently receive an up-front grant of £300 per person, to provide for their living costs between arrival and the receipt of their first welfare benefits payment.

For any new refugees who is not in priority need for the purposes of being housed by a local authority, the PRS is often the only long-term housing option available to refugees, yet the up-front cost of a tenancy deposit is a barrier that makes it unaffordable.

For new refugees who have been living on approximately £37 per week – to cover their essential living needs – and who are not allowed to work while in the asylum system, it is impossible to save up the many hundreds of pounds needed for a tenancy deposit.

The cost of the scheme would be approximately £12 million annually, if, based on 2019's asylum grant figures, all newly-recognised refugees were to access this service.<sup>11</sup> In reality the numbers involved would be lower because some refugees are housed by the local authority, in social housing without tenancy deposits.

The other barrier to accessing the PRS is the level of Local Housing Allowance (LHA), which means that many refugees cannot find housing with rents at that level. While it was hugely welcome to see LHA raised to the 30<sup>th</sup> percentile in response to the COVID-19 pandemic, this still means too few properties are available.

Government should raise LHA to the fiftieth percentile of local market rents, a call that is backed by a range of homelessness organisations including Crisis.

#### **Funding for English language learning**

Integration support should also be connected to funding for ESOL (English language) lessons, which for an annual cost of £42 million would guarantee every new refugee (both resettled and those arriving through the asylum system) with 8 hours of learning per week, for the first two years after they have status in the UK.<sup>12</sup> Many refugees will not need ESOL lessons, but for others it is a necessity.

Being able to speak English is clearly vital for the integration of anyone arriving in the UK, yet too often provision is lacking in certain geographical areas, or new refugees can only access a small number of hours each week, hindering their ability to become competent and then fluent. Support in this area cannot be left to chance, and the government should ensure all refugees can access the learning they need.

#### **Refugee family reunion and legal aid**

Finally, refugee family reunion, which allows recognised refugees in the UK to bring certain relatives to live with them in the UK, is a vital way to support refugee integration, yet the process that refugees undertake is not funded by legal aid.

Joint research from Refugee Council and Oxfam GB found that the vast majority of refugees who were able to be reunited with close family members were then able to start to integrate more quickly and more easily.<sup>13</sup>

Government should recognise this vital integration tool and bring refugee family reunion back within the scope of legal aid; when it was last costed before it was brought out of scope under the Legal

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<sup>11</sup> This figure has been calculated using the national average cost of a deposit as of March 2019, based on figures from the Tenancy Deposit Scheme. See:

<https://custodial.tenancydepositscheme.com/public/support/statistical-briefing-2019-final-interactive.pdf>

<sup>12</sup> See <https://www.refugee-action.org.uk/wp-content/uploads/2019/06/Turning-Words-into-Action.pdf>

<sup>13</sup> 'Safe but not Settled: The impact of family separation on refugees in the UK

[https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Safe\\_but\\_not\\_settled.pdf](https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Safe_but_not_settled.pdf)

Aid, Sentencing, and Punishment of Offenders Act, the overall annual cost was approximately £5 million per year.<sup>14</sup>

## **Welfare benefits**

New refugees in the UK, whether they have arrived through a resettlement scheme, or gone through the asylum process, invariably and unavoidably claim welfare benefits to support themselves in the short-term.

Most have no savings or support networks, and face barriers to finding employment quickly because of a lack of English, work experience, and relevant qualifications. Welfare benefits allow them to be housed, clothed, and fed, supporting them in the first steps towards integration.

The Refugee Council therefore welcomed the Treasury's decision – in response to the COVID-19 pandemic – to increase the monthly standard allowance for people over the age of 25 to £409.89, temporarily until March 2021.

However, that increase should now be made permanent, to ensure that Universal Credit better supports people during a period of significant uncertainty in terms of employment and economic stability.

### **The benefit cap and the two-child limit**

Unfortunately, too many refugees face large shortfalls in their support because they find themselves subject to the benefit cap, the two-child limit, or both restrictions.

It is common amongst clients of Refugee Council, particularly resettled refugees, to find themselves subject to the benefit cap as soon as they arrive in the UK, due to the cost of housing, even though they have had no choice over where they live.

Large and increasing numbers are also subject to the two-child limit, despite having had children in another country, without the policy existing there to influence their choices.

There are no public figures on how many resettled refugees are subject to the benefit cap or two-child limit, but the Home Office holds this data.

Our contribution to the 2019 report, *All Kids Count*,<sup>15</sup> noted that

'Successful integration relies on a number of factors - and financial security and social connections are vital ones. The two-child limit critically undermines these aspects of refugees' lives and weakens the foundation upon which they rely to rebuild their lives in the UK.'<sup>16</sup>

It also recognised that the two-child limit is harmful to a wide range of families beyond those who are refugees, and should be abolished. According to the IFS, the cost of this would ultimately rise to approximately £2 billion per year, if the policy were to be reversed in full.<sup>17</sup>

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<sup>14</sup> Hansard HL, Vol 734, Col 678 (18 January 2012)

<https://publications.parliament.uk/pa/ld201212/ldhansrd/text/120118-0003.htm>

<sup>15</sup> See <https://cpag.org.uk/sites/default/files/files/All%20Kids%20Count%20report%20FINAL.pdf>

<sup>16</sup> Ibid, p. 45.

