

CONFIDENTIAL

# 10 DOWNING STREET

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FILE TITLE: IMMIGRATION AND ASYLUM		SERIES: HOME AFFAIRS
		PART: 2
PART BEGINS: 6 OCTOBER 2001	PART ENDS: 22 NOV 2001	CAB ONE:

Labour Administration

*Part closed*

*PREM 49/2023*

CONFIDENTIAL

PART

CLOSED

DATE CLOSED	22 NOV 2001
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Series : HOME AFFAIRS

File Title : IMMIGRATION & ASYLUM

Part : 2

Date	From	To	Subject	Class	Secret
08/10/2001	HO	FA/APS	Meeting of States Parties to the 1951 Convention Relating to the Sta	U	0
10/10/2001	PD(JR)	HO	Asylum and Immigration Bill	R	0
11/10/2001	PUS/HO	FCS	Proposal for a Council Regulation establishing the criteria and mech	U	
15/10/2001	PM	Swiss/Pres	(H) 1951 Convention relating to the Status of Refugees and/or the 19	U	
17/10/2001	LCD	PD(JR)	Asylum and Immigration Bill	U	
17/10/2001	PD(JR)	PM	Asylum Support	R	0
19/10/2001			Asylum Policy, Procedures and Facilities for a Managed System	R	0
19/10/2001	PD(JR)	HO	Asylum	R	
19/10/2001	HS	DPM	Managed Migration	U	0
19/10/2001	PD(JR)	PM	Asylum Centres	R	0
19/10/2001	HS	PM	Asylum Policy	C	0
19/10/2001	PD(JR)	PM	Managed Migration	R	
19/10/2001	PD(AB)	PM	Eurotunnel and Sangatte	R	
19/10/2001	Cab Off	PM	Asylum	R	0
22/10/2001	PD(OM)	HO	Managed Migration	R	
22/10/2001			Note on ECHR extradition considerations	U	0
23/10/2001	PPS	HO	Asylum	C	0
23/10/2001	PD(JR)	HO	Asylum Accommodation Centres	R	
23/10/2001	ss/dttr	DPM	Managed Migration	U	
24/10/2001	SS/DEFRA	HS	Managed Migration	U	
24/10/2001	SS/WAP	HS	Managed Migration	R	
24/10/2001	SS/DCMS	HS	Proposals for Economic Migration	U	
25/10/2001	EU/PS	FCO	Successor to the Dublin Convention	R	
25/10/2001	HS	SS/WAP	Managed Migration	U	
25/10/2001	SS/DoH	HS	Managed Migration	R	
26/10/2001	FCS	HS	Asylum, Immigration and Citizenship	R	
26/10/2001	HO	PD(JR)	Asylum - Accommodation Centres	U	
26/10/2001	SS/SO	DPM	Overhaul of Asylum, Migration and Citizenship Systems	U	0
26/10/2001	PD(JR)	PM	Home Secretary's Statement on Asylum - Monday 29 October	R	
29/10/2001	SS/DFID	HS	Managed migration	U	
29/10/2001	dpmo	HS	Asylum, Migration and Citizenship	R	
30/10/2001	EU/PS	PM	Second Meeting of the Cross-Channel Commission	U	
30/10/2001	HMT	PD(JR)	Asylum Accommodation Centres	U	
06/11/2001	PD(JR)	LCD	Asylum Appeal Decisions	U	
06/11/2001	LCD	PD(JR)	Asylum Accommodation Centres	U	0
07/11/2001	PUS/HO	FCS	New Proposal for a Council Regulation on Uniform Format for Visas	U	0
08/11/2001	HOL	PD(JR)	Asylum Appeal Decisions	U	
09/11/2001	PD(JR)	PM	Asylum appeal decisions - Delivery in person	R	
09/11/2001	PD(JR)	PM	EU asylum and immigration policy	R	
12/11/2001	PD(JR)	LCD	Delivery of asylum decisions in person	C	
14/11/2001	PD(JR)	PM	Meeting on EU Asylum Policy	R	
14/11/2001	SS/DCMS	HS	Managed Migration	U	0
16/11/2001	PM	France/PM	(H) - Illegal Immigrants and SNCF Freight Service	U	0
20/11/2001	HS	CST	Asylum reserve claim - home office contribution	C	
22/11/2001	SS/WAP	HS	Managed Migration	U	



0171 238 0665

# DEPARTMENT FOR WORK AND PENSIONS

*from the Secretary of State*



Richmond House • 79 Whitehall • London SW1A 2NS

Telephone: 020 7238 0800 • email: Ministers@ms42.dss.gsi.gov.uk • www.dss.gov.uk

SOS/01/0300

Rt Hon David Blunkett MP  
Home Secretary  
Home Office  
Queen Anne's Gate  
London  
SW1H 9AT

*DMC*  
*EG JR*  
*JH*  
*CO*  
*EC*

**MATRIX**

22 November 2001

## MANAGED MIGRATION

I have seen your response of 25 October. My officials will be happy to continue to work with yours to ensure that our labour market objectives are taken fully into account.

I do appreciate you responding so promptly. I'm sure that we would both agree that it is not ideal to make policy based on our suspicions arising from visits to London restaurants!

I understand the pressures in this area and fully support the work you are driving forward to achieve sensible and just results. However, it is vital that developments in this area are entirely consistent with our objectives and policies aimed at making work a real choice for everyone in our society.

In my earlier letter I said that there wasn't a general problem of shortages. Shortages of unskilled workers in places like London and



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the South-East arise primarily from recruitment problems, not supply. I readily accept that there is a reluctance in some areas to join the labour force, but supply, in itself, isn't the problem. Indeed, there already exists a wide range of sources of labour available to UK employers. These most obviously include the unemployed and other groups that we are helping to participate in the labour market through our welfare to work policies. In addition to this are the enormous numbers of jobseekers throughout the European Union who are free to work in the UK. Existing migrants in the UK represent a further source that employers might also make fuller use of.

The problem is not therefore one of labour shortages. Rather, our priority must be to ensure that existing sources of labour are fully employed and not wasted. This is our primary economic objective, reflected in policies to help people into work, to promote lifelong learning and to encourage employers to consider all sources of labour when recruiting. We might also look to do more to help those migrants already in the UK into work, say through English language training.

There may be a case for considering a reasonable and balanced expansion of labour supply through migration. This might reflect economic and humanitarian reasons. However, this involves a number of difficult issues. There would, for example, seem to be practical concerns over how a low skilled migration route based on individuals filling particular jobs would actually be delivered effectively. Further discussion, is therefore, required. I have asked that my officials work jointly with your Department on this important issue, and report back to both of us.

0171 238 0665



I am copying this to the Prime Minister, members of DA Committee, to Jack Straw, Clare Short and Sir Richard Wilson.

*Yours*

*Ad*

**ALISTAIR DARLING**



# Home Office

Home Secretary

The Rt Hon Andrew Smith MP  
 Chief Secretary  
 HM Treasury  
 Parliament Street  
 London SW1

20 November 2001

*Omc*  
*cc: M*  
*JH or*  
*PD*  
*JN*

Dear Andrew,

## ASYLM RESERVE CLAIM - HOME OFFICE CONTRIBUTION

I gather that our officials have been discussing the likely overrun this year on our asylum budget. However your officials have not felt able to move from the position you took in August on access to the Reserve despite repeated explanations of why we cannot offset the costs elsewhere in our budget. We need to reach an agreement on this quickly since we are now only four months from the end of the financial year.

The overrun on asylum costs is a direct result of the conscious decision at the time of SR2000 to make realistic provision for asylum only in 2000-01 and to revert to unrealistic figures for later years. As was well know at the time, the pressures are largely demand led so there were strong arguments for classifying the spending as AME (like the rest of social security). Both my predecessor and I have strongly opposed its classification as DEL but, wherever it is put, there is no case for cutting back other services to accommodate it. You have now accepted this logic by arguing for a ring fenced budget for immigration from next year.

The suggestion you made in the summer that I should find savings of 1% of the Home Office DEL (£96m) to contribute to the asylum claim is (as you must have realised) both wholly unrealistic and perverse. The idea that you can lever up performance this way is ridiculous. The drivers to improvement are the planned changes to the system backed by firm and effective legislation, not financial penalties. Making unplanned cuts in other essential services late in the year will downgrade performance in a major way.

We are, as you know, in discussions in relation to the enormous costs now being borne by the police service post 11 September (particularly by the Metropolitan Force). As can be seen from the leaked figures from the Met at the end of last week which appeared in the Evening Standard, worryingly, these extra pressures on the police may put at risk the improvements that have been made in reducing crime. Also, given that I cannot cut the prison budget because the prison numbers are rising, I cannot reduce the broader criminal justice budget which would undermine all our targets in relation to the courts, and I cannot in all conscience destroy what remains of the budget for the voluntary sector. This simply leaves taking money from the police service at a

RESTRICTED - POLICY

time when we all agree that they need more and not less resources. I do not think that it takes a genius to work out the political consequences.

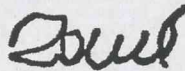
As I mentioned in my letter of 29 June, we shall be doing very well to absorb and manage other pressures I inherited when I took up office for example on criminal injuries compensation and on IT crime. These run well over £100m but we hope with some flexibility on capital to manage those. We do not bring all our problems to you.

But this is placing severe pressure on our budget. I cannot find 1% from within the DEL without making devastating cuts to core programmes and services which are at the heart of our delivery priorities. The fact is that police grants account for about 50% of all our provision and you have already accepted that we need extra funding there post 11 September. A further £900m is for asylum and there are no savings to be got there. Criminal Injuries Compensation is running well over budget (and is effectively demand determined).

We are some way into a programme of real change, and are totally committed to delivery. We value the financial support you have offered in the past. However we do not need artificially created financial penalties, or perverse incentives, in order to deliver. We need to pay for contracts and services and work on improving the system to ensure value for money in the long term. I hope therefore you will agree to meet the excess on the asylum budget (including essential IT) from the Reserve.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Lord Chancellor and to Sir Richard Wilson.

Best wishes.



DAVID BLUNKETT





01296 625431



10 DOWNING STREET  
LONDON SW1A 2AA

*FAVEL*  
*To: Mr Jossé - Paris 17/11*  
*fb.*

THE PRIME MINISTER

16 November 2001

*Dear Lionel,*

I just wanted to drop you a quick line about illegal immigrants on the SNCF freight service through the Channel Tunnel.

We were very pleased when, in September, we were able to stop applying penalties to SNCF because it had an effective system in place for preventing clandestines. I want that situation to continue.

Unfortunately, the numbers of clandestines getting to the UK on SNCF services has leapt up in recent weeks - 438 arriving in the last four weeks, with numbers exceeding 50 on some nights.

SNCF have suspended most freight services as they seek to deal with the security problems. We very much hope, in the interests of UK and French firms (including SNCF itself), that services can resume soon. But we also hope that, when they do, effective security measures are in place. If numbers once again rise to high levels, it will be hard for us to continue not applying the civil penalty.

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- 2 -

We appreciate SNCF's current efforts to revisit security and are willing to help. We have offered to bring forward a meeting between our officials and SNCF. I hope your officials will accept the offer. And my officials are willing to visit Frethun as soon as this can be arranged.

*Yours ever*

*Tom*

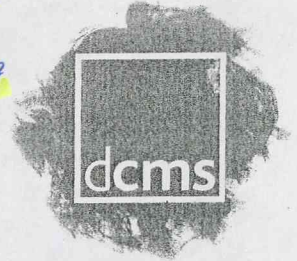
M Le Premier Ministre Lionel Jospin

MATRIX

C01/07201/DC

The Rt Hon David Blunkett MP  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1H 9AT

14<sup>th</sup> November 2001



Dear David,

**MANAGED MIGRATION**

I have seen a copy of your letter of 25 October to Alastair Darling and note that you decided not to announce your proposals on economic migration to the House on 29 October and that development on this will now be at official level.

..... To add to what I said in my letter of 24 October (copy enclosed for ease of reference), I welcome the proposals as basic skills training can only benefit all concerned. As you know, this is something I am particularly concerned about in the tourism and hospitality industry. I would therefore like to flag up my Department's interest in the three initiatives proposed for lower skilled migrants in relation to the tourism industry.

My officials would wish to be fully involved in working with yours, and those of other interested Departments, on developing the proposals, particularly where they affect tourism. I would be grateful therefore if you could ensure that contact is established.

▶ I am copying this letter to the Prime Minister, Members of the DA Committee, Jack Straw, Clare Short and Sir Richard Wilson.

Yours  
Tessa

TESSA JOWELL



C01/18609/06339/pa

The Rt Hon David Blunkett MP  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
London  
SW1H 9AT



24<sup>th</sup> October 2001

*Mrs David*

You wrote to John Prescott on 19 October, seeking DA agreement to proceed with your proposals for economic migration.

As you know, my Department has a particular interest in this in terms of improving quality and service in the tourism and hospitality industry. Earlier this month, I hosted a 24-hour tourism seminar with industry leaders in order to discuss some of issues facing the longer-term strategic development of the industry, following the effects of the foot and mouth outbreak and the tragic events in America on 11 September. We agreed to follow a fresh approach to quality standards and training and skills in the sector, which we hope will lead to a higher skilled workforce and drive up standards for quality across the industry. I hope that the Highly Skilled Migrant Entry Programme will play a part in this process.

You have rightly identified hospitality as a sector which has faced chronic recruitment difficulties for several years. Hospitality vacancies account for 14% of all vacancies reported to job centres in Great Britain. It has a demand for low-skilled, seasonal employees but also shortages in the critical technical/craft and managerial skills. Any measures which will help to address these problems will be welcomed but it is also important to stress that we don't just want to fill vacancies at any cost. We also want to raise standards and therefore it is key to get the right person into the job.



As part of the Government's Adult Basic Skills strategy, my Department is also working closely with DfES to develop proposals for tackling the literacy and numeracy needs of those working in the hospitality sector. We recognise that many of those working in the sector are doing so illegally and as a consequence are not eligible for support under the current Adult Basic Skills programme. I therefore welcome the three initiatives proposed for lower skilled migrants which will allow more people to take up basic skills training, leading to improved productivity within the sector. I look forward to seeing further details of your proposals in the White Paper early next year, but in the meantime, I am happy for you to proceed on the basis that you have indicated.

- ▶ I am copying this to the Prime Minister, John Prescott, Members of DA Committee, Jack Straw, Clare Short and Sir Richard Wilson.

Yours  
Tessa

TESSA JOWELL

**From:** Justin Russell

**Date:** 14 November 2001

**PRIME MINISTER**

**cc:** Jonathan Powell  
Andrew Adonis  
Jeremy Heywood  
Olivia McLeod

**MEETING ON EU ASYLUM POLICY**

You are meeting with David and Jack at 4.30pm tomorrow afternoon to discuss EU asylum and immigration policy and what we can get out of Laeken. (David is flying off to a JHA preparation meeting tomorrow evening).

I attach a paper prepared by Stephen Wall's people which sets out the key issues you need to cover with them. Our basic problem is that not much progress has been made on the Tampere agenda in this area. Deadlines have been missed and the package under negotiation will not deliver what you want (e.g. it will not enable us to return all asylum seekers arriving through the tunnel from Sangatte to France).

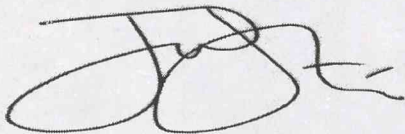
Stephen is increasingly of the opinion that piecemeal improvements won't deliver what we need. He feels that it may be that the only way we can achieve a real reduction in the burden on the UK is through a rapid move to a proper common EU asylum system with agreed quotas that ensure that this burden is properly shared with other member states. **I recommend that you invite David to clarify what has already been agreed in this area and then work through the following questions in the paper:**

- What trade-offs do we need to offer other EU states to persuade them to accept measures that will reduce the burden on the UK?
- How can we make sure the EU actually meets the deadlines it sets?
- Would a move to QMV help unblock progress?

- Should we be pushing actively for burden sharing – ie agreed quotas of asylum applicants for each Member State - to cap the demands on the UK system?
- Should we be moving now to a proper common EU asylum system – with common EU wide procedures, minimum standards of support and agreed quotas to completely eliminate any incentive for applicants to shop around?

I also attach a note from the Home Office on QMV on asylum and immigration which you may find helpful.

**You may also want to ask David and Jack if there has been any further progress on the Article 3 issue in relation to the deportation of suspected terrorists.** When you met them on 9 October it was agreed that the FCO should continue to explore whether agreement can be reached on Article 3 guarantees for returning suspected terrorists to Egypt, Algeria, Jordan and Morocco. (You offered to talk to Mubarak yourself about this). The FCO were also supposed to continue exploring the potential for deporting suspects to UK Dependent Territories and Jack and David offered to look at the potential for an amendment to Article 3 through the Council of Europe.



JUSTIN RUSSELL

## EU asylum policy: Some Key Issues

### **We need to get further progress on EU asylum measures**

- Agreed at Tampere that we should take forward:
  - **successor to Dublin on which country processes which asylum seeker.** We want better procedures for returning asylum seekers, including to EU countries through which they have transited. At present we cannot return asylum seekers to a country – like France - in which they have been illegally present;
  - **common definition of a refugee.** This should ensure that our courts cannot refuse to return asylum seekers to France, Germany, or any other EU country.
  - **minimum reception conditions and asylum procedures.** This should discourage asylum shopping, and by bringing up standards in other countries, make the UK relatively less attractive.

But we have already missed several April 2001 deadlines. Negotiations are progressing too slowly and it is not even clear that the package which is being suggested (eg the revised Dublin Convention) would significantly reduce the burden of unfounded asylum seekers coming to the UK.

It's clear we must move away from looking at asylum measures in isolation which has only led Member States to take entrenched positions. (What's in it for them to reduce the burden on the UK if it means an increase in their own asylum costs or asylum seekers?)

### **We need more rapid and more ambitious progress. In particular we should be asking:**

- What trade-offs do we need to offer other EU states to persuade them to accept measures that will reduce the burden on the UK?
- How can we make sure the EU actually meets the deadlines it sets?
- Would a move to QMV help unblock progress?
- Should we be pushing actively for burden sharing – ie agreed quotas of asylum applicants for each Member State - to cap the demands on the UK system?



- Should we be moving now to a proper common EU asylum system – with common EU wide procedures, minimum standards of support and agreed quotas to completely eliminate any incentive for applicants to shop around?

### Trade-offs

We will need to offer meaningful trade-offs to buy the support of other MS. These might include:

- **financial burden sharing.** Partial EU funding of the asylum process (perhaps related to the number of asylum seekers each Member State has to take);
- **increased joint participation in EU border security measures and border controls. Partial EU funding of border controls;**
- increased joint work returning failed asylum seekers;
- **burden sharing of asylum seekers**

**Clearly these trade-offs need to be worth it – i.e. they must deliver a worthwhile result for the UK in terms of a reduction in the number of unfounded asylum applications**

### **Bu how far are we willing to go with trade-offs?**

- (Understandably) Home Office paper unspecific on what exact trade-offs we would envisage and where we draw the line;
- Would we ultimately be willing to participate in an EU border force?
- Would we be willing to agree to take some legal migrants from an EU quota if it helped secure EU readmission agreements? Would we be willing to see EU funds or trade preferences made conditional on readmission agreements?

### Deadlines

#### **We need tough new deadlines to be agreed at Laeken**

We should propose a June 2000 deadline for the key asylum measures, Eurodac (fingerprinting asylum seekers), and several readmission agreements and we should consider moving forward the deadline for a move to a proper common EU asylum system.

**How do we ensure EU actually meets any new deadlines it sets?**

- much more intensive negotiating process – e.g. taking these issues out of working groups as has happened with the EU terrorism measures;
- making one individual per Member State responsible for progress;
- trying to introduce a “countdown” to a common European asylum system (rather like the 1992 Single Market programme)

### QMV on asylum issues

But we also need to deliver EU political will in favour of change. How do we do this? Are trade-offs enough? **Would moving to QMV help unblock progress?** (At the moment it is not envisaged until after asylum measures introduced. Should we bring it forward, or would it only be a distraction?)

### **What more can we do about illegal immigrants within the EU?**

- Home Office propose actions to tackle illegal immigrants entering EU, but no action to deal with those already here. **As we know many illegal immigrants milling around in France with no French action taken.**
- **Should we push for EU measures setting out the obligations of Member States with regard to illegal immigrants, e.g. duties to attempt expulsion, return illegals to previous country through which they entered?**

### Burden sharing and quotas

#### **Should we now be pushing actively for burden sharing?**

- Given UK receiving more asylum seekers than other Member States, burden sharing has potential to reduce numbers. Would be less attractive to apply for asylum in UK if the possibility is you will be dispersed to Poland;
- But question of how burden should be shared (e.g. relating to population, area, population density, GDP per head). Not certain every formula would benefit us.
- May appear cynical to propose this when we rejected similar ideas put forward by Germany a few years ago.
- Would be very difficult to negotiate, but has potential to make a real difference.
- **Home Office need to do more work to identify which criterion would benefit us and how burden sharing might work in practice.**

## A common EU asylum policy?

### Should we skip the setting of minimum standards and push for immediate progress to a common EU asylum system?

- Could we up the ante and suggest moving now to the “common European asylum system”?
- Might offer tactical advantages (i.e. shock Member States into agreeing the faster progress we want on what is already on the table);
- Member States could maintain responsibility for dealing with asylum seekers within a common EU procedure. Or EU could deal with asylum seekers itself (likely to be bureaucratic);
- Might make it easier to agree standards and procedures for asylum seekers if we were negotiating an EU (funded) regime, not a national one?
- Burden sharing would be real gain – would agreeing burden sharing as part of a common EU asylum system be any easier?
- If system truly common, there would be some EU appeals process for asylum seekers – raises European Public Prosecutor type difficulties.

