



BY EMAIL ONLY

27 January 2022

Dear Ms Lorenz

This letter is to inform you of the outcome of the Home Office's 2021 review of the financial allowances provided to support destitute asylum seekers and failed asylum seekers under section 95 and 4(2) of the Immigration and Asylum Act 1999 ("the 1999 Act").

As part of the review, we invited members of the support sub-group of the National Asylum Stakeholder Forum to share their views on the level of the allowance. Thank you to the organisations who provided responses, these have been carefully considered.

After careful consideration I have decided the standard weekly level of the allowance will be increased from £39.63 to £40.85 for each supported person (i.e. the individual supported under section 95 or section 4(2) of the 1999 Act and any dependants in their household). This letter provides the reasons for those changes.

Background

The UK has a statutory responsibility to provide accommodation and other support to asylum seekers and some classes of failed asylum seekers who would otherwise be destitute in order to cover their essential living needs (the legal test set out in section 95 of the 1999 Act)

In 2014 the Home Office developed a methodology to assess the correct level of financial support which should be provided to meet this test. Full details of the methodology can be found in the reports published on GOV.UK: [Report on review of cash allowance paid to asylum seekers - GOV.UK \(www.gov.uk\)](#).

In basic terms, the approach has been to identify all needs of an average asylum seeker which are considered essential and are not met in some other way and calculate the average cost of meeting those needs¹. The table below sets out each need considered essential and the amounts of cash assessed as necessary to meet each of those needs as a result of the 2020 review:

¹ Those with needs above those of the average individual are able to apply for additional support exceptionally.

Categories of “need”	Cost
Food and non-alcoholic drinks	£26.89
Toiletries	£0.69
Non-prescription medicines	£0.35
Laundry/toilet paper	£0.43
Clothing and footwear	£3.01
Travel	£4.70
Communications	£3.56
Subtotal	£12.74
Total	£39.63

The 2021 review

We have carefully considered the appropriate means of adjusting the current £39.63 per week allowance in order to reflect changes in the costs of living since 2020. After careful consideration, it has been decided the allowance should be uprated by applying the September 2021 rate of Consumer Price Index (CPI) of 3.1%. CPI reports are produced by the Office for National Statistics and use recognised economic principles to measure increases in the cost of living.

Further, the use of the CPI rate for September of the relevant year is a common public sector method used to adjust mainstream benefits and other social entitlements to take account of rises in costs of living.

Applying the 3.1% CPI rate for September 2021 to the current allowance of £39.63 results in an increase to £40.85.

Supporting those in full-board initial accommodation facilities

Individuals living in full-board initial accommodation are currently issued a weekly payment of £8.00 to cover essential living items not met by their accommodation provider (clothing, non-prescription medicine and travel).

This £8.00 allowance will also be raised in line with the 3.1% CPI rate for September 2021, resulting in an increase to £8.24. Needs related to other essential items will continue to be met by the accommodation provider under existing contractual arrangements.

I trust this is helpful in setting out this year’s review and its conclusions. To ensure we are providing the right level of support to asylum seekers and failed asylum seekers and their families, we will continue to keep the adequacy of the payment rates under review and in line with the statutory test.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Foster", with a large, sweeping flourish above the letters.

Kevin Foster MP
Minister for Safe and Legal Migration