<sup>17</sup> <https://www.ifs.org.uk/publications/13804>

Similarly, Refugee Council has outlined in previous evidence to the Work and Pensions Select Committee, how refugees are regularly subject to the benefit cap, and how this impedes integration, and undermines their ability to progress in their lives.<sup>18</sup>

Refugees, alongside many other groups identified by the Committee's report, are not in a position to make themselves exempt from the benefit cap, because they are often not able to start work straightaway, and those who have been resettled have had no choice over where they live.

The Committee's report recommended exempting a high proportion of those currently affected by the cap – approximately 82% of that group of claimants, and Refugee Council has previously proposed a one-year exemption for all new refugees.

This proposal was made on the basis that this group are often not in a position to exempt themselves from the cap through working the required hours immediately after acquiring refugee status, because of the many barriers that they face to employment.

One of the most pressing barriers to employment for refugees is a lack of proficiency in English. It is for this reason that we urge the government to commit the funding outlined above for properly resourced ESOL provision, which would empower refugees to have improved access to the UK labour market.

Given that the Committee's report also focused on claimants who were not in a position to make themselves exempt from the cap, we believe it would be fairer and more practical to simply abolish the benefit cap altogether, at the cost of approximately £200 million per year.<sup>19</sup>

## **Long-term funding for refugee resettlement**

Refugee resettlement has a long and successful history in the UK. The first regular programme was the Gateway Resettlement Programme which started in 2004, with a target in recent years to resettle approximately 750 people per year.

Since 2015, there has been a commitment to much larger numbers of refugees, with the onset of the five-year Vulnerable Person's Resettlement Scheme (VPRS), which committed to resettle 20,000 people from the Syrian conflict by 2020. This target was about to be met before the coronavirus pandemic meant that all resettlement flights were paused.

Through a follow-on scheme to VPRS and Gateway, the government has also committed to resettling another 5,000 refugees via its new consolidated UK resettlement scheme in 2020-2021.<sup>20</sup>

The principle of a consolidated scheme allows resettlement to meet need wherever it is in the world, and we are pleased that funding is being maintained at the levels currently provided through VPRS.

However, the refugee sector and local authorities, who are both key stakeholders in delivering refugee resettlement, now need an ongoing funding commitment in order to plan resources and allocate budgets.

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<sup>18</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/benefit-cap/written/88754.html>

<sup>19</sup> As costed in the Work and Pensions Select Committee's report:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1477/full-report.html>

<sup>20</sup> <https://www.gov.uk/government/news/new-global-resettlement-scheme-for-the-most-vulnerable-refugees-announced>

The lack of a long-term funding commitment heightens the risk that local authorities who have previously engaged with resettlement will no longer be able to, simply because their long-term budgeting processes do not cohere with the short-notice decision-making of the Home Office.

Furthermore, the closer that resettlement services come to the end of the one year of funding that is committed, the more likely that services will be wound down or disrupted unnecessarily. Refugee Council believes that the UK should seek to resettle 10,000 refugees each year, on an ongoing basis, which would be the equivalent of 15 refugees per parliamentary constituency.

Latest figures from UNHCR suggest that in 2020, 1.4 million people need access to resettlement, an 80% increase since 2011. However, in 2019 only 107, 800 were resettled globally.<sup>21</sup> Committing to resettling 10,000 people each year is well within the country’s capacity, and would rise to an annual cost of £300 million after five years, based on the current budget for VPRS from 2015-2020.<sup>22</sup>

In doing so, the UK would cement its reputation as a world leader in refugee resettlement, and would continue to make good use of the important infrastructure, skills, and knowledge, that have been built up and acquired over the lifespan of VPRS.

It would also provide an opportunity to engage local authorities who to date have not engaged in refugee resettlement, but who are willing to build on this experience and political commitment.

## Conclusion and final costings

Under the 1951 Refugee Convention, to which it is a signatory, the UK is obliged to provide protection to those who need it and who have made an asylum claim within the country. The UK has also made a firm humanitarian commitment to resettle thousands of refugees each year through UNHCR processes.

However, to fully realise these dual pledges, Government needs sufficient investment and functioning policy to ensure refugees are able to restart their lives. This means investing more generously in integration services for refugees, recognising that welfare benefits policy should fully support those who need it, and maintaining our leading resettlement record.

Below we set out the investment required to make this a reality. The Refugee Council would be happy to discuss any element of this submission in more detail, including where savings could be made through reform of the asylum system, an area not covered in this document.

Policy	Cost (£m)
Support grants for all newly-recognised refugees	3.4
Refugee tenancy deposit scheme	12
ESOL	42
Legal aid for refugee family reunion	5
Abolition of two-child limit	2,000 (rising to)
Abolition of benefit cap	200
Annual resettlement of 10,000 refugees	300 (rising to)
<b>TOTAL</b>	<b>2,562.4</b>

<sup>21</sup> <https://www.unhcr.org/globaltrends2019/>

<sup>22</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/705155/VPRS\\_Final\\_Artwork\\_revised.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705155/VPRS_Final_Artwork_revised.pdf)