**Meeting of the Home Secretary, Foreign Secretary and Prime Minister: Thursday 15 November 2001.**

**QMV on asylum and immigration issues**

1. With the exception of the common visa format and the common visa list, neither of which the UK participates in, all other articles dealing with asylum and immigration are currently subject to decision making by unanimity. With the Treaty of Nice, the agreement made at Amsterdam to take a decision after May 2004 moving some or all Title IV areas to QMV and EP co-decision remains in place. But some changes will happen sooner. One change will take place automatically in 2004, and there is a politically binding understanding on exactly what the rest of the 2004 decision will entail. All these changes are set out overleaf.
2. In addition, at Nice Member States agreed to 'endeavour' to move other aspects of Title IV to QMV and EP co-decision 'as soon as possible' after the 2004 decision. This effectively means Articles 62(1) (abolition of border controls), 63(2)(b) (burden sharing of refugees), 63(3)(a) (long-term residence) and 63(4) (residence of third country nationals). All remain subject to unanimity and EP consultation for the foreseeable future, however.
3. Whilst the UK retains the right, secured at Amsterdam, not to opt in to Title IV measures (Title IV Protocol) and to retain its border controls (Frontiers Protocol), in reality we would seek to participate in measures on asylum and illegal immigration as co-operation in these areas tends to be in our interest. Once the changes agreed at Nice have been implemented, if the UK has opted in to a negotiation, it will be possible for other Member States to outvote the UK.
4. Prior to Nice the previous Home Secretary had acknowledged there could be potential benefits to further QMV on asylum and immigration but wrote to the Foreign Secretary noting that "the political considerations are overwhelmingly against any move to QMV beyond what is already in the Treaty." (Minute to the Foreign Secretary, copied to the Prime Minister, 3 September 2000). Following Nice, the previous Home Secretary acknowledged that it may have been better to move more articles to QMV immediately on ratification of Nice. He felt that the benefits of QMV (quicker agreement on measures to implement the common European Asylum system) outweighed the disadvantages (that the UK could be outvoted by other Member States; and the other "political considerations" surrounding the public presentation of conceding QMV on asylum). He also had reservations about co-decision and the new role of the European Parliament.
5. The changes made at Nice increased the role of the European Parliament in contributing to legislation. Co-decision with the European Parliament will mean MEPs have a greater substantive input contributing proposed amendments to the draft legislation which the JHA Council pass to them. If the Council refuses to accept EP amendments, a conciliation committee would meet consisting of MEPs and representatives of the Council. It is difficult to influence and predict the final outcome of

these meetings and the EP's view on legislation does not always follow the line of national governments.

**Articles Moving to QMV and Co-decision following the Treaty of Nice**

Immediately upon ratification

Article 65 – civil judicial co-operation, except aspects relating to family law

After framework legislation, defining common rules and basic principles, agreed by unanimity

Article 63(1)(a) – determination of responsibility for asylum applications by third country nationals

Article 63(1)(b) – minimum standards for reception of asylum seekers

Article 63(1)(c) – minimum standards for qualification of third country nationals for refugee status

Article 63(1)(d) – minimum standards for granting/withdrawing refugee status

Article 63(2)(a) – minimum standards for temporary protection for third country nationals

From May 2004 automatically

Article 66 – co-operation between national and EU authorities (EP consultation only)

Following a formal Council decision after May 2004

Article 62(2)(a) – standards and procedures for border checks at external frontiers\*

Article 62(3) – freedom of movement for short-stay third country nationals

Article 63(3)(b) – illegal immigration and illegal residence, including repatriation

**Contact:**

Ben Llewellyn-Jones, EIU, Home Office.  
Tel: 7 273 2904; Fax: 7 273 2727

13/11/01

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\* subject to prior agreement on the scope of application of measures on crossing external borders

RESTRICTED - POLICY

Copy in DCO In Box.



10 DOWNING STREET  
LONDON SW1A 2AA

From the Senior Policy Adviser

12 November 2001

Dear Sarah

**DELIVERY OF ASYLUM DECISIONS IN PERSON**

Thank you for your letter and advice of 8 November which the Prime Minister considered over the weekend.

The Prime Minister is very concerned at the slow progress which appears to have been made on this issue since his meeting with the Lord Chancellor, Home Secretary and Chief Secretary on 27 September when all present were agreed that asylum appeal decisions should be delivered in person. He is not content that this should merely be done on a pilot basis and wants the commitment delivered in full.

The Prime Minister would be grateful for further detailed joint advice from the Lord Chancellor and Home Secretary on how the commitment from 27 September can be delivered as rapidly as possible. I would be grateful if you could provide a fully costed strategy for achieving this by Thursday 29 November.

I am copying this letter to Hilary Jackson (Home Office), Jonathan Mills (HM Treasury), Mark Kieron (Cabinet Office) and Michael Barber.

Yours sincerely

**JUSTIN RUSSELL**

Sarah Albon  
Lord Chancellor's Office

RESTRICTED - POLICY

From: Justin Russell

Date: 9 November 2001

PRIME MINISTER

Cc: Andrew Adonis  
Jeremy Heywood  
Stephen Wall  
Adam Bye  
Jonathan Powell  
Richard Wilson

*✓ We also need to highlight in no's we down on last yr & they are else's are up.*

**EU ASYLUM AND IMMIGRATION POLICY**

You are meeting with David Blunkett and Jack Straw next Thursday (15<sup>th</sup> November) to discuss the development of a common EU asylum policy as well as action on immigration. Progress has been very slow in agreeing a sufficiently ambitious package of reforms to EU asylum rules. The Home Office need to raise their game if we are to get anything worthwhile out of Laeken and the Spanish presidency. You need to:

- Press David to be as ambitious as possible in what we get out of Laeken. We need to set in place a strategy that delivers ambitious reform of EU asylum rules - in particular an ambitious successor to the Dublin Convention that allows us better to return people to France or other countries.
- Emphasise the need to set clear new deadlines to get all this done (ideally, agreement by June 2002 - the end of the Spanish presidency - as Greece and Denmark will have no interest in taking this forward).
- Reiterate the need for the UK to lead on this issue building alliances and making wider trade-offs. Both are likely to be essential if we are to achieve solid results on asylum. You should emphasise your willingness to deal directly with other heads of government if necessary.

**Background**

Asylum and immigration is an area where we can demonstrate very direct benefits to the UK of engaging positively with the rest of Europe. Reforms to our domestic asylum system will only take us so far. To make real progress in dealing with the problem of unfounded asylum applications and illegal immigration we need to take action right across the EU to tighten external borders and agree common procedures for processing and supporting asylum claimants and for returning those



## RESTRICTED - POLICY

- 2 -

whose applications are refused. Given our position at or near the top of the asylum application league table we have much to gain from additional burden sharing.

On the asylum side, we are pressing for progress on:

- Better procedures for returning asylum seekers, including to EU countries through which they have transited (at present we cannot return asylum seekers to a country – like France - in which they have been illegally present);
- Common definitions of what constitutes a refugee – to ensure that our courts cannot refuse to return asylum seekers to France, Germany, or any other EU country.
- Minimum standards of support and procedures for asylum seekers – to discourage them from shopping around Europe for the best package, and by bringing up standards in other countries, to make the UK relatively less attractive.

At Tampere two years ago, EU member states agreed to a common European asylum system and to moving forward on all of these issues. But progress has been very slow. The April 2001 deadline for agreement of the latter two measures has come and gone, negotiations are progressing at a snails pace, and we are in danger of coming out of Laeken with no real progress.

The slow pace of progress should not be surprising. Why should other Member States agree to changes that increase their asylum seeker numbers? For just this reason, the Commission proposals do not go quite as far as we would wish. The redrafted Dublin Convention would enable us, for the first time, to return asylum seekers to countries through which they had travelled en route to the UK (e.g. France). This is quite an improvement and owes much to our lobbying of the Commission. But it has also provoked strong French opposition, even though we would only be able to return those we could prove had been illegally present in the other country for at least two months.

We can and will continue to push for improvements to Dublin II (e.g. a reduction in the two month criteria) but we may not even get agreement to it as it stands if we treat these asylum issues in isolation. Real progress is only likely if we persuade other member states to look at the Tampere asylum and immigration agenda as a single package and offer deals to countries like Greece and Italy who will be the net losers from any redistribution of the asylum burden. In return for greater willingness to accept responsibility for asylum seekers who have transited through their territory, we should for example be willing to offer them:

RESTRICTED - POLICY

- resources (e.g. EU funds or seconded UK immigration officers);
- to strengthen our involvement in EU action against illegal immigration and even agreeing to participate in EU border controls;
- to participate in further action with source countries and on readmission agreements.

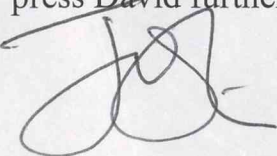
Some of this action (e.g. against illegal immigration and to toughen Eastern borders) we would support in any case. But other trade-offs may involve difficult decisions about spending or test the limits of our opt-out.

But time is pressing. Given others are not showing enthusiasm for these issues, we need to lead the way in brokering a deal. Ideally, we should work with the French and Germans, as we did before Tampere, on a way forward that can be approved by Heads of Government at Laeken. And we should be pushing for substantial agreement by June 2002 (progress is unlikely under the Danish and Greek Presidencies). David is attending a JHA Council meeting on 16 November to prepare for Laeken. With just a month before Laeken, Home Office (who have been asked these questions before) need to get their skates on.

#### Numbers getting through

On a separate but related issue there has been significant press coverage this week of illegal immigrants coming through the Channel Tunnel on SNCF freight trains (see attached example from The Express on Wednesday). Although Eurotunnel have got their act together (numbers getting through on their freight shuttle remain very low - only 3 so far this week) it appears pressure has been diverted to the SNCF freight yard at Frethun near Calais (numbers on SNCF freight services have increased to around 100 a week).

SNCF have temporarily suspended their services while they consider how to deal with the problem. Home Office are gearing up to re-impose civil penalty on SNCF if, after it resumes services, numbers remain high. It could do this as early as Monday. We will need to handle the French carefully. You may want to press David further about this on Thursday.



JUSTIN RUSSELL

# Refugees are flooding into UK 'like ants'

BY GREG SWIFT

HORDES of immigrants poured from Channel Tunnel trains like "ants from an ant hill" as the tide of asylum seekers entering Britain continues to rise.

British Transport Police say they arrested 74 refugees between Monday night and yesterday, the biggest number in one night.

They also admitted many more may have evaded arrest at Dollands Moor freight yard near Folkestone in Kent, owned by English Welsh Scottish Railways (EWS).

Those will now have joined masses of illegal immigrants making a mockery of the Government's pledge to tackle the growing crisis.

Police officers swooped on Monday night as the immigrants cut themselves out of a container on an EWS train which had travelled across Europe before entering Britain through the tunnel.

The trains had been checked before leaving the Frethun freight yard near Calais but investigators believe many boarded one of the trains while it was at a red signal.

Immigrants seeking a new life in Britain have turned to the EWS freight trains and their French counterparts, the SNCF, as security on ferries and the Eurotunnel trains is tightened. A British Transport Police spokesman said: "This was

the most illegal immigrants we have ever caught in one go. They were like ants pouring from an ant hill.

"We are expecting them every night at the moment. Our officers watch the trains pull into the freight terminal and then wait to see the asylum seekers climb out.

"They are doing it all the time, they swarm all over the train as soon as they get the chance.

"The majority are Afghans and the rest are believed to be Iraqis."

The Government is fining EWS heavily for bringing immigrants to

Britain. Now the firm is urgently looking for a way to tackle the crisis.

EWS spokesman Andrew Lickfold said: "It is a case of every morning coming into the office and thinking "here we go again". There is only so much we can do from here."

David Russell, of the Freight Transport Association, added: "EWS are facing a fine of £118,000 which is potentially crippling to their business. The Government has to stop blaming the freight transport industry. We did not create this problem."

EVENING STANDARD

06/11/01

## 59 Afghans picked up at Chunnel rail yard

By Ed Harris

POLICE today picked up nearly 60 illegal immigrants who had smuggled themselves into Britain on a Channel Tunnel freight train.

The asylum seekers, believed to be 58 Afghans and one Iraqi, are the largest single group ever stopped by British Transport Police. They were spotted as they tried to escape from the train in a marshalling yard near Folkestone.

The men are thought to have used knives to cut their way into the canvas-sided train and then concealed themselves inside as it waited at a red signal at a freight yard in France.

A police spokesman said: "This is the most illegal immigrants we have ever caught in one go. We are expecting them every night at the moment.

"Our officers watch the trains pull into the freight terminal and then wait to see the asylum seekers climb out of the train. There may have been more that got away."

**From:** Justin Russell  
**Date:** 9 November 2001

**PRIME MINISTER**

**cc:** Jeremy Heywood  
Jonathan Powell  
Andrew Adonis  
Jonathan Powell  
Olivia McLeod  
Michael Barber  
Vanessa Nicholls

**ASYLUM APPEAL DECISIONS - DELIVERY IN PERSON**

At your stock-take meeting with David Blunkett on Tuesday you asked for urgent action to implement the agreement you reached with David and Derry on 27 September that all asylum decisions should be given to applicants in person rather than sent through the post.

It is clear from the attached advice that this ministerial decision has not permeated down to either LC or HO officials who seem positively opposed to the idea and claim that "early implementation would not be worth the political risk". They argue:

- (a) That there are legal risks to doing this without primary legislation. (There is a common law assumption that both parties should get the result of a tribunal decision at the same time. Giving IND the decision first so they could deliver it would overturn this and give them an "unfair advantage.")
- (b) That in any case they do not have the resources that would be required to deliver 54,000 appeal decisions a year in person. (This was not one of the items that DB bid for during his recent budgetary wrangles with Gordon).

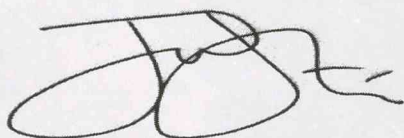
We should press for much more urgent action – in line with what was agreed on 27 September. I recommend that we:

- Ask for urgent advice from the law officers on the legal standing of such a change and press for early legislation (in the spring Asylum Bill) if legal backing is needed.
- In the meantime use secondary legislation to set up an early trial of the new system. LCD suggest that this should be drawn from the 650 decisions a month

which have exhausted all other appeal rights – where there is a good chance of removal.

- We should ask for the trial to be a combination of models D and B in the LCD paper i.e. applicants already signing on at a reporting centre would be required to pick up their final appeal decision from that centre. Where they failed to turn up IND would go out and deliver the decision in person- within a time limit to be agreed.

Content for me to press HO/LCD as above?



JUSTIN RUSSELL

*Should we have them back in to explain themselves?  
I really want this done in full.*

## ASYLUM APPEAL DECISIONS

### DELIVERY OF APPEAL DECISIONS TO APPLICANTS IN PERSON

#### 1. Task

- 1.1. The Prime Minister has asked for advice on how rapid progress can be made on the commitment given by the Home Secretary and the Lord Chancellor that all asylum decisions should be delivered in person as an aid to delivery of the removal target.

#### 2. Primary Legislation Option

- 2.1. It is usual in the interests of natural justice, and to maintain the independence of the tribunal system, to deliver tribunal decisions to both parties at the same time. Delivering decisions to one party, either in advance of the other, or a way which gives one party an advantage over the other, is novel and to overturn the principle with safety requires primary legislation. We therefore intended in the forthcoming legislation to take explicit powers to deflect from this principle.
- 2.2. The primary legislation route would allow a full debate of the issue and give a clear steer to the judiciary of the will of Parliament. It would build in delay but the Immigration Service have not indicated that they have planned or have the capacity for early implementation.

#### 3. Possibility of Earlier Change

- 3.1. If earlier change is required it is possible to make changes by the secondary legislation route. There are risks attached. These are:
- Natural Justice – there is a risk of judicial review on the reasonableness of the process. Indications are that the judiciary could well oppose the decision
  - Political – allowing appeals to be delivered initially on one party to the appeal only would require a change to the IAA Procedure Rules. These are the Lord Chancellor's Rules made by negative resolution. This could be seen as an attempt to introduce important decisions through the back door and the rules would be likely to be prayed against.
  - Effectiveness – it is not known whether delivering appeals in person will simply cause applicants to abscond prior to the decision. If so, the removals target will not be assisted.
  - Cost – we have only considered LCD costs but there will be significant costs for Home Office too. There is no evidence that these resources will achieve the desired aim.

#### 4. What can be implemented now?

- 4.1. The IAA currently promulgate about 4,500 appeal decisions a month. It would be difficult to establish a delivery system for this number of decisions immediately and costs both for LCD and IND would be high. This is not recommended.

270 6233

- 4.2. The alternative would be to trial a new delivery system. This should help to counter the risks laid out above in particular establishing its effectiveness in aiding removals.
- 4.3. It is proposed that a new system is piloted by final appeal decisions only being delivered in person. For the majority of appeals, the unsuccessful appellant has a right of further appeal. Only those applicants who have exhausted all their appeal rights can be removed. If the aim is to improve removals this is the best group to target.
- 4.4. Final appeal decisions at present fall into two categories:
- Adjudicator dismissal of certified cases
  - Immigration Appeal Tribunal (IAT) refusal of leave
- Currently about 650 of these decisions are promulgated by the IAA each month. They form around 15% of all decisions promulgated.

## 5. Systems for Delivery

- 5.1. There are four main systems that could be set up to deliver appeal determinations in person. These are:
- A: IAA deliver appeal determinations to applicants in person
- B: IAA deliver appeal determinations to IND only. IND deliver the determinations to applicants in person
- C: Applicants required to collect appeal determinations from IAA premises simultaneously with IND
- D: Applicants required to collect appeal determinations from IND premises
- 5.2. **A: IAA deliver appeal determinations to applicants in person**
- 5.3. IAA staff would be employed to deliver appeal determinations to applicants at their stated addresses. As IAA do not have the powers to take applicants into detention it would require Immigration Service staff to also be present at each delivery.
- Costs*
- For LCD an estimated £12 million annum
  - For IND at least equal to LCD costs, but probably higher
- Pros*
- IAA delivery of decision maintains its independence
- Cons*
- Appellant may not be at home when decision delivered
  - Highly resource intensive
- 5.4. **B: IAA deliver appeal determinations to IND only. IND deliver the determinations to applicants in person**

- 5.5. Decision given first to IND who then deliver decision in person to appellant at their stated address. Timelimit within which IND must deliver decision.

*Costs*

- LCD savings on reprographics and postage, around £500k per year
- For IND costs of delivery. Likely to be over £10 million per annum

*Pros*

- IND given opportunity to decide what enforcement action to take prior to delivery of decision so can target resources
- Less resource intensive for LCD

*Cons*

- Breach of natural justice with IND informed of decision first
- Appellant may not be at home when decision delivered
- Resource intensive

- 5.6. **C: Applicants required to collect appeal determinations from IAA premises simultaneously with IND**

- 5.7. Parties both collect decision from IAA at set date. This would require adjudicators and the IAT to make quick decisions within a time-limit. Initial discussions with the Chief Adjudicator indicate that summary determinations may be possible with full determinations to follow later.

*Costs*

- For LCD - security upgrade at all IAA hearing centres - £600,000
- For IND – cost of enforcement staff and escorting to detention centres

*Pros*

- IAA maintains its independence
- Less resource intensive than delivering decisions to appellants at their addresses
- Speeds up decision making at IAA

*Cons*

- IAA cannot detain failed asylum seekers. IND would require secure vans available in which they can take away those they wish to detain
- Judiciary unlikely to be happy with appellants being arrested on IAA premises
- Appellants may not turn up. Experience from early Oakington cases where there was intention to give oral hearing was that appellants did not attend

- 5.8. **D: Applicants required to collect appeal determinations from IND premises**

- 5.9. IAA inform IND of decision and applicant collects determination from IND premises. Likely to be most effective where applicant picks up determination from a reporting centre at which they regularly report. This would also require the IAA to make decisions within an agreed time-limit.

*Costs*

- For LCD savings from reprographics and posting - £500k per year



- For IND costs of reporting centres plus enforcement staff and escorting costs

*Pros*

- IND given opportunity to decide what enforcement action to take prior to delivery of decision so can target resources
- Less resource intensive
- Speeds up decision making at IAA
- Fits with longer term aim of delivering decisions to reporting centres or accommodation centres and allows for trial of right processes

*Cons*

- Breach of natural justice
- Applicants may not turn up. However, if it was tied to regular reporting they may abscond less than under system C.

## **6. Conclusion**

- 6.1. The safest option is to take powers in primary legislation. We have not, in the time available, been able to look at the impact on Home Office removal systems. Unless they have the capacity to deliver, early implementation would not be worth the political risk.
- 6.2. However, if implementation in advance of primary legislation is necessary to support the removals target it is recommended that:
  - a pilot is set up which targets those applicants whose appeal rights are exhausted
  - the pilot should be designed to gather evidence on the best way of delivering decisions
  - on this basis the preferred option is System D above

FROM THE PRIVATE SECRETARY

18/A PT 2  
01-05.



HOUSE OF LORDS,  
LONDON SW1A 0PW

Justin Russell  
10 Downing Street  
London  
SW1A 2AA

8 November 2001

Dear *Justin,*

**ASYLUM APPEAL DECISIONS**

Thank you for your letter of 6 November asking for urgent advice on how delivery of asylum appeal determinations to applicants in person could be implemented as soon as possible.

I attach an annex which lays out potential solutions. However, these solutions all carry risks. It will be important to ensure that the Home Office is able to implement an agreed solution, or the risks will not be worth taking. It is for the Home Office to say whether it has or when it will have sufficient Immigration Officers or detention spaces to back up delivery of appeal determinations in person.

I understand there is going to be a further meeting of officials on 13 November and the Lord Chancellor will want to see the outcome of this meeting before any final decision is taken.

I am copying this letter to Hilary Jackson (Home Office), Jonathan Mills (HM Treasury), Mark Kieron and Michael Barber (Cabinet Office).

Yours sincerely

**SARAH ALBON**  
**Principal Private Secretary**



# Home Office

Angela Eagle MP

PARLIAMENTARY UNDER SECRETARY OF STATE

50 Queen Anne's Gate, London SW1H 9AT

Switchboard 020 7273 4000 Fax 2565

www.homeoffice.gov.uk

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## Foreign Secretary

Dear Jack,

### **NEW PROPOSAL FOR A COUNCIL REGULATION ON UNIFORM FORMAT FOR VISAS**

**I am writing to seek EP agreement that the United Kingdom should participate in the adoption of the new proposal put forward by the European Commission for a Council Regulation amending Regulation No 1683/95 laying down a uniform format for visas.**

The aim of the proposal is to improve the existing security standards of travel documents and give powers to the Uniform Format Visa Comitology Committee to adopt technical measures to introduce a highly secure photograph into the uniform format visa and the possibility to change colours of the visa sticker to impede counterfeiting and falsification of such documents. I see practical benefit to the UK in participating in this technical measure and no significant risk of undermining our wider frontiers position.

Following the terrorist attacks in the United States, the Justice and Home Affairs Council of 20 September and the European Council of 21 September emphasised the necessity for the European Union to take immediate action to improve the existing security standards of travel documents.

Following agreement from interested colleagues, on 3 July 2001, the UK decided to opt in to the three draft Council Regulations put forward by the European Commission on the harmonisation of security standards for visas and residence permits.

We have made clear that we are unlikely to participate in enhanced visa co-operation, and have, for example not participated in the recent agreement of a new common visa list. But we have also made clear that we will so far as possible participate in co-operation to combat illegal immigration. In my view the current proposal, while necessarily linked to visa and broader immigration policy, can be seen as separable, technical measures concerned primarily with preventing abuse. I therefore see no significant risk in participation. There would, however, be capital investment required in providing overseas posts with the relevant technology (which would fall to the Home

Office) and an increase in application processing time, which would increase staff costs in the entry clearance operation.

I should be grateful for your agreement that we should participate in the adoption of this proposal. I would appreciate responses by 26 November.

I am copying this letter to the Prime Minister, members of EP, Sir Richard Wilson, Sir Stephen Wall and Sir Nigel Sheinwald.

Kind regards,

Angela

**ANGELA EAGLE**

7<sup>th</sup> November 2001

FROM THE PRIVATE SECRETARY



f  
HOUSE OF LORDS,  
LONDON SW1A 0PW

6 *faxed*  
November 2001

cc: 05  
Justin Russell  
Policy Directorate  
No.10 Downing Street  
LONDON  
SW1A 2AA

Dear *Mr Russell*

**ASYLUM ACCOMMODATION CENTRES**

You wrote to Jane Fowler on 23 October commissioning a joint study of the impact of Accommodation Centres in other European countries on the processing of asylum applications. The Lord Chancellor has seen this letter and Tom Scholar's response to you of 30 October.

The impact of Accommodation Centres on processing times for decision making and appeals is of basic importance to this Department because of the down-stream effects on the immigration judiciary of the successful utilisation of these Centres. The Lord Chancellor therefore wishes his officials to take part in the joint exercise. In addition he suggests that the terms of reference for the study should include an analysis of the effect Centres have had on the appeals process and in particular the time taken to clear appeals.

Please confirm whether No 10 is content with this.

I am copying this to Lucy Makinson (HMT), Jane Fowler (HO), Andrew Alberry and Paul Britton (CO) and to Michael Barber and Jeremy Heywood (No.10).

*Yours Sincerely  
Amrita D.*

AMRITA DHALIWAL



10 DOWNING STREET  
LONDON SW1A 2AA

From the Senior Policy Adviser

6 November 2001

Dear Sarah

### ASYLUM APPEAL DECISIONS

The Prime Minister met the Home Secretary this morning for one of their regular stock-take meetings on the Home Secretary's Delivery Contract. One of the issues they discussed was the target for removing failed asylum applicants which remains a challenging goal. To help deliver that target the Prime Minister is keen to make rapid progress on the commitment agreed by the Home Secretary and the Lord Chancellor on 27 September that all asylum appeal decisions should be delivered to the applicant in person.

The Prime Minister would be grateful for urgent advice on how this change can be implemented as soon as possible – including any interim measures which could be taken in advance of legislation. It would be helpful if you could get this to me by close of play on Thursday 8 November.

I am copying this letter to Hilary Jackson (Home Office), Jonathan Mills (HM Treasury), Mark Kieron and Michael Barber (Cabinet Office). Many thanks.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justin Russell', written over a faint circular watermark.

**JUSTIN RUSSELL**

Sarah Albon  
Lord Chancellor's Department



Acc 2010

Treasury Chambers, Parliament Street, London, SW1P 3AG  
020-7270 5000

October 2001

Justin Russell (C) *Om c*  
Policy Directorate  
No. 10 Downing Street  
LONDON  
SW1A 2AA *JRH*

### ASYLUM ACCOMMODATION CENTRES

Your letter of 23<sup>rd</sup> October to Jane Fowler commissioned a study of the impact of accommodation centres in other European countries on the processing of asylum applications. The Chancellor would like this to be a joint exercise by the Home Office, Delivery Unit and Treasury, with the resulting report to be agreed by the Unit and departments.

I am copying this to Lucy Makinson (HMT), Jane Russell (HO), Debora Matthews (LCO), Andrew Alberry and Paul Britton (CO) and to Michael Barber and Jeremy Heywood (No.10)

A handwritten signature in blue ink, appearing to read 'P. Scholar'.

PP.

**TOM SCHOLAR**  
Principal Private Secretary

(p)

**From:** Stephen Wall  
**Date:** 30 October 2001

**PRIME MINISTER**

**cc:** Jonathan Powell  
Alastair Campbell  
Jeremy Heywood  
David Manning  
Roger Liddle  
Michael Tatham  
} Sir Richard Wilson  
} Sir John Holmes  
} Martin Donnelly

## **SECOND MEETING OF THE CROSS-CHANNEL COMMISSION**

The Cross-Channel Commission, which you set up with Chirac and Jospin last year, had its second meeting in Paris today.

It has provided a useful stimulus to bilateral work which might otherwise have been neglected. The main points of action have been:

(i) Blockades of Channel Ports

We now have a police to police hotline; and we have started work with the French to improve both early warning arrangements for motorists and agree how we can help stranded motorists (we have already agreed common principles). We asked the French to do more to match our police powers to clear blocked motorways. They said they would do their best (but their politics/trade union situation makes it difficult). We shall keep pushing.



(ii) Civil Penalty

The French still object in principle to the imposition of civil penalty on operators but they are forced to acknowledge that civil penalty does concentrate the minds of the operators and reduces clandestine travel. In practice they and we are working closely to help people avoid civil penalty by taking adequate security precautions. The French have had health worries about our wish to use X-ray scanners to detect people hidden on lorries. But they seemed more relaxed about it today. [NB: I don't think we're out of the woods]

(iii) Sangatte Camp

Efforts to reduce the numbers in the Sangatte camp continue but not very successfully. The French promised that they have no plans to create more Sangattes. They are keen to have in place as soon as possible the extra UK immigration officers we have promised (they will be in situ during November and will run a holding centre that prevents repeated nightly invasions of the Eurotunnel site). We will monitor progress. We agreed to work together on a comprehensive EU approach to asylum and immigration. This is probably the only way to deal with issues like the Dublin Convention which requires the country of first arrival to take responsibility for asylum claims but which does not work in practice because everyone has an interest in pushing would-be asylum seekers further along the chain until they get to the point of no return – often the UK.

(iv) The Calais Stopper

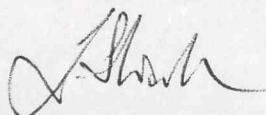
We now have juxtaposed French and UK immigration controls at the Gare de Nord. They work well. French legislation will be adopted tomorrow allowing us to apply similar controls to the Calais stopper (ie to stop people who get on Eurostar with a ticket as far as Calais and then stay on to Waterloo, where they claim asylum). The new Calais stopper arrangements should be in place by the time of the Anglo-French Summit in a month.

(v) Customs Cooperation

A fruitful area of cooperation which has helped arrest quite a few fly-by-night groups involved in tobacco smuggling. Most of the initiative has come from us so far but I think the French are warming to it.

(vi) Follow Up

The next full meeting will be in the UK in April. But work at technical level will continue meanwhile. There has been a lot of hard work to get this far on the part of our Embassy, Home Office, DTLR, Customs, FCO and Adam Bye, who works for me in the Cabinet Office. If you agree, I will pass on your appreciation.



**STEPHEN WALL**



RESTRICTED - POLICY

A  
Top: PD(OM)  
PD(SK)

DEPUTY PRIME MINISTER

OFFICE OF THE  
DEPUTY PRIME MINISTER  
Dover House  
Whitehall  
London  
SW1A 2AU

Tel: 020 7276 0400  
Fax: 020 7276 0196

The Rt Hon David Blunkett MP  
Home Secretary  
50 Queen Anne's Gate  
London  
SW1H 9AT

29 October 2001

**ASYLUM, MIGRATION AND CITIZENSHIP**

**This letter gives you DA clearance to proceed as proposed in your letter to me of 24 October, subject to the views of colleagues recorded below.**

You sought agreement to announce proposals to overhaul the asylum, migration and citizenship systems.

Replies were received from Derry Irvine, Jack Straw, Alan Milburn, Helen Liddell and Peter Goldsmith. All were content but a number of issues were raised.

Derry questioned the proposal to refer to a September 2002 implementation date for replacing vouchers with cash payments and the potential for automated credit transfer, given the problems DWP has encountered in moving, over a longer timescale, towards automated credit transfer payments for mainstream social security benefits. He also asked to have the opportunity to agree your actual statement before it was made.

Jack said that you would need to work together on how the proposed measures are presented in source countries, to make sure the right messages get through, and that the changes are seen as, and are, a disincentive on unfounded applicants to apply. He said he was in little doubt that the measures you proposed were compliant with the 1951 Geneva Convention. He suggested that further work needed to be done with the EU and elsewhere to ensure a more consistent application of the Convention, in line with UK policy, and in line with the Government's efforts to modernise it, without undermining it.

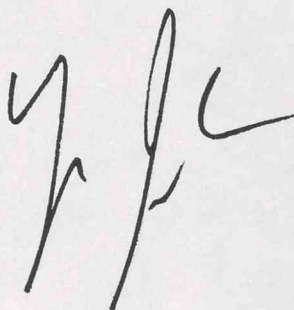


RESTRICTED - POLICY

Alan noted your proposals did not touch on how social care services for asylum seekers might be provided. He said he would have reservations were the responsibility to fall solely to the councils in whose areas the centres were based, as the burden could be considerable. He added that in taking these proposals forward specific health and social care funding would have to be identified, as against transferring elements of existing NHS and Local Authority budgets. He said he was aware that his officials had had a preliminary meeting with officials in your Department about these proposals. It was important, he said, that both your Departments work closely together as these proposals were taken forward to ensure that health policy development in this area was coherent and realistic. Your officials would also need to discuss the ramifications for social care services and where and how links were made with acute, community and mental health services, as well as specialist services such as those needed for victims of torture.

Helen was content and had asked her officials to liaise with yours to clarify certain aspects on how your proposals would impact in Scotland. Peter raised concerns over the importance of ensuring that any announcement with regard to these policy proposals did not in any way adversely affect the arguments that would be run in the Oakington appeal to the House of Lords. He said he would be happy to consider the details of the proposed announcement in draft if this would be helpful.

I am copying this letter to the Prime Minister, members of DA Committee, Jack Straw, Clare Short and Sir Richard Wilson.

A handwritten signature in black ink, appearing to be 'J.P.', written in a cursive style.

**JOHN PRESCOTT**



*f*  
**DFID** Department for  
International  
Development

94 Victoria Street, London SW1E 5JL

*From the Secretary of State*

Rt Hon David Blunkett MP  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

*omc*  
*cc: om*  
*mt*  
Telephone: 020 7917 0134  
E-mail: c-short@dfid.gov.uk

*29* October 2001

*Dear Home Secretary*

Thank you for your letter of 19 October seeking agreement to proposals for a statement to Parliament on managed migration on 29 October.

Whilst migration can have positive impacts for source countries, through remittances and enhanced skills of returning migrants, developed countries need to be sensitive to the risk that skills drain could worsen already acute skills shortages in developing countries. It is important that your statement to Parliament makes clear that the Government is taking these issues seriously and is seeking to ensure that our approach to meeting the economic needs of the UK through migration is not at the expense of developing countries. With this addition, I agree your proposals.

I welcome your proposal for a White Paper and look forward to DFID contributing at an early stage in the process.

I am copying this letter to the Prime Minister, Jack Straw, Members of DA and to Sir Richard Wilson.

*Yours sincerely*

*pp* CLARE SHORT  
(Agreed by the Secretary of State  
and signed in her absence)

10/27/01  
02/24  
02/25

**From:** Justin Russell  
**Date:** 26 October 2001

**PRIME MINISTER**

**cc:** Jeremy Heywood  
Andrew Adonis  
Michael Barber  
Olivia McLeod  
Paul Britton  
Alastair Campbell  
Jonathan Powell

**HOME SECRETARY'S STATEMENT ON ASYLUM - MONDAY 29 OCTOBER**

I attach a copy of the latest version of DB's statement on asylum for Monday afternoon.

Over the course of this afternoon I have persuaded him to accept some amendments but there are still points where he goes significantly beyond what HMT say they agreed last Monday (see attached – Jeremy's letter and agreed statement). In particular, para 19 as it is currently stands implies that we are committed to building enough new reporting centres for every asylum seeker to report in person on a regular basis. (Jeremy's letter makes clear that Gordon only signed up to a tougher reporting regime in the six existing reporting centres and two police station pilots). Andrew Smith is likely to talk to DB about this over the weekend.

Paras 27 and 28 include the words that DB proposes to use on phasing out vouchers. I have pressed him to be less specific about the date – but he is determined to say that he will have phased them out in time for next year's Party Conference. Not sure there is much point in pushing him further on this. **Are you content with the wording as it stands?**

*Justin Russell*  
Yes but it must be tough

**JUSTIN RUSSELL**

DRAFT

RESTRICTED-POLICY

DRAFT

STATEMENT ON ASYLUM, MIGRATION AND NATIONALITY:  
29 OCTOBER 2001

1. With permission Mr Speaker, I wish to make a Statement on asylum, migration and nationality.
2. This year is the 50<sup>th</sup> anniversary of the Geneva Convention on refugees. The UK is proud to be a signatory to the Convention. We will uphold our fundamental moral obligation to protect those fleeing persecution, whilst protecting our national boundaries and integrity.
3. The world is a very different place to that of 50 years ago. At the beginning of this year, there were 12 million refugees worldwide.
4. Such global movements are a challenge to all nations. Alongside our European partners, we must establish an asylum and immigration system which can respond effectively to the pressures we face.
5. Steps have already been taken, which I intend to extend, to root out the organised criminal gangs who are responsible for the barbaric trade of people trafficking. The gross exploitation of those in greatest need must be stopped.
6. At home we need radical change. Our approach must be trusted by the citizens of our country and clearly understood by the rest of the world. Our message at home and abroad must be crystal clear, fair, and visibly tough; sending a clear signal to people throughout the world that the United Kingdom is not a soft touch.
7. Mr Speaker, significant improvements have been made in recent years. Staff in the Immigration and Nationality Directorate have worked tirelessly to deal with the backlog of claims. Last financial year, 132,000 decisions were made, surpassing the 79,000 applications received.
8. The new civil penalties and carriers' liability have already cut back illegal entry to the UK. The substantial investment in new

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equipment for surveillance and border controls, which I announced last month, will reinforce this work.

9. I wish to pay warm tribute to my predecessor, my Rt Hon Friend the Foreign Secretary and the former Ministerial team for the work they did. They inherited a terrible mess and made huge improvements. But there is more to be done.
10. That is why today, I do not intend to tinker with the existing system, but to bring about radical and fundamental reform of our asylum and immigration policy.
11. The reviews of voucher and dispersal policy which I am publishing today, and which are in the Votes Office and the Library, have demonstrated that the current system has suffered from very real problems.
12. It is too slow, vulnerable to fraud, and felt to be unfair by both asylum seekers and local communities.
13. There are many people who are working illegally, whilst claiming support, or sub-letting their accommodation. There is accommodation paid for but unused.
14. There have been social tensions in neighbourhoods across the country, and considerable pressure on local education, social and GP services.
15. We need a seamless asylum service, from initial decision, through to appeal, integration or removal. This must be clear, fast and well administered.
16. Mr Speaker, it is my intention to publish a White Paper and subsequent legislation, which will provide a comprehensive approach to asylum, nationality and immigration. This will include policies on citizenship, identity, and new forms of support.
17. At the heart of my asylum proposals is the presumption that from the moment someone presents themselves, they will be tracked as well as supported throughout the process. There will be three key elements to the structure. Induction,



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accommodation and reporting, and fast-track removal and integration.

18. The application process will be streamlined and integrated. We will develop a small network of Induction Centres in which people will be accommodated after application, to facilitate screening, health checks and identification procedures.
19. After concluding induction, asylum seekers, whether receiving support or not, will have to make themselves regularly available at new style reporting centres.
20. Crucially, by the end of next year, a proportion of first-time asylum seekers will be offered a place in new accommodation centres which we are trialling. We will establish 3,000 places, offering full board, education and health facilities. Those in accommodation centres will receive a small cash allowance.
21. Those refusing to take up a place in the new centres would disqualify themselves from support.
22. Decisions about the long-term mix of facilities will be taken in the light of emerging evidence here and abroad, about what works. Subject to this, we will phase out the current system of support and dispersal.
23. Mr Speaker, whilst the trial is being evaluated those receiving support will be subject to a robust new regime, which I set out in the papers published alongside this Statement.
24. Instead of the Standard Acknowledgement Letter, which is used for identification by asylum seekers, smart cards will be introduced from January to ensure entitlement. This will guarantee identification and tackle fraud, using new biometric techniques, including fingerprinting and photographs.
25. Further immediate steps will be taken to improve the current voucher system. The value of voucher support will be uprated as soon as possible in line with the April 2001 Income Support increases for adults; and that announced last week for children. Within the value of support available, the cash allowance will be increased from £10.00 to £14.00.

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26. In revising the existing voucher system, we recognise that it is not a robust long-term solution. Full application of accommodation centres, would remove the need for vouchers. Nevertheless, whilst the existing system continues, solutions must be found to the problems we face.
27. Mr Speaker, I can tell the House that once the new smart cards are introduced, the voucher system will be superseded, by the early Autumn of next year, by a more robust but less socially divisive scheme.
28. I am exploring with colleagues the potential for automated credit transfer and other mechanisms to provide financial support for asylum seekers.
29. Whilst we are not reversing the principle of dispersal of asylum seekers away from London and the South East, we will improve consultation with local authorities. We will develop a stronger regional structure immediately for the National Asylum Support Service, and ensure asylum seekers are sent to areas where others speak their language.
30. But revisions to support and dispersal, the new tracking and accommodation structure, will not work unless we drastically speed up the system.
31. I therefore intend to tackle head on the backlog, including those waiting for appeals. The Lord Chancellor and I therefore intend to drastically improve the throughput of appeals.
32. Firstly, we will cut out multiple opportunities for delay.
33. Secondly, we will streamline any further right of appeal, limited to a point of law.
34. Thirdly, we will increase the capacity of the adjudication service by 50% - from the current 4,000 to 6,000 cases a month. From next month, the numbers will increase to 4,500 and by next November to 6,000.
35. Where a claim to asylum is granted we will improve the integration procedures.

DRAFT

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36. Where an appeal has failed, my intention is to streamline the immediate process for removal. Those who have no right to stay must leave the country immediately.
37. We currently have 1,900 detention places. By the Spring of next year we will have increased this to 2,800. I intend that we should now expand the capacity by a further 40% to 4,000 places.
38. These will become secure removal centres.
39. But, Mr Speaker, asylum seekers will no longer be held in mainstream prison places. I can confirm that from January next year this practice will stop.
40. Mr Speaker, I announced earlier this month my proposals for sensible, controlled legal migration into this country. This will enable those with the skills we need to enter our country legitimately to work.
41. In addition, we will explore the possibility of agreed gateways to take nominated refugees from outside the country. This has been an anomaly for many years, leading to the scenes at ports and Eurotunnel facilities.
42. We will also take action to root out illegal working. Those working in our country illegally are being exploited by unscrupulous gangmasters and employers, in conditions that undermine the Minimum Wage, fair conditions, and at the same time defraud the tax and National Insurance system.
43. The Prime Minister has recently announced a cross-departmental working group under the Chairmanship of my Right Honourable Friend Lord Rooker, Minister of State at the Home Office. He will bring forward proposals for stamping out illegal employment, which will combine with our other policies, to remove the incentive to traffickers and the pull factor.
44. I believe we can also do more to give practical help to groups settling here, in addition to those recognised as refugees. The White Paper will address their language needs and education for citizenship.

DRAFT

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45. I will also be looking to enhance the importance of naturalisation as a British citizen.
46. Finally Mr Speaker, I can also announce that a discussion paper on the review of family visitor appeals has been published today. A copy of this paper will also be placed in the Votes Office and the Library.
47. Mr Speaker this is a substantial package of measures that will fundamentally overhaul our asylum and immigration policy. It is a rational approach to a rapidly changing situation.
48. I believe that it will send a message to the rest of the world that the UK is not open to abuse, but nor is it a fortress Britain. We are not rejecting economic migrants, refugees from persecution, or those seeking to visit our shores.
49. Implementation of my policies will take time; but in time they will work in the interests of us all.

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Principal Private Secretary

23 October 2001

Dear Mickey,

### ASYLUM

The Prime Minister met the Home Secretary, the Lord Chancellor, the Chancellor and the Chief Secretary to discuss the outstanding issues arising from the Home Secretary's proposals on asylum. Sir Richard Wilson, John Gieve, Sir Hayden Phillips, Stephen Boys Smith, Paul Britton, Nick MacPherson, Aileen Simkins, Nick Pearce, Justin Russell, Michael Barber, Robert Hill, Sarah Tobin and myself were also present. The meeting had before it Paul Britton's minute to me of 19 October on the costs of accommodation centres.

The Prime Minister said that the following points were agreed:

- **Legislation:** the package of legislative measures discussed at previous meetings, including measures to streamline the appeals system and deliver a tougher reporting regime at reporting centres, would be taken forward in the Asylum and Immigration Bill.
- **Appeals:** the Home Office would send 4,500 appeals to the Immigration Appellate Authority (IAA) in November, then increase to 6,000 a month from November 2002. The capacity of the IAA would be increased to meet this level of through-flow.
- **Detention centres:** the detention estate would be increased by a further 1,300 places to 4000 places as soon as possible.
- **Reporting centres:** a tougher reporting regime would be introduced in the six existing reporting centres and the two police station pilots by spring 2002. The Prime Minister is keen to begin testing a tough reporting regime as soon as possible and has asked for further advice on how far it can be strengthened ahead of legislation (eg by linking entitlement to vouchers to signing on and

10/23/01

## CONFIDENTIAL - POLICY

- 2 -

making reporting one of the conditions that can affect the credibility of an asylum claim).

- **Accommodation centres:** work should start immediately on four 750-place accommodation centres to become operational as soon as possible, and in any event by mid-2003.

In announcing this package the Home Secretary should use the text attached to this letter. In addition, the Prime Minister said that Ministers had agreed the following principles:

- if the accommodation centre model worked in the way that the Home Secretary expected, we would have to find the money for it;
- if the accommodation centre model did not work, then we should not build any more;
- in making his announcement, it was important that the Home Secretary was able to say that the Government was radically reforming the whole system (as in the attached statement);
- equally, to meet the Chancellor's concerns, it was clear that we were not at this stage committed to the full roll-out of the accommodation centre proposals.

The funding for these measures, and ongoing funding for the asylum system should be met from a new ring-fenced fund as proposed by the Chancellor at the meeting on 18 October. The Prime Minister would be grateful if Ministers would work up the details of this fund (eg the proposed "multi-lock" and mechanisms for dealing with overspends), with a view to introducing it at the start of the next financial year. Funding for the existing NASS and case processing arrangements will need to be augmented by the amounts necessary to deliver the measures agreed above, as set out in the Cabinet Office minutes of 17 October (for detention centres and appeals capacity) and 19 October (for accommodation centres).

As noted, it was agreed at the meeting that the attached outline statement should form the basis of the Home Secretary's announcement to Parliament, which is scheduled for 29 October. The full statement will need to be cleared with colleagues in the usual way.

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- 3 -

I am copying this to those present.

Yours.  
JH

**JEREMY HEYWOOD**

Hilary Jackson  
Home Office

## ANNEX A

### OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM

The Government intends radically to reform the system of support for asylum seekers. Our key objective is to establish a system that is tough, effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines tough reporting centres, increased appeals capacity, more detention facilities and accommodation centres.

We shall introduce quickly eight new-style reporting centres and, by 2003, establish four 750-bed accommodation centres to trial the new approach. Decisions about the long-term mix of facilities will be taken in the light of emerging evidence about what works.

Subject to this evidence, our aim is to phase out the current system and replace it with a new, more tightly controlled regime designed to speed up the decision-making process, which reduces fraud, increases the rate of removal of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.



- Sep 1968  
- we will 'aim'  
-

TO 56815  
SCOTLAND OFFICE  
DOVER HOUSE  
WHITEHALL  
LONDON SW1A 2AU



www.scottishsecretary.scotland.gov.uk

DMc  
cc:JR  
AMC

The Rt Hon John Prescott MP  
Deputy Prime Minister  
and Chair of DA Committee  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

26 October 2001

Dear Deputy Prime Minister,

David Blunkett copied to me his letter of 24 October seeking DA agreement to his announcing in the House on 29 October proposals to overhaul the asylum, migration and citizenship systems.

I am happy to agree to David proceeding on this basis but the substance of a number of his proposals raise issues about how exactly they will impact in Scotland. I have therefore asked my officials to liaise with his to clarify certain aspects. I am conscious also that there is an SNP debate on asylum seekers in the Scottish Parliament on 31 October when Scottish Executive Ministers will be asked about the implications for Scotland of David's statement.

I am copying this letter to the Prime Minister, members of DA, and to Jack Straw, Clare Short and Sir Richard Wilson.

HELEN LIDDELL

(approved by the Secretary of State  
and signed in her absence)



Home Office

The Private Secretary to the Home Secretary

Rec'd by fax - yk  
rec 30/10  
File

Justin Russell  
Senior Policy Adviser  
10 Downing Street  
LONDON  
SW1A 2AA

26 OCT 2001

Dear Justin

#### ASYLUM - ACCOMMODATION CENTRES

The Home Secretary has, as you know, written to colleagues on DA setting out proposals agreed on 22 October, including proposals on vouchers and dispersal. This letter seeks to resolve quickly two points from the record of the meeting, as set out in Jeremy Heywood's letter to Hilary Jackson of 23 October.

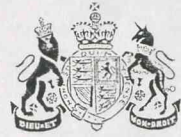
First, the note refers to a tougher reporting regime in six existing reporting centres and two police station pilots. We can best take this forward on the basis of plans to rapidly expand the current reporting centre base, particularly in London and the south east. This will avoid good ideas being limited in application by the physical size of current sites and the limited number of claimants who can reasonably be expected to travel to them. Our priority is five centres in London and Kent, where there are many asylum seekers on vouchers only support, local authority accommodation or self supporting. This will need £5 million capital next year (perhaps some this year if we find sites quickly) and £5 million running costs when fully operational.

Second, the proposals for the ring fenced fund should make clear that it will need to be set at a level sufficient to cover forecast asylum support spending. Funds sought for IT and asylum support in this year's reserve claim, and similar sums in future years, must be provided. (A similar point applies to the reserve claim from LCD on legal aid spending.)

I am copying this to Tom Scholar and Jonathan Mills (HM Treasury) to Sarah Albon (Lord Chancellor's Office) and to Andrew Allberry (Cabinet Office).

Yours ever  
Jane

JANE FOWLER

FCS/01/144HOME SECRETARY

on  
~~FR~~  
 C: JB  
 DN  
~~OTT~~  
 SR

Asylum, Migration and Citizenship

**1. Support introduction of induction, reporting and accommodation centres, and increase in capacity of detention estate. Need to reduce pull factors.**

**Uniform application by EU partners of 1951 Geneva Convention important.**

2. Thank you for copying to me your letter of 24 October to John Prescott. Your proposals build on the Immigration and Asylum Act 1999 and focus, to my mind correctly, on the continuing need for a coherent end to end asylum process. The United Kingdom has many powerful attractions to economic migrants, such as language, and our flexible and vibrant labour market. We will only achieve a significant reduction in pull factors to the UK once we are able effectively to remove substantial numbers of failed claimants. I fully agree that one of the main challenges is substantially to increase the number of removals. The significant increase in detention space which we have long been committed to is vital, along with greater speed in the appeals process.

3. I see great benefits in your proposal for induction centres to replace emergency accommodation. Rapid screening and interviews with expert language analysis should reduce the major problems in identification which are connected in particular with certain nationalities. I strongly welcome measures which make identification easier. They will build, for example, on earlier efforts to work with the Chinese authorities on the identification of claimants from Fujian Province. In the next months, identification



of Pakistan nationals claiming to come from Afghanistan may become an even greater priority than in the last three years. Measures of this kind will also help to reduce repeat applications, and multiple country applications. We will need to look at the resource implications for our overseas posts.

4. Your proposal to follow the induction process with managed moves through a system of reporting and removal centres should assist the National Asylum Support Service in tracking and facilitating removals. Fixed accommodation in centres will further reduce the ease with which asylum seekers can work illegally and build on the success of Oakington.

5. I am writing separately about your letter of 19 October to John about Managed Migration. But these measures complement those proposals. I have asked Ben Bradshaw to represent me at Jeff Rooker's interdepartmental working group on illegal working. Limits on the opportunities for illegal work are another major strand in the reduction of pull factors, and I look forward to seeing the results of Jeff's work, building on the constructive debate started last year by Barbara Roche.

6. Vouchers were, and are, a far from perfect measure. But they were as far as we could go in the parliamentary and public climate at the time. They were introduced in 1999 to ensure a complete separation between asylum seekers' support and the social security benefit system, which had been such a pull factor. I am happy to see them replaced by more effective arrangements. But like you I believe it is important that the voucher system should not be changed until your new measures are in place. Any sign that we are going weak would be seized upon by those in source countries. We will need to work with you on presentation in the source countries to make sure the right messages get through, and that the changes are seen as, and are, a disincentive on unfounded applicants to apply.



7. I am in little doubt that the measures you propose are compliant with the 1951 Geneva Convention. May I suggest that further work needs to be done with the EU and elsewhere to ensure a more consistent application of the Convention, in line with UK policy, and in line with our efforts to modernise it, without undermining it? As you know, discussions on the development of a common European asylum system are ongoing. We must present your measures to our EU partners in a way which demonstrates clearly that they do not conflict with the Convention, to avoid any undermining of our arguments on common asylum procedures. Although the numbers of asylum seekers to the UK have increased in proportion with the burden borne by other Member States in the last three years, solutions to the influx of economic migrants are best to be found at an EU level. EU leaders at Tampere in 1999 agreed to the principle of a common European asylum system, so it is important that whatever we do in the UK is not far out of line with developments in the rest of the EU. UNHCR has a clear interest in effective measures to end abuse of the asylum system. Following my meeting with him earlier this year, we should continue to explore with Lubbers personally how he can give a lead on this.

8. I am copying this minute to the **Prime Minister**, the Deputy Prime Minister, other members of DA, and to Clare Short and Sir Richard Wilson.

(JACK STRAW)

Foreign and Commonwealth Office  
26 October 2001

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①  
FAXED

10 DOWNING STREET  
LONDON SW1A 2AA  
020 7930 4433

25 October 2001

*Dear Mark,*

**SUCCESSOR TO THE DUBLIN CONVENTION**

/ Angela Eagle copied to me her minute on the successor to the Dublin Convention (copy attached).

Opting into the negotiation of this key measure will be necessary to help deliver a more effective EU asylum system - one where we are better able to return asylum seekers who should be the responsibility of another EU Member State.

The potential for the negotiation dragging on is great. Under the Vienna action plan and Tampere scoreboard, this measure should have been adopted by May this year. The delay is so far due to the Commission only bringing forward a proposal in late July. We have a greater interest in the successor regime than do any of our partners. So we will need, in particular, to have a clear idea of the alliances we can build and the trade-offs we may need to make to deliver effective measures. Without a clear strategy and concerted action on our part, other Member States are unlikely to agree to a Dublin II under which they accept increases in asylum seekers.

So I think part of our follow up work should be a strategy for rapidly delivering an effective successor to Dublin. It might also address how we will use the Tampere mid-term review to deliver concrete progress. Nigel Sheinwald will be exploring these issues with Commissioner Vitorino on 5 November.

I am copying this letter to the Private Secretaries to members of EP, Sir Richard Wilson and Sir Nigel Sheinwald.

*J S Wall*  
J S WALL

Mark Sedwill  
FCO

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# Home Office

Home Secretary

50 Queen Anne's Gate, London SW1H 9AT

The Rt Hon Alistair Darling MP  
Secretary of State  
Department of Work & Pensions  
Richmond House  
79 Whitehall  
LONDON  
SW1A 2NS

25 OCT 2001

Dear Alistair

## MANAGED MIGRATION

Thank you for your reply of 24 October in response to my letter to John Prescott dated 19 October. I have also seen the replies from Tessa Jowell and Paul Boateng of the same date.

I have decided not to announce further detailed proposals for economic migration in my statement to the House on 29 October. I will instead make a general reference back to what I said in my speech to Conference on 3 October and inform the House that I will return to this in more detail later, probably in the White Paper. I do intend to make a further announcement in November, however, on the Highly Skilled Migrants Entry programme, on which more rapid progress is needed.

I am very happy for our officials to continue talking on how we can develop, in a tightly and targeted and focussed way, meeting low level skills entry as part of economic migration. I have to take exception to the notion that there are no sectors or regions where shortages apply.

Everyone knows, as I am told regularly by our European partners, that illegal migrants (many of whom do not claim asylum) make their way to London and the South East precisely because they can get work in the service sector. You and I will have been served by them on a regular basis.

Of course if your officials have evidence to the contrary I would be pleased to have it, because I am constantly looking for information on the level of illegal working, which in part, arises from the failure to provide a legal route into the country for those in this segment of the labour market.

OMC File  
CCJR  
JJH



I am copying this to the Prime Minister, members of DA committee, Jack Straw, Clare Short and Sir Richard Wilson.

Best wishes,



DAVID BLUNKETT

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Richmond House 79 Whitehall London SW1A 2NS Telephone 0171 210 3000

*From the Secretary of State for Health*

OMC  
~~JH~~  
 cc: JR  
 SS  
 DH

IMC: 19170

The Rt Hon David Blunkett MP  
 Home Secretary  
 50 Queen Anne's Gate  
 London  
 SW1A 9AT

25 October 2001

*Dear David*

**ASYLUM, MIGRATION AND CITIZENSHIP**

Thank you for copying me into your letter of 24 October to John Prescott. I am supportive of the proposals for developing on-site health facilities at a network of induction and accommodation centres for asylum seekers.

It is right that what is proposed has identified the protection of the health of the individual asylum seeker along with that of public health as key considerations. The present system has raised serious anxieties about the health and well being of asylum seekers and also caused problems for health and social services.

Your proposals do not touch on how social care services that may be needed by asylum seekers, particularly those in the four accommodation centres, may be provided. I would have reservations were the responsibility to fall solely to the councils in whose areas the centres are based as the burden could be considerable.

In taking these proposals forward specific health and social care funding will have to be identified, as against transferring elements of existing NHS and Local Authority budgets.

I am aware that my officials have had a preliminary meeting with officials in your Department about these proposals. It is important that both our Departments work closely together as these proposals are taken forward to ensure that health policy development in this area is coherent and realistic, for example in relation to TB checks. Our officials also need to discuss the ramifications for social care services.

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I welcome the adoption of a trial approach as this should allow the impact of the centres on local health and social services to be worked through and should allow key issues to be assessed with local health and social care partners playing a key role. This would include workforce implications, as large increases in the number of NHS patients in certain areas may have a significant impact on existing provision. The health needs of newly arrived asylum seekers may also be different from those who have claimed asylum after a period spent living in this country.

Where and how links are made with acute, community and mental health services, as well as specialist services such as those needed for victims of torture, will also need to be considered. There are also implications for social care that officials will need to explore, including when individuals should be referred for help, and where help is best provided. Issues such as the health of unaccompanied minors, and clear links to the work that is under development around asylum seekers who are detained in prisons are also important.

I am copying this letter to the Prime Minister, members of DA, and to Jack Straw, Clare Short and Sir Richard Wilson.

*Yours  
Alan*

ALAN MILBURN



File

OMC  
cc JR  
JIM  
DN  
JS

Department for  
Environment, Food  
& Rural Affairs

Nobel House  
17 Smith Square  
London SW1P 3JR

From the Secretary of State

The Rt Hon David Blunkett MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London

24 October 2001

Dear David,

**MANAGED MIGRATION**

Thank you for my copy of your letter of 19 October to John Prescott.

I strongly support this initiative to promote controlled economic migration to the UK where it meets the needs of our economy and at the same time to crack down on illegal employment and exploitation. Both objectives are highly relevant to the agriculture and horticulture sector as you know, but also have a potentially wider application to other sectors in which I have an interest, such as the hotel and catering trade, which is an important element in the rural economy.

I have a particular interest in your proposed initiatives to encourage lower skilled migration and welcome your plan for a White Paper on these. I would like my officials to be involved in developing these initiatives, particularly in considering the future of the existing Seasonal Agricultural Workers Scheme where there are problems, but in other elements of the package as well.

I am happy for you to make a statement to Parliament on these lines on 29 October.

My colleague, Lord Whitty, is taking responsibility for the issue of managed migration in the Department. He will represent the Department on the Ministerial Group on Illegal Working.

I am copying this letter to the Prime Minister, members of DA Committee, to Jack Straw, Clare Short and Sir Richard Wilson.

Regards

Margaret

MARGARET BECKETT

Department for Culture, Media and Sport  
The Rt Hon Tessa Jowell MP  
Secretary of State

2-4 Cockspur Street  
London SW1Y 5DH  
www.culture.gov.uk

Tel 020-7211 6242  
Fax 020-7211 6249  
tessa.jowell  
@culture.gsi.gov.uk

C01/18609/06339/pa

The Rt Hon David Blunkett MP  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
London  
SW1H 9AT



24<sup>th</sup> October 2001

*Ms David*

You wrote to John Prescott on 19 October, seeking DA agreement to proceed with your proposals for economic migration.

As you know, my Department has a particular interest in this in terms of improving quality and service in the tourism and hospitality industry. Earlier this month, I hosted a 24-hour tourism seminar with industry leaders in order to discuss some of issues facing the longer-term strategic development of the industry, following the effects of the foot and mouth outbreak and the tragic events in America on 11 September. We agreed to follow a fresh approach to quality standards and training and skills in the sector, which we hope will lead to a higher skilled workforce and drive up standards for quality across the industry. I hope that the Highly Skilled Migrant Entry Programme will play a part in this process.

You have rightly identified hospitality as a sector which has faced chronic recruitment difficulties for several years. Hospitality vacancies account for 14% of all vacancies reported to job centres in Great Britain. It has a demand for low-skilled, seasonal employees but also shortages in the critical technical/craft and managerial skills. Any measures which will help to address these problems will be welcomed but it is also important to stress that we don't just want to fill vacancies at any cost. We also want to raise standards and therefore it is key to get the right person into the job.



INVESTOR IN PEOPLE

As part of the Government's Adult Basic Skills strategy, my Department is also working closely with DfES to develop proposals for tackling the literacy and numeracy needs of those working in the hospitality sector. We recognise that many of those working in the sector are doing so illegally and as a consequence are not eligible for support under the current Adult Basic Skills programme. I therefore welcome the three initiatives proposed for lower skilled migrants which will allow more people to take up basic skills training, leading to improved productivity within the sector. I look forward to seeing further details of your proposals in the White Paper early next year, but in the meantime, I am happy for you to proceed on the basis that you have indicated.

- ▶ I am copying this to the Prime Minister, John Prescott, Members of DA Committee, Jack Straw, Clare Short and Sir Richard Wilson.

Yours  
TJ

TESSA JOWELL

0171 238 0665

**DEPARTMENT FOR WORK AND PENSIONS**

*from the Secretary of State*



Richmond House • 79 Whitehall • London SW1A 2NS  
Telephone: 020 7238 0800 • email: Ministers@ms42.dss.gsi.gov.uk • www.dss.gov.uk

OMC  
cc JR  
JTH  
AA  
PD

**RESTRICTED - POLICY**

Rt Hon David Blunkett MP  
Home Secretary  
Home Office  
Queen Anne's Gate  
London  
SW1H 9AT

1. ~~CO~~  
2. (F)  
JTH (P)  
This should link in with PIV race lab on report. ca.

24 October 2001

*De David*

**MANAGED MIGRATION**

I have seen your letter of 19 October. I have a number of concerns which need to be resolved before you can make an announcement.

Your letter raises a number of important issues which our migration policies must reflect and respond to. In particular the general trend of increased migration but also the growing concern of illegal migration and the associated illegal employment and exploitation.

It is vital that changes to migration policy take into account their impact on the UK labour market, both in terms of UK employers and UK workers. I have little problem with your proposals for a Highly Skilled Migrant Entry Programme and to allow students to switch to the work permit system. These may well allow UK employers to attract the most highly skilled workers in what is becoming an increasingly competitive global market.

I also agree with your proposal to modernise the working holidaymaker scheme to ensure that we make full use of our current entry routes. The



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**E.R.****RESTRICTED - POLICY**

focus of improvements here should focus on those young people who are least likely to make a full contribution through the scheme.

I am less sure about your proposals to open entry routes to alleviate labour shortages in lower-skilled sectors. Firstly, labour shortages in these sectors are not a major problem in the UK labour market. I am concerned that this group will be in direct competition with a very large number of economically inactive people who are trying to get into the labour market, and many of them are competing for the same entry level jobs. Your proposal here therefore needs much further discussion. We must be very clear about the impact of what you propose before any public commitment is given. We need to maintain a single employment policy – I see what you are trying to achieve but it has to be consistent with my PSA objectives, and the Government's overall employment objectives.

I also have some concern with your proposal to further streamline the work permit system. We need to discuss the implications of this before you make an announcement.

Finally, you rightly raise the inclusion of individuals already in the UK as an important area where more could be achieved. I fully agree with this and would like to see this area given more priority. I understand that my officials are currently working with yours in this area. I await the outcome of the discussions.

I am copying this to the Prime Minister, members of DA Committee, to Jack Straw, Clare Short and Sir Richard Wilson.

*Yours*  
*Ad*

**ALISTAIR DARLING**



FROM THE SECRETARY OF STATE

Matrix  
Top/Com  
4 PD(SR)



The Rt Hon John Prescott MP  
Deputy Prime Minister and Chair of  
DA Committee  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

DEPARTMENT FOR TRANSPORT,  
LOCAL GOVERNMENT AND THE REGIONS

ELAND HOUSE  
BRESSENDEN PLACE  
LONDON SW1E 5DU

TEL: 020 7944 3011  
FAX: 020 7944 4399  
E-MAIL: [stephen.byers@dtlr.gsi.gov.uk](mailto:stephen.byers@dtlr.gsi.gov.uk)

WEB SITE: [www.dtlr.gov.uk](http://www.dtlr.gov.uk)

OUR REF: SB/022711/01

Dear John,

23 October 2001

#### MANAGED MIGRATION

I have seen a copy of David Blunkett's letter of 19 October to you, asking for agreement to his proposals on managed migration.

I welcome these proposals, which give new momentum to the approach begun by Jack Straw and Barbara Roche last year. As David says, there is wide inter-departmental working on this and related policies, and my Department will certainly maintain its contribution to the process, both through Sally Keeble's participation in Jeff Rooker's group on illegal working, and through our contribution to the migration research programme.

I am sending a copy of this letter to the Prime Minister, Jack Straw, Clare Short, and to the other members of the DA Committee.

Yours,

**STEPHEN BYERS**



INVESTOR IN PEOPLE

SKP 26/10/01

RESTRICTED - POLICY

*In Nabix*



10 DOWNING STREET  
LONDON SW1A 2AA

From the Senior Policy Adviser

23 October 2001

Dear Jane

**ASYLUM ACCOMMODATION CENTRES**

Following Monday's meeting about the Home Secretary's asylum support proposals the Prime Minister would be grateful if the Home Office and the Delivery Unit could now collaborate on a joint study of the impact that accommodation centres in other European countries have had on the processing of asylum seekers. This should include an analysis of the effect that such centres have had on case processing times, numbers of removals, overall asylum support budgets, levels of fraud, levels of tension with local communities and overall numbers of applications. If possible the study (which could be linked to the NASS audit) should report early next year ahead of SR2002.

I am copying this letter to Tom Scholar (HMT), Debora Matthews (LCO), Lucy Makinson (Office of the Chief Secretary, Treasury), Andrew Allberry and Paul Britton (CO) and to Michael Barber and Jeremy Heywood (No.10).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Justin Russell'.

**JUSTIN RUSSELL**

Jane Fowler,  
Private Secretary to the Home Secretary

RESTRICTED - POLICY

*ren.*



b c JAH  
(P)

10 DOWNING STREET  
LONDON SW1A 2AA

From the Principal Private Secretary

23 October 2001

Dear Hilary,

### ASYLUM

The Prime Minister met the Home Secretary, the Lord Chancellor, the Chancellor and the Chief Secretary to discuss the outstanding issues arising from the Home Secretary's proposals on asylum. Sir Richard Wilson, John Gieve, Sir Hayden Phillips, Stephen Boys Smith, Paul Britton, Nick MacPherson, Aileen Simkins, Nick Pearce, Justin Russell, Michael Barber, Robert Hill, Sarah Tobin and myself were also present. The meeting had before it Paul Britton's minute to me of 19 October on the costs of accommodation centres.

The Prime Minister said that the following points were agreed:

- **Legislation:** the package of legislative measures discussed at previous meetings, including measures to streamline the appeals system and deliver a tougher reporting regime at reporting centres, would be taken forward in the Asylum and Immigration Bill.
- **Appeals:** the Home Office would send 4,500 appeals to the Immigration Appellate Authority (IAA) in November, then increase to 6,000 a month from November 2002. The capacity of the IAA would be increased to meet this level of through-flow.
- **Detention centres:** the detention estate would be increased by a further 1,300 places to 4000 places as soon as possible.
- **Reporting centres:** a tougher reporting regime would be introduced in the six existing reporting centres and the two police station pilots by spring 2002. The Prime Minister is keen to begin testing a tough reporting regime as soon as possible and has asked for further advice on how far it can be strengthened ahead of legislation (eg by linking entitlement to vouchers to signing on and

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- 2 -

making reporting one of the conditions that can affect the credibility of an asylum claim).

- **Accommodation centres:** work should start immediately on four 750-place accommodation centres to become operational as soon as possible, and in any event by mid-2003.

In announcing this package the Home Secretary should use the text attached to this letter. In addition, the Prime Minister said that Ministers had agreed the following principles:

- if the accommodation centre model worked in the way that the Home Secretary expected, we would have to find the money for it;
- if the accommodation centre model did not work, then we should not build any more;
- in making his announcement, it was important that the Home Secretary was able to say that the Government was radically reforming the whole system (as in the attached statement);
- equally, to meet the Chancellor's concerns, it was clear that we were not at this stage committed to the full roll-out of the accommodation centre proposals.

The funding for these measures, and ongoing funding for the asylum system should be met from a new ring-fenced fund as proposed by the Chancellor at the meeting on 18 October. The Prime Minister would be grateful if Ministers would work up the details of this fund (eg the proposed "multi-lock" and mechanisms for dealing with overspends), with a view to introducing it at the start of the next financial year. Funding for the existing NASS and case processing arrangements will need to be augmented by the amounts necessary to deliver the measures agreed above, as set out in the Cabinet Office minutes of 17 October (for detention centres and appeals capacity) and 19 October (for accommodation centres).

As noted, it was agreed at the meeting that the attached outline statement should form the basis of the Home Secretary's announcement to Parliament, which is scheduled for 29 October. The full statement will need to be cleared with colleagues in the usual way.

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I am copying this to those present.

705. 92

**JEREMY HEYWOOD**

Hilary Jackson  
Home Office

## ANNEX A

### OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM

The Government intends radically to reform the system of support for asylum seekers. Our key objective is to establish a system that is tough, effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines tough reporting centres, increased appeals capacity, more detention facilities and accommodation centres.

We shall introduce quickly eight new-style reporting centres and, by 2003, establish four 750-bed accommodation centres to trial the new approach. Decisions about the long-term mix of facilities will be taken in the light of emerging evidence about what works.

Subject to this evidence, our aim is to phase out the current system and replace it with a new, more tightly controlled regime designed to speed up the decision-making process, which reduces fraud, increases the rate of removal of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.

### Note on ECHR extradition considerations.

1. The ECHR does not require the UK to carry out an assessment of the fairness of the criminal justice system in a state requesting extradition - Soering v UK (1989) 11

EHRR 439 at para.86:

‘... the Convention does not govern the actions of States not Parties to it, nor does it purport to be a means of requiring the Contracting States to impose Convention standards on other countries.’ (EctHR)

The EctHR proceeds in the basis that the establishment of safe havens for fugitives would not only result in danger for the State obliged to harbour the protected person but would also tend to undermine the foundations of extradition - Soering para.89.

2. The only limit is that there should be no extradition where an individual faces a real risk that his/her absolute rights under Articles 2 or 3 will be breached - Soering para.88:

‘It would hardly be compatible with the underlying values of the Convention, that ‘common heritage of political traditions, ideals, freedom and the rule of law’ to which the Preamble refers, were a Contracting State knowingly to surrender a fugitive to another State where there were substantial grounds for believing that he would be in danger of being subjected to torture, however heinous the crime allegedly committed.’ (EctHR)

This reflects the express terms of the UN Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, which provides that ‘no state Party shall ... extradite a person where there are substantial grounds for believing that he would be in danger of being subjected to torture’.

3. The mere fact that an individual faces the death penalty if extradited does not, in itself, prohibit extradition under the ECHR - this argument failed in Soering because Article 2 specifically provides for the deprivation of life following 'conviction for a crime for which this penalty is provided by law' (para.101-1-2).
  
4. The limit is death penalty plus: i.e. where there is some feature aggravating the imposition of the death penalty, such as lengthy post-conviction delay, execution of children under 18 or execution of the mentally ill.
  
5. There is no case law from the EctHR that a state that has ratified Protocol 6 cannot extradite to a state that retains the death penalty. That may be because it is largely a non-issue because:
  - (a) About 75% of all UK extraditions are to other European states and governed by the European Convention on Extradition (incorporated into domestic law by the European Convention on Extradition Order 1990 SI 1990/1507). All of the UK's EU and Schengen partners are signatories to the ECHR and have abolished the death penalty. Therefore the government has taken the view that a prohibition on extradition to European states retaining the death penalty is otiose: see Law on Extradition, Home Office consultation paper March 2001 at para.35 and p.21.
  
  - (b) The largest number of extraditions in the remaining 25% is to the US, which for many years has routinely given assurances about the death penalty. Under the Conservative government in the 80's it was the Secretary of States practice to obtain written undertakings that the views of the UK would be



represented to the judge:

'That means that the UK authorities render up a fugitive or are prepared to send a citizen to face an American court on the clear understanding that the death penalty will not be carried out-it has never been carried out in such cases.' (David Mellor, then Home Secretary, Hansard, 10 March 1987, col.955).

Since Soering this undertaking has changed such that the US now routinely undertakes that the death penalty will not be sought.

6. Notably, earlier this year, a New York jury declined to recommend that the death penalty be imposed on two defendants convicted of conspiracy with bin Laden to blow up the US embassies in Nairobi and Dar es Salaam.
7. Any restrictions on extradition under the HRA thus go no further than the existing EU, Schengen and ECE rules and do not present any practical difficulty to European or US extradition.

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Policy Adviser

22 October 2001

Dear Hilary

FAXED

### MANAGED MIGRATION

The Prime Minister has seen the Home Secretary's letter of 19 October to the Deputy Prime Minister about his proposals on managed migration.

The Prime Minister is content for the Home Secretary to outline his broad proposals in a statement to Parliament on 29 October. Clearly, the detail of these proposals needs to be agreed following further work (including by the Ministerial committee on illegal working) and scrutiny across Government. In the meantime, any statement should refer only in broad terms to what is proposed, in order to avoid pre-empting this further work.

I am copying this letter to the Private Secretaries to Members of DA, to Simon McDonald (FCO) and Anna Bewes (DFID), and to Andrew Allberry (Cabinet Office).

A handwritten signature in black ink, appearing to read 'OLIVIA'.

OLIVIA McLEOD

Hilary Jackson,  
Home Office

RESTRICTED

RESTRICTED - POLICY

From: Justin Russell  
Date: 19 October 2001

PRIME MINISTER

pm

cc: Jeremy Heywood  
Andrew Adonis  
Jonathan Powell  
Alastair Campbell  
Robert Hill  
Olivia McLeod

This is probably  
sensible. But the law  
shows a) of the market

MANAGED MIGRATION

will be controversial once unemployment  
starts to rise again 9.

David Blunkett is seeking to announce a package of measures to increase the number of legal working options for non-EU nationals in the UK. At the moment most of these options are still pretty vague – the detail will come in DB's white paper in the new year – but they do give an idea of the direction of travel. There are four basic elements to the package

- A **Highly Skilled Migrant Entry Programme** - to enable high skill, high salary professionals with at least five years graduate level experience to come to the UK to seek work. (Already announced and ready to roll out in January)
- **Student switching** – so that graduates from recognised UK universities would not have to return home to apply for a work permit.
- **Quota based work permit scheme for low skilled migrants** for sectors of the economy (eg hotel and catering, agriculture) where there are recruitment difficulties and illegal working is already a problem. (These people would have the right to bring in their families, provided they could support them, and if they stayed four years would have the right to settle indefinitely).
- A **short-term casual labour scheme**. (As above but only for 6 months and no right to bring family in).
- **Modernisation of the existing working holidaymaker scheme** for young Commonwealth citizens to widen the range of jobs they can undertake.

This package seems sensible but we will need to keep an eye on the detail as it is developed (eg DB raises the possibility of "regularising the status" of those who are already working here illegally – which could clearly be controversial).

Content for DB to announce on 29 October?

Yes  
MARK

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## Home Office

Home Secretary.

JR  
cc. J JH  
OMC  
AW

The Rt Hon John Prescott MP  
Deputy Prime Minister and  
Chair of DA Committee  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

19 OCT 2001

Dear John

### MANAGED MIGRATION

I am writing to you on the economic migration proposals I began to describe at Conference. This letter gives some more detail, which I propose to set out to Parliament in a statement on 29 October. I would welcome colleagues' agreement to me proceeding on these lines, and seek responses by 24 October on the basis that these matters have already been the subject of some discussion and consultation at Conference and since at official level.

As I said at Conference, I want to build on the debate on immigration policy initiated by Jack Straw and Barbara Roche. Research is showing that immigration is generally good for economic growth. We need to ensure our system continues to promote our economic interests as effectively as possible. Economic migration to the UK has been limited and labour shortages emerge in various sectors. We must make sure we have controlled channels of entry to the UK which properly meet our needs and will in turn provide a legal route for those who wish to earn their living and can contribute to our society.

Such changes - in particular any new routes at the low skilled end - must, however, be presented coherently to the public and underpinned with other action to demonstrate that the process is being properly managed. We need a much more concerted effort to crack down on illegal employment and exploitation. Jeff Rooker will be chairing a Ministerial Group charged with

developing policies to tackle these areas and ensuring all relevant agencies work together to deliver that aim.

I am also convinced we need to do more to assist the inclusion of those who do come here legally, especially those who settle here. Learning from the programme we already have to assist those who are given refugee status, I believe we can do more to give practical help, for example by providing information and encouraging English language training. I also want to consider ways of making more of the rights and responsibilities which come with long term residence and with the acquisition of British citizenship.

### Highly skilled migrants

I intend to launch next month the Highly Skilled Migrant Entry Programme, which was initially announced by Gordon Brown in the 2000 pre-budget report. Colleagues will recall previous correspondence about the development of this scheme in the former EA(PC). The Immigration Rules have, hitherto, prevented individuals entering the UK to seek and take up work in the absence of a specific job offer. Implementing a scheme for the highly skilled should help the UK to compete for the best skilled workers in the world market.

To ensure successful implementation, the launch will be modelled on the earlier "Innovator" scheme for business entrepreneurs which began last year. This will involve publication of guidance and application forms in November and the first applications being considered from January next year.

One of the key features of this scheme which differentiates it from the existing immigration categories and pilot schemes is that the successful HSMEP applicant will be able to take up any employment, self-employment or engage in business. The high skill level of the successful applicants should ensure that they make a positive contribution to the UK economy.

### Students switching to employment

Also in the interests of retaining those making a positive contribution to the UK economy, it has been practice for the Home Office to accept applications to "switch" in-country from a number of temporary categories into work permit employment. In order to bring greater clarity to the situation, I propose to make explicit provision in the Immigration Rules for degree level students, student nurses and postgraduate doctors and dentists to transfer into the work permit category. This would be implemented immediately but formalised during the Immigration Rules consolidation exercise in 2002.

It is important that this is targeted at those likely to make the greatest contribution to the UK and does not undermine other aspects of the management of migration flows. Therefore, we will enable these categories to switch where they obtain a work permit, have completed a degree at either a bona fide UK further, or higher, education institution and have the permission of

their international sponsor if necessary. This will enable skilled, young people with a close knowledge of the UK economy and society to stay on when finding work.

### Work permits

I intend to explore with business, employers and other stakeholders whether there is scope for further streamlining of the work permit system, for example whether there are any benefits in easing the resident labour test. Work Permits (UK) will also continue to work closely with their sectoral advisory bodies to ensure we can respond rapidly to changing labour market conditions.

### Lower skilled migrants

I also recognise that it is not just at the high skilled end that our migration routes need to be reviewed and updated. In the absence of legal migration routes difficulties in filling jobs in certain sectors, for example hotel and catering and agricultural and horticulture, have undoubtedly encouraged illegal working. In turn this fuels illegal migration and trafficking and acts as a magnet for would-be asylum seekers. Moreover, some of those working are being exploited by unscrupulous employers. Tightly managed legal avenues will fit well with strategy to combat illegal working and the abuse of other immigration categories.

I will develop proposals in a White Paper early next year but I have three initiatives in mind. The first involves extending the work permit scheme to enable employers to fill posts for which they have significant recruitment difficulties. But, unlike the existing work permit scheme, I am strongly attracted to a quota-based approach carefully targeted at specific sectors as the best way forward. The numbers and sectors will need to be determined in collaboration with relevant Whitehall colleagues and employer and trade union organisations, to ensure the scheme is coherent with our education and skills, industrial and social policies. Like the work permit scheme, this avenue would lead to settlement and applicants would accrue family reunion rights.

Second, there is also a clear need for short-term casual labour. I intend to build on the principles of the long-standing agricultural workers scheme to meet this demand in the UK economy. Again this would be carefully targeted at specific sectors and closely managed. Entry would be for a short period of up to 6 months and applicants would not acquire family reunion rights.

Applicants would apply from overseas either directly to an Embassy or to an Embassy via an authorised intermediary responsible for filling the job vacancies. If intermediaries are not used, Embassies would most probably refer to a central unit in the UK for a decision. Embassies and High Commissions overseas will therefore be an information source and/or application point. The full scheme detail needs to be devised but we will work closely with colleagues and industry to ensure that people overseas are aware of the procedure and businesses get

the right people into the jobs they need to fill. Clear guidance on the application process will also be provided on the Home Office and Foreign and Commonwealth websites.

In taking forward the design of these measures I recognise that we have to improve our detailed understanding of the extent of illegal working and the nature of recruitment difficulties in each sector. I am grateful to colleagues already taking forward research in this area as part of the inter-departmental migration research programme. It is also important that there is direct read across from the work of Jeff Rooker's Ministerial Group on illegal working.

Jeff's Group will inform future thinking on other steps that might be considered. There are complex issues around people who are here illegally but have skills we need. Some of you have raised the question of regularisation of status for such individuals. This is precisely the sort of issue I want the Ministerial Group to examine to see what measures might be taken.

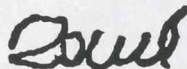
Finally, I intend to look at the scope for modernising the existing working holidaymaker scheme for young Commonwealth citizens. The purpose of this review will be to ensure the present scheme is as inclusive as possible and does not have unnecessary restrictions on working.

This comprehensive package on labour migration will enable us to maximise the contribution that migration can make by facilitating the entry of high-skilled migrants and by making legal entry routes available to business and migrants that respond to the needs of the UK economy. This will not solve our problems with illegal migration or asylum but along with other changes represents a comprehensive response to the increase in international migration.

I shall, of course, wish to consult colleagues fully on the White Paper prior to publication when the proposals have been worked up.

I am copying this to the Prime Minister, Members of DA Committee, to Jack Straw in view of his visa interests, to Clare Short in view of the international development implications and to Sir Richard Wilson.

Best wishes,



DAVID BLUNKETT



# Home Office

Home Secretary

**STRICTLY PERSONAL, PRIVATE & CONFIDENTIAL  
ADDRESSEE ONLY**

**PRIME MINISTER**

Dear Tony

I am very grateful to you for the unprecedented time you were prepared to give this afternoon on the issue of trying to sort out our asylum policy.

I am sorry that we were not able to finalise agreement, but I sincerely believe that I went out of my way to compromise and to offer Gordon a way forward which did not create a precedent for him, nor any market or public difficulty.

As you know, I have examined the system in detail and I believe that without accommodation centres we will simply be throwing good money after bad. We will, in essence, have to reveal a massive £878 million addition to this year's asylum support (plus future years consequent uplifts) without any clear off-setting solution to present to the electorate or the world.

Gordon was prepared to fund those things which he had already agreed to and then to declare that what he described as his "generosity" made it impossible to meet the actual solution, which I know to be the only way forward.

We cannot declare a pilot for the very obvious reason that people will ask how long it is going to last, and as you pointed out, why we were not prepared to move quickly to expand phase one into a coherent system which replaces the present shambles. For it is replacing the present shambles, not prolonging it, which is at the heart of this disagreement.

We did not pilot the New Deal – we introduced trail blazers. Nor for that matter did we ever pilot tax credits. Gordon did agree, of course, and I believe this should be reiterated back to him: "planning for the expansion could go on in private". I take this to mean that we would agree to be able to identify sites, logistics, and as quickly as possible to move to gain planning consent and to take options on sites and facilities that became available.

Everything else proposed is complementary to and not an alternative for accommodation centres. This is a simple fact. Whatever improvements can be made will be made, but real change is the accommodation centres.

Contd/2



I agree to  
this.

**STRICTLY PERSONAL, PRIVATE & CONFIDENTIAL  
ADDRESSEE ONLY**

You will appreciate that without a sensible compromise, I am placed in an impossible position. I propose:

- 1 The agreement we were able to reach (plus the nature of the Statement agreed by all parties with the Cabinet Office) should now be taken as the baseline.
- 2 We agree "a phased programme" of accommodation centres, the efficacy of which will be quickly evaluated, to replace the existing asylum support and dispersal system. Phase one will commence planning immediately for implementation in 2002 (trail blazers). This will consist of 3,000 places suitably sited to remove pressure on community and race relations, with 6,000 as a whole being constructed in 2002, leading to the full phased introduction of approximately 18,000 places. International evidence will be collected in the coming months. Additional planning will be subject to discussions in the 2002 Spending Review (with proper resources being held in a suspended fund similar to that of the 'Employment Opportunities Fund').
- 3 This will be presented as "an agreed and phased change to a new system". It will be part of a wholly new approach including legislative changes to nationality and asylum policy, to be spelt out in detail in a White Paper by early next year.
- 4 Policy will be aimed at overcoming the inherent problems of both the support system and dispersal, and to take the pressure off hard pressed communities. Accommodation centres could double up as reporting facilities and would be linked directly to the expanded detention centres provision to aid removals.
- 5 Initial costings of £79 million for the first 3,000 places (the spending required up to June 2002) should be agreed and if Treasury officials cannot agree detailed costings then we should bring in outside financial consultants to evaluate the costings presented.
- 6 The Home Office should seek to offset these and future phased investment in expanding the accommodation centre places from an "Exceptional Leave to Remain" agreement which I would need to announce at the same time as the substantive package.
- 7 In the package I would refer to the legislation but also to our proposals on the Work Permit system, gateway for legitimate out-of-country claims, and the working party on dealing with illegal residents as outlined already at Party Conference.

-3-

**STRICTLY PERSONAL, PRIVATE & CONFIDENTIAL**

I would be grateful for your agreement to this, but given Gordon's stance, he would only agree to any change if it came from you. This letter is therefore personal and confidential.

With best wishes

A handwritten signature in black ink that reads "David Blunkett". The signature is written in a cursive, slightly slanted style.

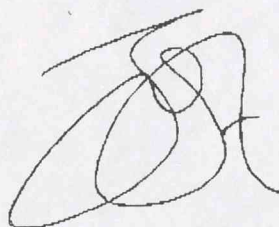
**DAVID BLUNKETT**  
18 October 2001

**RESTRICTED - POLICY***abstract =  
file***From: Justin Russell  
Michael Barber****Date: 19 October 2001****PRIME MINISTER****cc: Jeremy Heywood  
Andrew Adonis  
Jonathan Powell  
Olivia McLeod****ASYLUM CENTRES**

You are meeting David, Gordon, Derry and Andrew again on Monday evening at 6pm to discuss asylum support. HMT, HO and CO officials met this morning to attempt to reach agreement on costings. The attached personal note to you from Paul Britton sets out where we have got to (some agreement on capital and running costs but ongoing dispute on savings). As Paul says, the crucial items to resolve on Monday are a form of words for DB's statement and a decision on expenditure in the current financial year which will get us through to the SR2002 decision.

We recommend that you:

- Press GB to accept the form of words in the draft statement (attached) - which should satisfy both DB's desire to signal a radical change in the system and HMT's desire to make sure that longer term decisions about funding are taken in SR2002 "in the light of emerging evidence about what works"
- Press for DB to be allowed to start work on procuring 3,000 bed spaces immediately (at a cost of £79m this financial year). This is already significantly less than the 6,000 he was going to press for yesterday and is the minimum that he would require to keep his package on track for delivery by 2004.

**JUSTIN RUSSELL  
MICHAEL BARBER****RESTRICTED - POLICY**

## **OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to change the system of support for asylum seekers. Our key objective is to establish a system that is throughout both effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines reporting centres and accommodation centres, together with increased appeals capacity and more detention facilities.

We shall establish quickly a number of reporting centres and accommodation centres. Decisions about the long term mix of facilities will be taken in the forthcoming Spending Review and in the light of emerging evidence about what works.

Our intention is to phase out the current system – based on the dispersal of asylum seekers and vouchers – and replace it with a new, more tightly controlled system designed to speed up the decision making process, reduce fraud, increase the rate of removals of failed asylum seekers and ensure that those granted refugee status are properly integrated into society, while offering value for money.

**RESTRICTED-POLICY**

**FROM: PAUL BRITTON**  
**Hd Economic & Domestic Sect**  
**TEL: 270 0242**  
**DATE: 19 OCTOBER 2001**

**PRIME MINISTER**

c. Sir Richard Wilson  
Justin Russell  
Michael Barber  
Sarah Tobin

**ASYLUM**

1. The minute below, which has gone also to your colleagues, describes the outcome of the further work which we have done with Treasury and Home Office officials since Thursday's meeting.
2. You wanted agreed estimates of costs and savings. We have achieved strong convergence between Home Office and Treasury but we have not reached agreement in all respects. My judgement is:

a. Capital costs of accommodation centres:

The Home Office seem to me to have done a good job on the new-build centres which would make up the first phase. Their numbers have a reasonable evidential base. The two departments have agreed a risk factor of 10% on top of the 4% contingency already allowed by the Home Office. This is reasonable.

There is more uncertainty about projects done through PFI and local authorities (only relevant to later phases). Home Office have taken appropriate advice, but we cannot know the true costs until the market is tested.

**RESTRICTED-POLICY**

**RESTRICTED-POLICY**b. Running costs of accommodation centres:

Again the Home Office seem to have done a reasonable job and have good evidence for most of their numbers (eg from running detention centres and prisons), though there is some risk attached to estimates of education costs. The Treasury propose a 10% risk factor to cover this and the uncertainties about PFI costs. The Home Office would accept 5% to cover the PFI costs only.

c. Savings:

This is where the greatest uncertainty lies. The Home Office made a reasonably convincing case on paper for being able to shorten the time for initial decisions by 4 weeks and to remove more families. But can they do it in practice? The Treasury's scepticism is understandable given the failure of previous attempts to speed up the asylum process. They are right when they say that we cannot be sure until we have actually tried to do it. They have agreed the savings for the purposes of the first phase accommodation centres but would not accept them as the basis of a decision to go ahead with the complete programme.

3. Andrew Smith's suggestion on Thursday that the annual cost of a place in an accommodation centre for a single person would be 3 times as much as a NASS place was wrong. The NASS figure he used excluded health, education and interpretation costs borne elsewhere in the system; and the accommodation centre figure was an average for both single people and families. Both of these factors exaggerated the gap. On the other hand, neither figure he used fully reflected capital costs and this will tend to have understated the gap. All one can safely say on our present information is that accommodation

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centres will cost more than the NASS system, though this is in part because they will give asylum seekers better quality services, which is part of David Blunkett's strategy.

4. There are two key decisions which you will need to take in Monday's meeting:

- a. whether the initial phase of accommodation centres is 1000 places as the Chancellor wants or 3,000 as David Blunkett wants (or some intermediate figure).
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You do not need to settle on Monday the proposed arrangements for the ring-fenced fund, which the two departments can be asked to sort out. It is possible that David Blunkett, in order to reduce the costs of the overall package, will return to the question of cutting the backlog of cases by giving Extended Leave to Remain. This would be better avoided because the Home Office have not yet sorted out whether this would in fact save money – this depends on the impact on the benefit bill.

**PAUL BRITTON**

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**FROM: PAUL BRITTON**  
**Hd, Economic & Domestic Sect**  
**TEL: 270 0240**  
**DATE: 19 OCTOBER 2001**

**JEREMY HEYWOOD**

cc Chancellor of the Exchequer  
Lord Chancellor  
Home Secretary  
Chief Secretary, Treasury  
Sir Richard Wilson  
Sir Hayden Phillips  
John Gieve

**ASYLUM - ACCOMMODATION CENTRES**

**This paper summarises the estimated costs and off-setting savings of accommodation centres as requested by the Prime Minister at his meeting with colleagues on 18 October. It also outlines the Treasury's proposals for a ring-fenced asylum and immigration fund and for handling SR2002. It has been discussed and agreed with Home Office and Treasury officials as a fair reflection of their positions.**

**Introduction**

1. Tables 1-3 attached have been prepared jointly by the Home Office and Treasury. They show that there is a large measure of agreement on the costs and indicate the areas of outstanding disagreement. For a small number of centres (for example the 1000 places proposed by the Chancellor or the 3000 proposed by the Home Secretary) these disagreements are immaterial (Tables 2 and 3). But they become much more significant when the whole programme of 18,000 places is considered. Further work can be done on this ahead of SR2002.

**Capital costs**

2. The Home Office estimates that the capital cost of providing 1000 places is £48m (based on 2 prefabricated 500-bed centres). Their preferred option is to build in 750 units as this offers economies of scale. They estimate that the cost of providing 1500 places is £60m (based on 2 prefabricated 750-bed centres). Tables 2 and 3 set out the costs and savings of 1000 and 1500 places respectively. It might be possible to bring these costs down slightly by making use of refurbished properties. The Home Office costings are based on;

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- a detailed site design prepared by consultants;
  - the experience of the two most recently constructed detention centres, which have come in on budget;
  - discussions with the MOD about the sale price of 20 potential sites;
  - confidential discussions with suppliers of off-the-shelf prefabricated accommodation units; and
  - a 4% risk allowance.
3. The Treasury has argued that a larger risk allowance should be included, given the history of overruns on public procurement projects. Home Office officials have therefore agreed to add a further 10% risk allowance to the capital costs and this is reflected in the revised costings in the attached tables.
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6. The Home Office estimates that the running costs for 1000 places are £20 million a year and £29m for 1500 places (see table 3).
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8. The Treasury argues that as there is no exact precedent for the accommodation centres the actual costs will only be confirmed on

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the basis of experience. For this reason they propose factoring in a further risk allowance of 10%. Home Office officials do not accept this completely, although they agree that for the whole package of 18,000 places it is sensible to factor in some risk allowance for the PFI costs that are spread over the running costs (though they think a realistic figure is likely to be nearer to 5%).

Off-setting savings

9. The Home Office has assumed that accommodation centres will deliver off-setting savings in the following areas:
- savings in NASS costs as new asylum seekers are supported in accommodation centres rather than by NASS
  - a reduction in fraud and inefficiency
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10. The Treasury accept in principle that savings will accrue in all these areas, but argue that the magnitude of some of these savings cannot be known until centres are tested in operation. For the purposes of this paper, though, they have accepted the Home Office's assumptions on removals and processing times (though they would not be prepared to accept this as a basis for proceeding with the full 18,000 place programme without further evidence).
11. There are two areas on which disagreement remains, however:
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14. Table 1 sets out the net costs of 18000 places. In the light of discussion the Home Office estimate has increased and is now presented as a range (to reflect the risk allowance on capital costs) of £539m - £562m. The Treasury estimates (which excludes the additional fraud savings assumed by the Home Office and the savings that would arise if appeals returned to a steady state) that the true costs are likely to be nearer to £903m - £1.039bn. Given that measures are not yet in place to achieve a steady state in appeals by 2003/04 the Treasury estimate appears to be a more realistic planning assumption. However, the Home Secretary has always made clear that he sees accommodation centres as part of a complete package, including a backlog clearance exercise. If these proposals are worked up ahead of SR2002 it ought to be possible to reach a closer agreement on these costings.

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Accommodation centre	£18,340 a place p.a.
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16. A direct comparison between these figures cannot be drawn because:
- the accommodation centre costs include education and health facilities and interpretation, which are not provided by NASS (removing these brings the cost down to c£10,000 p.a.);
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What happens if the asylum intake rises?

17. The Home Office proposal assumes that there will be 60,000 new asylum seekers a year. If this were to increase to 78,000 a

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year, the cost of supporting this additional number in accommodation centres would be £165m on Home Office costings or £270-£310m on the Treasury's costings. These figures are shown at the bottom of Table 1.

Reporting Centres

18. In the time available, officials have not been able to look in detail at the costs and savings of reporting centres. The Home Office's assumptions are therefore fully incorporated in Table 1 (they are not relevant to Tables 2 and 3). The Chancellor indicated yesterday that he was prepared to proceed with a tougher regime in the existing six bespoke centres and the two pilots in Police Stations and the Home Secretary made clear that his immediate priority for further investment was accommodation centres. There will be an opportunity to carry out further work on the business case for reporting centres in the run up to SR2002.

Future funding arrangements

19. The Treasury has proposed that a ring-fenced fund should be established, probably from 2002/03, to include all asylum funding including both Home Office and LCD funds (the Home Office would prefer to include all immigration spending within such a fund). This would be drawn down by agreement between Treasury, Home Office and LCD Ministers. Any underspends would revert to Treasury. Any overspend would be borne by other Home Office and LCD programmes up to 20% of the value of the fund, and by the Reserve above that amount. The Home Office would prefer underspends to be recycled within the fund. As to overspends, the Treasury's proposal is unlikely to be acceptable to Home Office and LCD, not least because of the difficulty of predicting future numbers of asylum seekers.

SR2002

20. Officials agree that the level of future funding for asylum costs should be considered in more detail alongside other spending priorities in SR2002. Treasury would be ready to consider including in the proposed ring-fenced fund an amount of money for investment in the asylum system. Some additional evidence should by then be available:

- on European experience of running facilities equivalent to accommodation centres;

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- on actual capital costs of accommodation centres assuming that Ministers commission the first phase now;
- on running a tighter regime in reporting centres, including the variant based in police stations (though not the most rigorous regime, which will need to await the enactment of the proposed Asylum Bill).

There will, however, be no direct evidence of running accommodation centres until late 2003 at the earliest. The Home Office will want agreement in SR2002 to commission a further phase of accommodation centres. The Treasury view is that while contingency planning can be done (eg obtaining planning permissions), the decision whether to build more centres needs to await evidence of how the centres operate in practice, what the running costs are and whether the savings claimed for them materialise.

Conclusion

21. There cannot be certainty about any of these costs or savings in advance of practical experience of building and running accommodation centres.
22. The issues for ministers on Monday are:
  - how many accommodation centre places should we provide for straight away?
  - In what terms should Ministers announce the change of policy – an outline of a draft statement is attached at Annex A

**PAUL BRITTON**

Additional copies:

Nick McPherson  
Stephen Boys Smith  
Michael Barber  
Mary Shaw  
Aileen Simkins

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**RESTRICTED:POLICY**

Justin Russell  
Nick Pearce

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**RESTRICTED:POLICY****ANNEX A****OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to change the system of support for asylum seekers. Our key objective is to establish a system that is throughout both effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines reporting centres and accommodation centres, together with increased appeals capacity and more detention facilities.

We shall establish quickly a number of accommodation centres. Decisions about the long term mix of facilities will be taken in the forthcoming Spending Review and in the light of emerging evidence about what works.

Our intention is to phase out the current system – based on the dispersal of asylum seekers and vouchers – and replace it with a new, more tightly controlled system designed to speed up the decision-making process which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.

TABLE 1

## Net costs of full 18,000 Accommodation Centres package (including 20 reporting centres)

	2001/2	2002/3	2003/4	2004/5	2005/6	Total
Capital costs	21	106	93	7	0	227
+ 10% risk factor on capital costs	+2	+11	+9	+1		+23
Running costs (based on 1/3 HO capital; 1/3 local authority and 1/3 private incl PFI)	6	70	189	428	435	1068
+ HMT 10% risk factor on running costs		+7	+19	+43	+44	+107
Total agreed savings from ACs (incl 20 RCs)	0	-2	-94	-157	-199	-450
+ HO extra fraud benefit	0	0	0	-39	-40	-79
+ HO extra if assume "steady state" on appeals – only reached by 2003/4 if appeals backlog reduced, e.g. by ELR HMT: these savings not a	0	0	-29	-85	-171	-285



result of ACs.						
Net total <b>HO</b> (range reflects agreed risk factor)	<b>27-29</b>	<b>174-185</b>	<b>159-168</b>	<b>154-155</b>	<b>25</b>	<b>539-562</b>
Net total <b>HMT</b>	<b>27-29</b>	<b>174-92</b>	<b>188-216</b>	<b>278-322</b>	<b>236-280</b>	<b>903-1039</b>
+ further risk factor if asylum intake is sustained 78,000 rather than 60,000 ( <b>HMT costs</b> )						<b>270-310</b>
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Table 2

Net costs of 1000 Accommodation Centre places (based on 2 x 500 bed prefabricated centres, financed by Home Office capital)

	2001/2	2002/3	2003/4	2004/5	2005/6	Total
Capital costs	0	48	0	0	0	48
+ 10% risk factor on capital costs	0	+ 5	0	0	0	+5
Run costs		5	20	20	20	65
+ HMT 10% risk factor on running costs		0	+2	+2	+2	+8
Total agreed savings	0	-1	-10	-11	-11	-33
<b>HO Net total</b>		<b>52-58</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>80-85</b>
<b>HMT Net total</b>		<b>52-58</b>	<b>10-12</b>	<b>9-11</b>	<b>9-11</b>	<b>80-91</b>

**Table 3**

**Net costs of 1500 Accommodation Centre places (based on 2 x 750 bed prefabricated centres financed by Home Office capital)**

	2001/2	2002/3	2003/4	2004/5	2005/6	Total
Capital costs	0	60	0	0	0	60
+ 10% risk factor on capital costs	0	+ 6	0	0	0	+6
<hr/>						
Run costs		8	29	29	29	95
+ HMT 10% risk factor on running costs		+1	+3	+3	+3	+10
<hr/>						
Total agreed savings	0	-2	-15	-16	-16	-49
<b>HO Net total</b>		<b>66-72</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>106-112</b>
<b>HMT net total</b>		<b>66-73</b>	<b>14-17</b>	<b>13-16</b>	<b>13-16</b>	<b>106-122</b>

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**FROM: PAUL BRITTON**  
**Hd Economic & Domestic Sect**  
**TEL: 270 0242**  
**DATE: 19 OCTOBER 2001**

**PRIME MINISTER**

c. Sir Richard Wilson  
Justin Russell  
Michael Barber  
Sarah Tobin

**ASYLUM**

1. The minute below, which has gone also to your colleagues, describes the outcome of the further work which we have done with Treasury and Home Office officials since Thursday's meeting.
2. You wanted agreed estimates of costs and savings. We have achieved strong convergence between Home Office and Treasury but we have not reached agreement in all respects. My judgement is:

a. Capital costs of accommodation centres:

The Home Office seem to me to have done a good job on the new-build centres which would make up the first phase. Their numbers have a reasonable evidential base. The two departments have agreed a risk factor of 10% on top of the 4% contingency already allowed by the Home Office. This is reasonable.

There is more uncertainty about projects done through PFI and local authorities (only relevant to later phases). Home Office have taken appropriate advice, but we cannot know the true costs until the market is tested.

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### b. Running costs of accommodation centres:

Again the Home Office seem to have done a reasonable job and have good evidence for most of their numbers (eg from running detention centres and prisons), though there is some risk attached to estimates of education costs. The Treasury propose a 10% risk factor to cover this and the uncertainties about PFI costs. The Home Office would accept 5% to cover the PFI costs only.

### c. Savings:

This is where the greatest uncertainty lies. The Home Office made a reasonably convincing case on paper for being able to shorten the time for initial decisions by 4 weeks and to remove more families. But can they do it in practice? The Treasury's scepticism is understandable given the failure of previous attempts to speed up the asylum process. They are right when they say that we cannot be sure until we have actually tried to do it. They have agreed the savings for the purposes of the first phase accommodation centres but would not accept them as the basis of a decision to go ahead with the complete programme.

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19. The Treasury has proposed that a ring-fenced fund should be established, probably from 2002/03, to include all asylum funding including both Home Office and LCD funds (the Home Office would prefer to include all immigration spending within such a fund). This would be drawn down by agreement between Treasury, Home Office and LCD Ministers. Any underspends would revert to Treasury. Any overspend would be borne by other Home Office and LCD programmes up to 20% of the value of the fund, and by the Reserve above that amount. The Home Office would prefer underspends to be recycled within the fund. As to overspends, the Treasury's proposal is unlikely to be acceptable to Home Office and LCD, not least because of the difficulty of predicting future numbers of asylum seekers.

### SR2002

20. Officials agree that the level of future funding for asylum costs should be considered in more detail alongside other spending priorities in SR2002. Treasury would be ready to consider including in the proposed ring-fenced fund an amount of money for investment in the asylum system. Some additional evidence should by then be available:
  - on European experience of running facilities equivalent to accommodation centres;

**RESTRICTED:POLICY**

- on actual capital costs of accommodation centres assuming that Ministers commission the first phase now;
- on running a tighter regime in reporting centres, including the variant based in police stations (though not the most rigorous regime, which will need to await the enactment of the proposed Asylum Bill).

There will, however, be no direct evidence of running accommodation centres until late 2003 at the earliest. The Home Office will want agreement in SR2002 to commission a further phase of accommodation centres. The Treasury view is that while contingency planning can be done (eg obtaining planning permissions), the decision whether to build more centres needs to await evidence of how the centres operate in practice, what the running costs are and whether the savings claimed for them materialise.

Conclusion

21. There cannot be certainty about any of these costs or savings in advance of practical experience of building and running accommodation centres.
22. The issues for ministers on Monday are:
  - how many accommodation centre places should we provide for straight away?
  - In what terms should Ministers announce the change of policy – an outline of a draft statement is attached at Annex A

**PAUL BRITTON**

Additional copies:

Nick McPherson  
Stephen Boys Smith  
Michael Barber  
Mary Shaw  
Aileen Simkins

**RESTRICTED:POLICY**

**RESTRICTED:POLICY**

Justin Russell  
Nick Pearce

**RESTRICTED:POLICY**

**OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to change the system of support for asylum seekers. Our key objective is to establish a system that is throughout both effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines reporting centres and accommodation centres, together with increased appeals capacity and more detention facilities.

We shall establish quickly a number of accommodation centres. Decisions about the long term mix of facilities will be taken in the forthcoming Spending Review and in the light of emerging evidence about what works.

Our intention is to phase out the current system – based on the dispersal of asylum seekers and vouchers – and replace it with a new, more tightly controlled system designed to speed up the decision-making process which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.



# Home Office

Home Secretary

The Rt Hon John Prescott MP  
Deputy Prime Minister and  
Chair of DA Committee  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

*f*  
*faxed*  
19 OCT 2001

*M*  
*cc: OM*  
*MT*

Dear John

## MANAGED MIGRATION

I am writing to you on the economic migration proposals I began to describe at Conference. This letter gives some more detail, which I propose to set out to Parliament in a statement on 29 October. I would welcome colleagues' agreement to me proceeding on these lines, and seek responses by 24 October on the basis that these matters have already been the subject of some discussion and consultation at Conference and since at official level.

As I said at Conference, I want to build on the debate on immigration policy initiated by Jack Straw and Barbara Roche. Research is showing that immigration is generally good for economic growth. We need to ensure our system continues to promote our economic interests as effectively as possible. Economic migration to the UK has been limited and labour shortages emerge in various sectors. We must make sure we have controlled channels of entry to the UK which properly meet our needs and will in turn provide a legal route for those who wish to earn their living and can contribute to our society.

Such changes - in particular any new routes at the low skilled end - must, however, be presented coherently to the public and underpinned with other action to demonstrate that the process is being properly managed. We need a much more concerted effort to crack down on illegal employment and exploitation. Jeff Rooker will be chairing a Ministerial Group charged with

developing policies to tackle these areas and ensuring all relevant agencies work together to deliver that aim.

I am also convinced we need to do more to assist the inclusion of those who do come here legally, especially those who settle here. Learning from the programme we already have to assist those who are given refugee status, I believe we can do more to give practical help, for example by providing information and encouraging English language training. I also want to consider ways of making more of the rights and responsibilities which come with long term residence and with the acquisition of British citizenship.

#### Highly skilled migrants

I intend to launch next month the Highly Skilled Migrant Entry Programme, which was initially announced by Gordon Brown in the 2000 pre-budget report. Colleagues will recall previous correspondence about the development of this scheme in the former EA(PC). The Immigration Rules have, hitherto, prevented individuals entering the UK to seek and take up work in the absence of a specific job offer. Implementing a scheme for the highly skilled should help the UK to compete for the best skilled workers in the world market.

To ensure successful implementation, the launch will be modelled on the earlier "Innovator" scheme for business entrepreneurs which began last year. This will involve publication of guidance and application forms in November and the first applications being considered from January next year.

One of the key features of this scheme which differentiates it from the existing immigration categories and pilot schemes is that the successful HSMEP applicant will be able to take up any employment, self-employment or engage in business. The high skill level of the successful applicants should ensure that they make a positive contribution to the UK economy.

#### Students switching to employment

Also in the interests of retaining those making a positive contribution to the UK economy, it has been practice for the Home Office to accept applications to "switch" in-country from a number of temporary categories into work permit employment. In order to bring greater clarity to the situation, I propose to make explicit provision in the Immigration Rules for degree level students, student nurses and postgraduate doctors and dentists to transfer into the work permit category. This would be implemented immediately but formalised during the Immigration Rules consolidation exercise in 2002.

It is important that this is targeted at those likely to make the greatest contribution to the UK and does not undermine other aspects of the management of migration flows. Therefore, we will enable these categories to switch where they obtain a work permit, have completed a degree at either a bona fide UK further, or higher, education institution and have the permission of



their international sponsor if necessary. This will enable skilled, young people with a close knowledge of the UK economy and society to stay on when finding work.

### Work permits

I intend to explore with business, employers and other stakeholders whether there is scope for further streamlining of the work permit system, for example whether there are any benefits in easing the resident labour test. Work Permits (UK) will also continue to work closely with their sectoral advisory bodies to ensure we can respond rapidly to changing labour market conditions.

### Lower skilled migrants

I also recognise that it is not just at the high skilled end that our migration routes need to be reviewed and updated. In the absence of legal migration routes difficulties in filling jobs in certain sectors, for example hotel and catering and agricultural and horticulture, have undoubtedly encouraged illegal working. In turn this fuels illegal migration and trafficking and acts as a magnet for would-be asylum seekers. Moreover, some of those working are being exploited by unscrupulous employers. Tightly managed legal avenues will fit well with strategy to combat illegal working and the abuse of other immigration categories.

I will develop proposals in a White Paper early next year but I have three initiatives in mind. The first involves extending the work permit scheme to enable employers to fill posts for which they have significant recruitment difficulties. But, unlike the existing work permit scheme, I am strongly attracted to a quota-based approach carefully targeted at specific sectors as the best way forward. The numbers and sectors will need to be determined in collaboration with relevant Whitehall colleagues and employer and trade union organisations to ensure the scheme is coherent with our education and skills, industrial and social policies. Like the work permit scheme, this avenue would lead to settlement and applicants would accrue family reunion rights.

Second, there is also a clear need for short-term casual labour. I intend to build on the principles of the long-standing agricultural workers scheme to meet this demand in the UK economy. Again this would be carefully targeted at specific sectors and closely managed. Entry would be for a short period of up to 6 months and applicants would not acquire family reunion rights.

Applicants would apply from overseas either directly to an Embassy or to an Embassy via an authorised intermediary responsible for filling the job vacancies. If intermediaries are not used, Embassies would most probably refer to a central unit in the UK for a decision. Embassies and High Commissions overseas will therefore be an information source and/or application point. The full scheme detail needs to be devised but we will work closely with colleagues and industry to ensure that people overseas are aware of the procedure and businesses get

the right people into the jobs they need to fill. Clear guidance on the application process will also be provided on the Home Office and Foreign and Commonwealth websites.

In taking forward the design of these measures I recognise that we have to improve our detailed understanding of the extent of illegal working and the nature of recruitment difficulties in each sector. I am grateful to colleagues already taking forward research in this area as part of the inter-departmental migration research programme. It is also important that there is direct read across from the work of Jeff Rooker's Ministerial Group on illegal working.

Jeff's Group will inform future thinking on other steps that might be considered. There are complex issues around people who are here illegally but have skills we need. Some of you have raised the question of regularisation of status for such individuals. This is precisely the sort of issue I want the Ministerial Group to examine to see what measures might be taken.

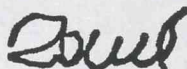
Finally, I intend to look at the scope for modernising the existing working holidaymaker scheme for young Commonwealth citizens. The purpose of this review will be to ensure the present scheme is as inclusive as possible and does not have unnecessary restrictions on working.

This comprehensive package on labour migration will enable us to maximise the contribution that migration can make by facilitating the entry of high-skilled migrants and by making legal entry routes available to business and migrants that respond to the needs of the UK economy. This will not solve our problems with illegal migration or asylum but along with other changes represents a comprehensive response to the increase in international migration.

I shall, of course, wish to consult colleagues fully on the White Paper prior to publication when the proposals have been worked up.

I am copying this to the Prime Minister, Members of DA Committee, to Jack Straw in view of his visa interests, to Clare Short in view of the international development implications and to Sir Richard Wilson.

Best wishes,



DAVID BLUNKETT

## ASYLUM POLICY, PROCEDURES AND FACILITIES FOR A MANAGED SYSTEM

### INTRODUCTION

1. The Home Secretary has set out his view of the need to change the asylum system in minutes to the Prime Minister. This paper explains some particular aspects of the Home Secretary's proposals in more depth, exploring costs and benefits.
2. The Home Secretary's proposals depend in part on legislation and in part on build up of new facilities to replace the current NASS systems for vouchers and dispersal to communities away from London. Some work can begin quickly, but there will be an inevitable delay before all the new policies have an impact. In that period, the current asylum system will continue with very serious problems, some of which will become significantly worse.
3. Annex A gives figures for the costs of asylum support, and other aspects of the immigration system in Home Office and Lord Chancellor's Department, on current projections with no extra resources. Key points are:
  - About 60,000 new asylum seekers a year. This is a conservative figure, based on a forecast in July, which has been exceeded in subsequent months. With no mitigating action, and/or adverse international factors, this could easily be 20% or more higher, with a consequent shift upwards in all figures below.
  - 48,000 asylum seekers supported by NASS now, 70,000 supported under old arrangements by DWP or local authorities, perhaps 30,000 self supporting. By March 2006, if the proposals in this paper are not adopted, the total numbers on support will still be around 120,000. A majority of these will by March 2006 be under NASS support, dispersed to towns away from London – about twice the numbers currently absorbed, and clearly putting very major pressures on available accommodation and social stress. The baseline projection also shows 15,000 families and 5000 singles on local authority support – probably mostly in London.
  - In March 2006 over 100,000 asylum applicants would be awaiting an appeal of a decision, because appeals capacity is currently well below what is required. On the baseline projection, the appeals backlog grows constantly – an open ticket for free support and a clear pull factor. Families on asylum support might be technically removable, but not actually removed, either because of case-specific or nationality-specific issues or because of immigration service capacity constraints.
  - There would also be large numbers of former asylum seekers (single men, mostly) in limbo – those who are technically liable for removal, have been evicted from former supported accommodation but cannot actually be removed because of very significant issues inhibiting removal to their home countries – e.g. Afghanistan and Iraq. Illegal working, homelessness, perhaps crime and exploitation, and racial unrest are clear risks.
  - Some parts of the asylum system are now working well, in comparison with 2 – 3 years ago. Timeliness of initial decisions is not yet up to our target level of 60% in 2 months but solutions should be achievable. The IAA has expanded nearly threefold

## Restricted - Policy

over the last two years; further expansion is clearly needed. However, the standing of the system depends on the totality including appeals and removals. A bad system which fails to resolve cases quickly and remove those who have failed will tend to increase the asylum intake coming to the UK (rather than other destinations) and this is a major risk on the numbers as they stand. The system also has to be defensible to the UK population, including communities where asylum seekers or overstayers are living.

- Total costs of asylum support are forecast as over £1 billion each year, with a rising trend driven by unresolved appeals and unremoved families. Huge as these figures are, it is important to appreciate that the human issues behind them, not just the financial pressures.
4. Proposed legislation on asylum and immigration will bring about some improvements, supporting the specific spending proposals in this paper. Legal changes would remove some of the pressure on appeals, though not sufficient to invalidate the case for expanding the Immigration Appellate Authority as set out in Part 3 of this paper. Delivering appeal determinations to IND to support personal delivery to the applicant with an option of moving straight to detention, where there are no legal barriers, will facilitate removal – if resources are available (staff, detention space, contract costs). Action on the recommendations of the voucher and dispersal reviews will ameliorate some concerns – though only at the margin on a system which will continue to show escalating costs, with pressure on social tolerance and wide open to fraud and maladministration. Annex B lists the recommendations of these reviews with costs and benefits.
  5. This paper sets out the case for three specific investments
    - Part 1: tighter case management, by either reporting centres, accommodation centres or reporting to an existing network such as police stations
    - Part 2: expanding detention centre capacity as part of a wider strategy to increase removals
    - Part 3: expanding the capacity of the appeals system.
  6. Each of these contributes to the Home Office Delivery Contract and PSA targets for fast asylum decisions and increased removals, and to reducing costs of asylum support.

### Risks of Status Quo

- **Increase in asylum intake above current forecasts, as extent of system failure becomes known**
- **Social tension and bad race relations in areas where increasing numbers of asylum seekers live**
- **Pressure on schools and health services, not so far recognised in sufficient explicit funding from central government**
- **Increase in illegal working, homelessness, crime etc from former asylum seekers who are neither given legal status in the UK nor removed**
- **Disillusion within IND and IAA staff and professionals leading to turnover, performance failures, corruption and public discredit**

- Continued high expenditure levels to support 120,000 claimants (equivalent to 2 years intake)
- Continued exposure to extensive fraud and abuse of NASS system

## **PART 1: TIGHTER SYSTEM MANAGEMENT**

### **Summary**

Unless Ministers decide to return to the pre-1996 policy of cash benefits for all asylum seekers, the only possible alternative to the current voucher and dispersal system is for direct support through accommodation centres (option ii, below). Options (i) and (iii) do not allow Ministers to advance beyond the key building blocks of the current system, and so retain its central instabilities.

As the table below demonstrates, accommodation centres provide a structural solution to key policy challenges. Accommodation centres:

- eliminate the possibility of financial fraud by asylum seekers and landlords, by providing financial support and housing directly;
- secure increased efficiency and economies of scale in reporting requirements and case processing/management;
- overcome the community tensions caused by dispersal and radically ease the burden on local education, health, police and other services in current dispersal areas;
- facilitate higher rates of removals through end-to-end contact with asylum seekers, allowing immediate transfer to detention places.

It should also be noted that all other EU Member States use reception/accommodation centres for asylum seekers to some degree (except Portugal, which provides no accommodation at all). Vouchers are used, to a limited extent, in Germany and Luxembourg.

7. Work to date has identified three broad options for tightening management of the asylum system:
  - (i) Reporting centres plus continuation of NASS accommodation and vouchers;
  - (ii) Reporting centres plus accommodation centres;
  - (iii) Reporting at existing network, plus continuation of NASS accommodation and vouchers.
8. All three options assume a number of simultaneous improvements in other areas, including expansion of the detention estate, measures to improve the appeals system and the introduction of a biometric smart card to replace the standard acknowledgement letter.
9. The following table compares the three options on the basis of the key factors identified in earlier work.

**TABLE 1: ASSESSMENT OF BENEFITS OF THREE OPTIONS FOR CASE MANAGEMENT**

	<b>Option (i) NASS + RCs</b>	<b>Option (ii) ACs + RCs</b>	<b>Option (iii) NASS + reporting</b>
<b>Financial support</b>	No impact: vouchers plus small cash allowance for 70%	Small cash allowance for 60%	No impact: vouchers plus small cash allowance for 70%
<b>Contact / reporting requirements</b>	Monthly or weekly at nearest RC	Daily at AC	Monthly or weekly at local post office, police station, etc
<b>Case management</b>	Personal dissemination of decisions, plus invite to RC for interview	Personal dissemination of decisions, plus on-site interviews	Little scope for contact beyond regular reporting
<b>Facilitation of removals</b>	Enforcement officers in attendance; family and belongings elsewhere; some no-shows	Enforcement officers in attendance; family and belongings on site; some absconds	Limited impact, depending on availability of detention space
<b>Social tensions in cluster areas</b>	No impact: potential for further tensions in urban areas	New dispersal network based on discrete ACs primarily away from urban centres – need to handle community impact but risks lower than at present	No impact: potential for further tensions in urban areas
<b>Impact on local services</b>	No impact; continued pressure on healthcare and education	On-site provision of education and basic healthcare	No impact; continued pressure on healthcare and education
<b>Counter fraud</b>	Potential for improvements via audit; but inherently vulnerable to fraud	All support in kind; no scope for fraud	Potential for improvements via audit; but inherently vulnerable to fraud

**(i) Reporting centres plus continuation of NASS accommodation and vouchers**

10. This option would have no impact on the three of the key factors: the provision of financial support, the social tensions experienced in some cluster areas and the provision of services on local authorities. Action on the NASS vouchers and dispersal review may ameliorate some of the concerns but continuation of the system, with potentially twice as many people accommodated by NASS in the next five years, will inevitably lead to a further build up of pressures.
11. Provision of much larger sums to schools accommodating asylum seekers' children or NHS provision for salaried GPs where local GPs are closing lists to asylum seekers could also be considered, but Home Office is not aware that DfES or DH has such plans and extra resources would be required. More work to integrate successful refugees into the community, including English language training and preparation for work, would also be very desirable and would apply to all options (since a proportion of asylum claims are granted). While bids in these areas may be made by Home Office or other departments in SR2002, there is no information at present which could be included in the option appraisal.
12. There would be potential benefits on the other criteria in Table 1.

## Reporting requirements

13. The Immigration Service currently operates six reporting centres and a pilot scheme is in operation at Leicester Central Police Station. Asylum seekers and others, such as immigration offenders who are not detained and with whom the Immigration Service wants to keep in close contact, may be required to report on a regular basis. Frequency of reporting is variable and presently ranges from weekly to monthly attendance. Those who fail to comply with reporting conditions are likely to be subject to absconder action and may be liable for detention or non-compliance prosecution.
14. We estimate that 75 reporting centres – one in each cluster area – would mean that 27,000 NASS-supported applicants would live within 3 miles of a centre, leaving the remaining 15,000 NASS-supported applicants with a journey of more than 3 miles each way.
15. The current non-dispersal travel costs of NASS-supported applicants are a small proportion of the support budget, amounting to approximately £200,000 per annum. This is because most asylum seekers currently make only one non-dispersal journey: for the substantive asylum interview.
16. Funding the weekly reporting travel costs of 15,000 NASS-supported applicants – assuming a return ticket of £10 – would cost £8 million. But this does not take account of 40-50,000 applicants currently supported by local authorities or DWP. They do not necessarily live within NASS cluster areas, and therefore could be expected to more than double the total travel costs, to about £20 million per annum. Non-supported applicants would be expected to make their own arrangements.
17. Reducing the number of reporting centres to 50 – reducing the capital cost by £25 million to £50 million - would increase the number of applicants living outside a 3-mile radius to about 25,000, which in turn would increase the non-dispersal travel budget for NASS-supported applicants by £5 million to £13 million, which would mean a total non-dispersal travel budget in the order of £30 million per annum.
18. However, this apparent cost saving needs to be weighed against a number of other factors. Longer journeys would require an increase in the cash element of support, and the rate of non-compliance could be expected to increase. And the longer the journey, the more difficult it would be to withstand claims that a finding of non-compliance was unreasonable.
19. The experience of the Immigration Service to date is that reporting centres have not proved to be an effective means of maintaining contact with asylum seekers. Of those required to report to the existing centres, approximately 30% do not. This could change if legal provision could be made that failure to report affects the credibility of a claim. But this sanction applies most strongly at the start of the process.
20. One option for consideration is whether vouchers should be provided through reporting centres (rather than post offices) as an incentive to report; or whether support packages should be cancelled immediately for applicants who do not report. However, there would be genuine or plausible excuses for failure to report on a particular occasion. Casework action to cancel support has costs. If it provokes an appearance or a lawyer's letter which makes it too risky to sustain a refusal of support, the package would have to be reinstated, with further

## Restricted - Policy

administrative costs. There are risks of records becoming confused, local knowledge being unsynchronised with the central computer record; emergency payments having to be made; accommodation being double booked or accidentally left void. One of the operating difficulties NASS has suffered so far has been constant reworking of support packages to take account of changes in circumstance, with an administrative error rate which has to be reworked. While there may be potential to strengthen the reporting requirement by sanctions on support, care must be taken to avoid this becoming an expensive administrative revolving door rather than a genuine incentive.

### Case management

21. A key advantage of dedicated reporting centres would be that, in addition to regular reporting, it would be possible to conduct substantive asylum interviews on site, as well as initial decision interviews and appeal determination interviews. This could mean a much shorter journey to interview appointments for most applicants, which would be more efficient in terms of travel costs and, more importantly, could be expected to reduce non-compliance, which currently occurs on 15% of asylum claims. Though there would be extra costs of travel and travel time for caseworkers. Some savings as a result of these improvements are identified below.

### Facilitation of removals

22. Holding post-determination interviews at reporting centres provides an opportunity for enforcement officers to assess any changes in circumstances prior to consideration of detention. This already takes place in the existing reporting centres.
23. However, reportees have little incentive to maintain contact through the reporting system, and the number of no-shows tends to increase after the appeal hearing. Moreover, immediate detention and early removal may still prove very difficult to achieve for practical reasons, such as the integration into the community of dependent family members, and when barriers to removal are raised which are not easily and quickly resolved, such as a claim for consideration under the Human Rights Act or an application for judicial review.
24. Where it is appropriate to take an applicant to detention on the basis of an interview at a reporting centre (or as a result of failure to attend), immigration officers will need to accompany the claimant back to his home to collect possessions. Sufficient manpower must be deployed to avoid the person absconding and to avoid risk to public safety. This in itself may cause social tension with neighbours. Police assistance may be required; it may be refused either because of police resource pressures or because of police concern about racial or community tension. Some hours might be spent by at least 2 immigration officers before the claimant could be escorted to detention.
25. Cold calling for reportees who do not attend are also very resource intensive and have been shown to have a low success rate. After a number of visits it might be possible to cancel the accommodation package – but the manpower costs to achieve this are high. Some allowance has been made in the costings in Table 2 for enforcement teams at reporting centres, but realistically they would be able to resolve successfully only a small proportion of cases where the reporting requirement is breached or where case management reaches the point where detention is desirable.



**Counter fraud**

26. There is considerable scope for tackling fraud via a number of measures which are now being taken. These include an audit of NASS support, a data matching exercise with local authorities and the introduction of asylum smart cards. These are expected to produce significant savings in 2002/3 as a number of old cases are cleared out of the system. Audit and contract management teams will be maintained so long as NASS support continues, since any system based on direct financial support, either in cash or vouchers, will remain inherently vulnerable to fraud. It would be unrealistic though to expect to eliminate completely fraud and wasted expenditure completely.

**Costs of Reporting Centres**

27. Table 2 gives the costs and estimated savings from reporting centres.
28. Capital costs are for 75 centres (1 for each NASS cluster area) with a size of 1300 sq ft. From current experience this is the size needed for a public reporting area, dedicated holding facility, interview rooms and office space for an enforcement team. Proper facilities are essential if the purpose of the centre is to be achieved. Sites are not always easy to find because some landlords object to asylum seekers coming and going. There has to be a suitable access point for removal by van to detention, and public safety must be safeguarded. Costs so far have been an average of £1.1m per centre but we assume a 10% efficiency saving is possible to an average of £1m.
29. Running costs are based on £520,000 non pay expenditure, per centre, from experience so far, and about the same for staffing, making £1m average. This includes some enforcement action on non-compliance and costs for caseworkers attending for case management. All centres would be fully operational by April 2004.
30. Since applicants would be on NASS support on this option than with accommodation centres, the cost of undetected fraud and inefficiency would be higher. Rather than record this as a cost of option (i), a saving is shown on option (ii).
31. Savings should be available from tighter case management – assumed to be 1 week saving in initial decision times. Note that costs may not accrue until the appeal has been heard, so action to speed up appeal processing as in Part 3 is essential.
32. Reporting centres will assist removals. The removal of an unsupported applicant does not save money. Removal of families does save money, and for this option it is assumed that 1000 extra families will be removed from April 2004.

**TABLE 2: COSTS OF 75 REPORTING CENTRES**

£m	2002/3	2003/4	2004/5	2005/6
<b>Capital</b>	50	25		
<b>Running costs</b>	15	55	75	75
<b>Travel</b>	5	13	20	20

## Restricted - Policy

<b>Savings – case management</b>		-4	-9	-9
<b>Savings – family removals</b>			-5	-15
<b>Total net costs</b>	<b>70</b>	<b>89</b>	<b>81</b>	<b>71</b>

### (ii) Reporting centres plus accommodation centres

33. This is the only option which contributes to tighter management of the system in each of the areas identified.

#### Financial support

34. A network of full-board accommodation centres would make significant financial support unnecessary. A small cash allowance would still be needed for incidental expenses. This might be similar to the amount granted in addition to vouchers, which is currently £10 per person per week, or could be less – say £5. A final decision cannot be taken until more detailed planning has been done on provision of services within accommodation centres, but costs below show £5m a year for a £5 weekly allowance.

#### Reporting requirements

35. A key strength of accommodation centres would be that a very strict reporting regime could be imposed, without the frequency of reporting needing to be weighed against the distance and cost of travel, since reporting would take place on site. The initial advice of law officers is that it would be reasonable and not unlawful to require residents to report daily.

36. Such frequent reporting would facilitate the immediate identification of non-compliance and would therefore allow for early action to be taken.

37. Where there were genuine reasons to be absent from the centre for a short period, leave could be granted at the discretion of staff.

38. It would be possible to build incentives to report into the accommodation centre regime, perhaps related to the distribution of the cash allowance.

#### Case management

39. Option (ii) shares with option (i) a number of benefits which would significantly improve case management, particularly the opportunity to conduct interviews on site. But we judge that accommodation centres would be much more successful in terms of compliance. This is because the applicant (and his family and belongings) would already be on site, rather than simply expected to accept a written invitation to attend a reporting centre. This means that any genuine reasons for concern about the appointment could be dealt with in advance. And the stakes would be raised considerably in terms of deliberate non-compliance: in option (i) this would simply entail not attending a reporting centre as

invited; but in option (ii) it would mean leaving an accommodation centre, with family and belongings, in the knowledge that there would be no alternative forms of support.

40. In addition, accommodation centres offer a number of benefits in terms of faster decision-making. The current difficulties experienced in communicating with applicants by post at their last known address would be removed for all supported applicants. And there would be the potential for significant economies of scale in arranging for a number of applicants from the same centre to be interviewed on the same day, either by transporting a caseworker to the applicants or vice versa.
41. Faster processing is estimated to save at least a month from the average decision time, assuming that IND is achieving its PSA target level of 75% of decisions in 2 months by the time accommodation centres are introduced. This would result from scrapping the Statement of Evidence Form and moving directly to a personal interview, after a clear briefing about the process. There would also be gains in time by following a structured timetable for interviews, decisions and service of decisions, as proven at Oakington. LCD consider that on site legal advice would be a major factor in helping achieve such gains in time without damaging the quality of the decision (and causing wasteful appeals), though the Home Office has never agreed that legal advice is essential in order to make an asylum claim. In terms of NASS support costs, saving 4 weeks for 36,000 cases a year is worth about £22m. While IND will continue to aim for faster processing of all cases, the same time saving will not be achievable with cases managed through reporting centres.

#### **Facilitation of removals**

42. We judge that option (ii) offers significant advantages over option (i) in terms of the facilitation of removals at the end of the process. Under option (i), an applicant would be receive the determination of his appeal at a reporting centre, assuming they attend when required. A proportion would not do so. As explained above, in these cases, enforcement officers would need to visit the last known address of the applicant to seek to determine his whereabouts and apprehend him. In cases where the applicant complied and where IS judged it was necessary to detain him prior to removal, enforcement officers would need to accompany the applicant to his accommodation in order to collect his family and belongings, before escorting them to a detention centre. This is time-consuming and resource-intensive work and, in many cases, sensitive and difficult. It may be unsuccessful – e.g. where police advise that enforcement action would endanger the community, or where the applicant cannot be found despite many visits.
43. Under option (ii), an applicant who expected his appeal to be dismissed, and wanted to avoid the possibility of immediate detention and removal, could only do so by absconding, with his family and belongings, in advance of his appointment. Because of the clear briefings given at the registration stage, applicants would be aware that this would forgo their right to support and leave them liable to enforcement action. As such, this decision to abscond would be much more onerous than a decision simply not to attend a reporting centre, which would not necessarily have an immediate impact on the applicant or his family. The lay out of accommodation centres and reasonable levels of surveillance should make it obvious if applicants are leaving with all their possessions, and prompt action would enable them to be held pending detention on grounds that they are likely to abscond.

44. For those who chose to comply under option (ii), the resources involved in moving an applicant, with his family and belongings, to the point of removal, perhaps via a detention centre, would be significantly reduced if all those involved were already on the same site. This would avoid the need for enforcement officers to visit the last known address in order to apprehend applicants who might not be present at the time of the visit, or who might have moved to a new address.

#### **Social tensions in cluster areas**

45. Option (ii) is the only option which offers a new approach to the practice of dispersal. In this option, dispersal after the initial registration process would continue, but all supported applicants would be dispersed to accommodation centres rather than NASS accommodation.
46. Early work has indicated that the majority of suitable sites for accommodation centres would be away from town centres, as with Oakington, or possibly even more remote former military sites. We have a provisional list of 22 such sites in the south of England and in Wales. Work is ongoing to locate further sites in northern England and Scotland.
47. Proposals to develop accommodation centres (explained in more detail in Annex B) would include asking the local authority consortia used for NASS purposes to each find one site (e.g. a redundant facility ready for refurbishment). It is not possible to know in advance what facilities will be proposed but those away from towns are most likely because of the amount of land required and planning guidance giving priority to use of brown-field sites for housing. In some cases facilities already under contract to NASS might form part of the estate. While "mix and match" will be necessary to develop the full operating capacity quickly, there are considerable advantages in relieving social and racial tension if accommodation centres are not based in deprived urban areas, as have generally been used for NASS housing.
48. Recent research has indicated that there is evidence of social tensions created in some cluster areas by the practice of dispersal.<sup>1</sup> This is reflected in the recent Home Office review of dispersal. The dispersal policy has worked well in some urban areas. Options (i) and (iii) would require further work to determine the reasons for success in those cases and the dissemination of best practice. NASS dispersal will continue up to spring 2004 for some cases and it is essential to take actions, as recommended in the dispersal review, to make it work better.
49. It is also important to weigh up the fact that urban centres offer better availability of interpreters, teachers, health professionals, legal representatives and other staff who will work at accommodation centres or visit regularly. Accommodation centres which are reasonably close to such a centre will be easier to resource than those which are very remote.
50. In-house travel arrangements between various parts of the immigration estate are likely to be cost effective. This could also help with recruitment, e.g. shuttle buses running from railway stations to accommodation centres to bring in interpreters and legal

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<sup>1</sup> Audit Commission (2000) "Another country"; Boswell (2001) "Spreading the costs of asylum seekers"; Wilson (2001) "Dispersed".

representatives, and also any self-supporting asylum seekers who are using the accommodation centre as a reporting centre. Even with IAA expansion there may be some distances to travel between accommodation centres and hearing centres, so there will be a need to bus appellants to and from hearings – though video conferencing might avoid this.

51. Option (ii), however, offers a radical alternative in which the majority of asylum seekers would be housed in purpose-built facilities in sparsely-populated areas. There is no doubt that this would create local concerns of a different kind. In particular, experience at Oakington has suggested that any local populations are likely to be concerned about an open centre in which asylum seekers are free to leave the site. Experience at Oakington has also shown, however, that a great deal can be achieved in terms of local acceptance if there is early contact with local communities and a genuine process of discussion.

### **Impact on local services**

52. A key issue in terms of local responses will be the likely impact on local services. There is evidence to suggest that one of the outcomes of the current dispersal policy has been that transient asylum-seeking populations tend to create pressure on and disruption to local services, including healthcare and education.<sup>2</sup> This is reflected in the Home Office review of dispersal.
53. The costings for option (ii) include on-site provision of basic healthcare and education for children, as well as English language training for adults. Although the Oakington process is too short to make the provision of education practicable, it provides an excellent model for on-site medical care, provided in conjunction with the local health authority.
54. Oakington also has strong links with the local social services department and the NSPCC, and is recognised as a centre of excellence for managing families in a confined area.
55. As well as reducing disruption to local provision, on-site services could be tailored for the particular needs of asylum seekers, for example a limited knowledge of English.
56. The costs of asylum seekers' children in schools is currently estimated as £18m, using standard capitation charges. This underestimates the actual costs of children with little or no English, possibly with additional emotional and psychological needs and who may not stay long in one school. GPs are known to be closing their lists to asylum seekers in some areas, especially where primary health care in deprived urban centres is already under pressure. While these pressures could be alleviated by a range of initiatives and extra central funding under the current systems, there has so far been only very limited funding – about £1m a year – by DfES to schools with children in NASS accommodation. Table 3 below therefore shows savings in the current educational pressure, for this option only.

### **Counter fraud**

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<sup>2</sup> Johnson (2001) in preparation; Bakewell (2001) in preparation; Fletcher (2001) in preparation; Griffiths (2001) in preparation.

57. In the accommodation centre model, all support would be provided in kind, with the exception of a small cash allowance, the distribution of which would be tied to the reporting requirement. The potential for fraud would therefore be reduced to a minimum.

### **European Context**

58. A large majority of those seeking asylum in the UK arrive via at least one other EU Member State. The UK is actively involved in work to reduce disparities between Member States in terms of asylum policy and practice, in order to reduce the incidence of secondary movement.
59. Most Member States use reception centres of some form as an element in the asylum process. Some, including Germany and the Netherlands, provide some direct financial support for those outside accommodation centres. In Denmark, however, there is no financial assistance for those who choose private housing. Only the UK and Portugal make no provision for reception centres; and Portugal makes no provision for accommodation at all.
60. Vouchers are used as a form of asylum support in only three Member States: UK, Germany and Luxembourg. A number of other Member States provide support in cash or in kind.

### **Costs of Accommodation Centres and Reporting Centres**

61. Table 3 below shows the costs and savings of accommodation centres, with a smaller network of reporting centres.
62. Accommodation centres would be provided for about 60% of applicants, with an assumed stay of 6 months. This reflects the assumption of a saving of 4 weeks in average time for initial decision (compared with an average 1 week for reporting centres). The planned procurement strategy would be to build one third of the places direct, ask the NASS consortia to provide one third and invite commercial or voluntary sector tenders for the other third. Details are given in Annex C. Refinements to procurement plans, including assessing the likely financing approach for local authority or commercial tenders, has moved some capital costs to revenue on a longer timescale. Detailed procurement choices would of course need to be justified on VFM grounds, looking at the degree of risk transfer (e.g. on maintenance and refurbishment costs) to be transferred to the partner against the financial costs of interest payments. It is not yet certain that the 1/1/1 split would materialise, but this is the best current estimate. It is important to emphasise that cost profiles could change if these assumptions alter as detailed planning proceeds – but the only way to establish this is to visibly test the market.
63. Capital costs assume prefabricated units and are set out in Annex C, which shows what costs are covered. The cost of the cash allowance is included in Table 3, at £5 a week. Reporting centre costs are based on the same assumptions as option (I), but for 20 centres – these would provide for unsupported applicants.
64. Savings in NASS spending reflect the change over to accommodation centres. There would be no NASS support for new single applicants from April 2004, with a phased introduction beginning from December 2002. There would also be no new NASS support

## Restricted - Policy

for families as accommodation centres become operational. However, the assumption has been made that NASS or equivalent support would be available for families who have received a negative appeal decision but have not yet been removed. In financial terms this delays for 6 months the beginning of NASS support. In practice, since it is very undesirable (and costly) to continue a legal limbo for families who are not being actively removed, it is important to develop further actions to make savings in this residual part of the budget.

65. As the numbers on NASS support fall, the potential for fraud and abuse is reduced. There is no longer an inherent delay between knowing the final outcome of a case and notifying the accommodation provider to end support. There is far less chance of applicants claiming with multiple identities or from both local authority and NASS. The costs of the residual population on NASS support can be managed downwards far more rigorously without the pressure to put a constant stream of new cases onto support. It is difficult to be precise about the value of these savings, but they have been included in Table 3 below as worth a reduction of 5% of spending on NASS and local authority support from 2004/5 onwards, once accommodation centres are fully operational. The total payments through NASS and local authorities in 2004/5 (allowing for accommodation centres are ? and in 2005/6 ?.
66. Costs of support for unaccompanied asylum seeking children (UASCs) have not been modelled fully in any of the options in this paper. The provisional estimate for the current year, £95m, has been rolled forward. Many different issues apply to this group – e.g. support continues to age 18, so the timing of appeals is not material. Work is already planned, jointly with DH, to assess new options for care provision for UASCs which may ease current cost pressures. This work will be extended to consider how far the changes proposed in this paper should apply to unaccompanied minors.
67. The cost figures for NASS support, with and without accommodation centres, are in the table below. These are based on a forecasting run with no increase in appeals capacity. Action to speed up appeals will reduce NASS spending in later years on both options.

£M	2001/2	2002/3	2003/4	2004/5	2005/6
<b>Without accommodation centres:</b>					
<b>Local authority families</b>	332	316	307	297	286
<b>Local authority singles</b>	249	124	87	71	55
<b>DSS</b>	89	10			
<b>NASS families</b>	140	230	289	348	408
<b>NASS singles</b>	288	284	309	379	453
<b>UASCs</b>	95	95	95	95	95
<b>TOTAL</b>	<b>1193</b>	<b>1059</b>	<b>1087</b>	<b>1190</b>	<b>1297</b>
<b>With accommodation centres:</b>					
<b>Local authority families</b>	332	316	307	297	286
<b>Local authority singles</b>	249	124	87	71	55
<b>DSS</b>	89	10			

Restricted - Policy

<b>NASS families</b>	140	229	264	320	407
<b>NASS singles</b>	288	282	239	193	152
<b>UASCs</b>	95	95	95	95	95
<b>TOTAL</b>	<b>1193</b>	<b>1056</b>	<b>992</b>	<b>976</b>	<b>995</b>
<b>SAVING</b>		<b>-3</b>	<b>-95</b>	<b>-214</b>	<b>-302</b>

68. While case management would improve for self-supporting asylum seekers reporting to centres, this would not save money since they are not on support. Note that no allowance has been made under this option for travel costs of "old cases" travelling to reporting centres. This is because a network of only 20 centres would not give enough sites to make it reasonable to require all such cases to travel. Some with addresses close to the reporting centre could be brought into this system. There is a small inconsistency in the treatment of travel costs between the options.
69. Family removals from reporting centres would be improved, and figures are 40% of those used for option (i). The ease of family removals from accommodation centres would be very much greater, though, if families have remained in the centre, have not formed community links and are easier to remove to detention centre. An annual impact of 3250 extra family removals should be possible (assuming 4000 detention centre spaces are available as proposed in Part 2 of this paper).
70. £12m is shown as the saving in pressure on the education system, through educating asylum seekers' children in accommodation centres rather than local schools.
71. No estimate has been made of a financial saving on NHS primary care. But there will be substantial benefits for the NHS in relieving the pressure now imposed on GPs or hospital casualty departments, often in inner cities with many other pressures. Providing health care on site means interpreters can be accessed easily. Facilities like tuberculosis screening and treatment can be provided promptly, improving public health and reducing the risk of spreading disease in the wider community. Treatment beyond primary care will continue to be provided by NHS hospitals or other specialist services.

**TABLE 3: COSTS AND SAVINGS FROM ACCOMMODATION CENTRES**

<b>£m</b>	<b>2001/2</b>	<b>2002/3</b>	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>
<b>Acc centres – capital</b>	21	92	87	7	
<b>Acc centres – running costs</b>	6	67	157	377	377
<b>Cost of cash allowance</b>			3	5	5
<b>Reporting centres – capital</b>		14	6		
<b>Reporting centres – running</b>		1	15	20	20



## Restricted - Policy

<b>Savings on fraud and inefficiency</b>				-49	-50
<b>Offset to NASS costs for applicants in accommodation centres</b>		-3	-95	-214	-302
<b>Extra family removals – community</b>				-2	-6
<b>Extra family removals – from accommodation centres</b>				-15	-45
<b>Relief of pressure on schools</b>				-12	-12
<b>Total net costs</b>	<b>27</b>	<b>171</b>	<b>173</b>	<b>117</b>	<b>-13</b>

### (iii) Reporting at existing network, plus continuation of NASS accommodation and vouchers

72. Option (iii) involves regular reporting at an existing network such as post offices, police stations or benefits agency offices. This would avoid the expense of developing a network of dedicated Immigration Service reporting centres.

73. This option would be expected to have no impact on two of the key factors identified above: financial support and local services. And there would be the potential for a worsening of social tensions. But there could be some benefits in terms of reporting, case management and the facilitation of removals.

#### Reporting requirements

74. Asylum seekers could be required to report monthly or weekly to a given location. The simplest way to achieve this would be to require weekly reporting at a post office, tied to the collection of vouchers. In conjunction with the introduction of a smart card for identity purposes, and the forthcoming NASS audit, this could be expected to cut down on voucher fraud, such as claiming from NASS and the local authority simultaneously, or claiming in the identity of someone who has left the UK. Though the full benefit of the asylum registration card comes from a check on fingerprint rather than photo, and it is unrealistic to expect this to be done at post office counters.

#### Case management

75. The weakness of this option is that it would probably not deliver significant benefits beyond regular reporting. Experience with reporting to police stations has shown that the police are reluctant, for understandable resource reasons, to give any priority to such work. For this reason, a pilot scheme was set up at Leicester Central Police Station, whereby immigration staff deal with reportees within the police station. This pilot is about to be extended to a police station in Newcastle where the NASS dispersal rate is higher. In due course, it will be possible to evaluate the success of this scheme in detecting failed asylum seekers.
76. While police might in principle accept the presence of IS enforcement officers on their premises, provided it was not disruptive and space was available, this would not be a reasonable expectation for other organisations like the post office or the Benefits Agency. Such organisations would correctly say that there was little or no read-across to their core functions and that enforcement action on or near their premises would endanger other customers.

#### Facilitation of removals

77. The use of police stations has the potential to provide an additional source of on-site short-term detention accommodation. Cell space is used as part of the pilot scheme in Leicester, and will be used similarly in Newcastle. Evaluation of those schemes should reveal the extent to which the availability of cell space contributes to the facilitation of removals at a local level. But a nationwide network covering all asylum seekers would be on a quite different scale.

#### Social tensions in cluster areas

78. An extension of the existing pilots to a large number of police stations has the potential to create social tensions, because of the presence of interview and detention accommodation in the community. For this reason, and for reasons of resource and cell space, it would be unlikely to receive the support of all police forces.

#### Costs of Alternative Reporting Network

79. Table 4 shows costs of the third option. It is assumed that costs of staff would be the same as option (i), and that a payment would be made to the police for use of space including holding cells equivalent to non-pay costs on option (i). Travel costs have been assumed to be the same as option (i), since not all police stations would have suitable facilities. Some savings should be available from better case management and increased family removals but these would be only a quarter of the value of option (i), to take account of the much more limited facilities police stations are likely to be able to offer.

**TABLE 4: COSTS OF ALTERNATIVE REPORTING NETWORK**

£M	2002/3	2003/4	2004./5	2005/6
Running Costs	15	55	75	75
Travel costs	5	13	20	20
Savings – case management		-1	-2	-2
Savings –			-1	-4

## Restricted - Policy

<b>family removals</b>				
<b>Total</b>	<b>20</b>	<b>67</b>	<b>92</b>	<b>89</b>

80. Table 5 compares the net costs of the three options. It shows that net running costs of accommodation centres are substantially the lowest of the three options by 2005/6. The difference will continue to grow because the accommodation centre approach

- gives the best base for family removals, which save money in the year they are achieved and cumulatively, if the alternative is a long stay on support
- cuts out NASS costs of new entrants and also fraud and wasted expenditure on the residual NASS population.

81. Accommodation centres have virtually balanced their costs by 2005/6 and make a net saving soon after. The other options have rising costs and substantially lower benefits – cash or non-cash. No allowance in this paper has been made for a deterrent effect of accommodation centres on asylum intake, or on the proportion of claimants entering accommodation centres, but these could further reduce net costs. For example a 10% reduction in numbers entering accommodation centres could save £33m a year.

**TABLE 5: NET COSTS OF THREE ALTERNATIVE APPROACHES TO CASE MANAGEMENT**

	2001/2	2002/3	2003/4	2004/5	2005/6
<b>(i) Reporting centres</b>		70	89	81	71
<b>(ii) Accommodation centres and reporting centres</b>	27	171	173	117	-13
<b>(iii) other reporting requirements</b>		20	67	92	89

### Conclusion

82. For the reasons given above, we consider that option (iii) would deliver very few benefits over and above the current asylum system and would therefore fail to deliver the radical tightening of procedures which Ministers are seeking.

83. Options (i) has more to offer in terms of a new direction for the asylum process which would deliver much tighter contact management and would send a clear message that the Government was serious about dealing with abuse of the system. However these advantages are much stronger with option (ii).

84. These two options offer similar benefits on a number of fronts, particularly in terms of regular reporting and case management. However, we judge that option (ii) offers significant additional benefits in a number of key areas:

- the eradication of direct financial support;
- a much tougher reporting regime for supported applicants;
- closer contact with supported applicants throughout the decision-making process;
- greater disincentives for supported applicants to abscond;
- a radical approach to alleviating social tensions in urban areas;
- a significant reduction in the disruption to local services; and
- an elimination of the scope for financial fraud.

85. In conclusion, option (ii) is similar to option (i) in terms of applicants who choose to support themselves. But option (ii) offers a much tougher and more effective regime for those applicants who request state support. It also saves money and avoids exploitation by fraudsters, relative to NASS. We consider that it is these cases in particular where IND needs to have much closer control, in order to be able to deliver a faster and more cost-effective system.

### **Risks**

#### **Option (i) (reporting centres plus continuation of NASS accommodation and vouchers):**

- Difficulties in finding sites for reporting centres, delay in reaching full capacity
- Social tensions related to voucher and dispersal policies;
- Fraudulent acquisition of vouchers and other forms of support;
- Non-compliance with reporting requirements and invitations to interview;
- Disruption of local authority services.

#### **Option (ii) (reporting centres plus accommodation centres):**

- Difficulties in finding sites for accommodation and reporting centres, planning permission challenges, community concerns, delay in reaching full capacity
- Non-compliance with reporting requirements by non-supported applicants;
- Non-compliance with residence requirements by supported applicants;
- Pressure on the capacity of the accommodation centre estate.

#### **Option (iii) (reporting at existing network plus continuation of NASS support):**

- Police unwilling to offer facilities
- Social tensions related to voucher and dispersal policies;
- Exacerbation of social tensions by IS presence at local police stations, immigration seen to interfere with delivery targets on crime;
- Fraudulent acquisition of vouchers and other forms of support;
- Non-compliance with reporting requirements and invitations to interview;
- Disruption of local authority services.

## PART 2: DETENTION CENTRE AND REMOVALS

### Summary

**Home Office is putting very substantial effort into removing failed asylum seekers, but targets are challenging and there are real difficulties. All the efforts in hand would be enhanced by accommodation centres. More detention centre spaces are also essential.**

### Background

86. The IND target for the removal of failed asylum seekers in 2001/2 is 30,000. The Home Secretary has made it clear that the given timescale is unrealistic, but has informed the House that this figure will be achieved by Spring 2003. The Immigration Service Business Delivery Group (ISBDG) removals strategy delivery plan shows that the revised SDA target is to achieve a monthly rate of 2,500 asylum removals by the end of 2001/2, and to deliver about 30,000 removals in 2002/3.
87. From a total IS resource budget this year of £409.9m, the ISBDG plan removals budget is £272.8m.

### Main Barriers

88. The two main obstacles to removing greater numbers of failed asylum seekers from the country are that a significant number come from countries to which it is difficult to remove people, and the fact that it is often difficult to track them down when they are otherwise removable.

### Strategy

89. The IS removals strategy contains comprehensive proposals for increasing the number of removals, and has four main strands:

#### Focus on removable cases

90. This means focusing on cases that are most likely to result in a removal, based on factors including nationality, documentation and the time since the application was made.
91. Given that the length of time since the application was made is a key factor, the proposed policy to clear older cases from the backlog would enable resources to be targeted at cases which have a higher prospect of removal.

#### Manage asylum seeker contact

92. This is to be achieved through a combination of increased reporting requirements, detention for likely absconders, and a more comprehensive use of intelligence and other agency contacts.

93. The aim is to ensure a minimal risk of non-compliance. Detention space is to increase from a baseline of 1,300 to 2,790 places by March 2002. Annex D sets out the business case for further expansion to 4000 spaces – now judged essential to deliver the PSA target of 37,000 removals in 2003-4. The number of people required to report to Reporting Centres will also increase so that the Immigration Service is able to maintain close contact with applicants, manage their cases more effectively, and proceed to removal more quickly.
94. Greater inter-agency co-operation is also crucial to enable the IS to maintain contact with and to remove asylum applicants. Negotiations are underway with a number of agencies (public and private), and a Memorandum of Understanding with the police was signed recently.

#### Effective deployment of Immigration Officers

95. Reallocation of the casework function to the Integrated Casework Directorate will allow Immigration Officers to concentrate on screening and enforcement, and a "Resourcing to Risk" flexible approach to resource allocation should lead to increased efficiency.
96. Staffing levels in the IS will increase to 4,800 by March 2002, and the use of arrest teams is to be extended following a successful pilot.

#### Unblock readmission and transportation route difficulties

97. This is to be achieved by fostering good international relations, negotiating readmission and documentation agreements and using charter flights.
98. Negotiations are under way to establish readmission and documentation agreements with receiving states, to which removals are currently difficult.
99. The private sector documentation project seeks to use the private sector to facilitate documenting nationals of countries who have often been reluctant to co-operate.
100. The Voluntary Assisted Returns Programme (VARP) delivered 1,033 returns in the year to August 2001, and the target for the next 12 months is 1,200. However, a project being worked up with the International Organisation for Migration is set to commence in January 2002 and aims to boost the yearly return figure to 3,000, by providing returnees with a reintegration package. VARP arrangements have resulted in voluntary returns to countries where we have difficulties in enforcing removals and may pave the way for future enforced removals to those countries. VARP returns are good value for money. However, voluntary returns programmes work best where the enforcement regime is seen to be effective, and the probability of enforced removal high.

#### **Other issues addressed**

There are a number of other issues that the plan seeks to address:

- Evidence of what works: Research Development and Statistics Directorate are evaluating the role of the VARP and detention in the removals process, and the IS removals model is being assessed.

## Restricted - Policy

- Appeals and Judicial Review, and Human Rights Act/Race Relations (Amendment) Act claims: To address the delay such applications may introduce, consideration is being given to an increase in casework and legal resources, and to overhauling procedures.
- Obstructive removals and airline fears: An increase in the use of charter flights, with appropriate escort arrangements.
- Unsafe destination: If we are unable to remove, support measures to be put in place and consideration to be given as to the status to be conferred.
- Incentive to comply: Linked with the sanctions for non-compliance
- Further applications: When threatened with removal, the applicant may submit a further application, which could consist of a fresh asylum application or switching the main applicant in a family group, or on the basis of marriage etc. Measures to deal with unmeritorious claims are being considered.

101. Consideration should also be given to the fact that the Home Secretary has announced his intention to overhaul the work permit system, and that a number of current or prospective removals may be covered by his proposals.

### Detention Centre Capacity

102. The detention centre estate has increased in 2001, but spaces in the prison service must now be surrendered. Annex D sets out the case for extending the detention centre estate by a further 1300 places to 4000, as soon as possible. There will be serious risks to achieving the 37,000 target for removals in 2003-4 without these spaces. Detention centres would help increase the number of family removals and so save money. These savings are not shown in Table 6 since they are in a sense counting the same removals as used for savings in Part 1 of this paper. There are a number of preconditions to achieving removals – staff capacity, resolution of legal issues, co-operation of the country to which they are being returned, available flights, detention centres space and most fundamentally the ability to find the person to be removed. Accommodation centres work on the final factor, but matching detention centre space is also required or absconding is possible.

**TABLE 6: COSTS OF 1300 DETENTION CENTRE SPACES**

	2002/3	2003/4	2004/5	2005/6
<b>Capital</b>	91	36		
<b>Running Costs</b>	7	43	43	43
<b>Total</b>	98	79	43	43

### Risks

- Last minute applications: Likely while the new HRA and RR(A)A legislation beds down, and adverse decisions could have a knock-on effect.
- Terrorism: The international action against terrorism could impact on the removals effort, since bilateral agreements may be more difficult to negotiate and the list of countries that

## Restricted - Policy

are currently considered to be safe may change. Also, police resources will have been reallocated.

- Clearing older cases: such a move must be handled carefully, as it could act as a draw to those who believe the same could happen again in the future.
- Incentive: The incentive to report after an application has been refused may be low for those who feel they have nothing to lose once they have submitted their appeal.
- Bail: New bail legislation could impact on the current detention strategy.
- VARP: While this is considered to be a cost-effective way of removing failed asylum seekers, it could act as a pull factor for would be migrants (especially if a comprehensive reintegration package is introduced).
- Resources: Increasing the resources available for the removals effort may not lead to a proportionate increase in the number of removals; for example, the obstacle of "difficult" countries will not necessarily be solved by simply increasing resources.

### **PART 3: APPEALS SYSTEM**

103. This section sets out the business case for the Immigration Appellate Authority to increase capacity to either 6000 or 7000 cases a month. Change must be considered because:

- Home Office is receiving more appeals against initial decision per month than IAA currently has capacity to process. Until October 2001 IAA has taken 4000 appeals a month. Home Office is currently receiving over 6000 appeals a month. About 40,000 appeals are held in Home Office.
- Home Office is receiving increasing numbers of out of time appeals and Human Rights Act appeals, often triggered by action to take an applicant off support or remove them.
- Rapid processing of new and old appeals are important, to give a fair hearing, to end financial support and to show a firm end to end process which has a deterrent effect on asylum intake.

104. As well as proposing expansion, the following actions are being taken to improve the situation and verify the figures used in the projections below:

- A manual count of cases awaiting appeal in Home Office
- Work between Home Office and IAA to understand and improve projections of future numbers of appeals in different categories, and to consider procedural changes which might allow some out of time appeals to be dismissed more quickly
- Legislative proposals to limit grounds for appeal beyond the IAA adjudicator
- Discussion of quality improvements including ways to reduce the number of adjudicator adjournments and ensure review of papers by Home Office before cases enter the appeals stage
- Consideration of options to reduce the appeal backlog and/or the number of new appeals by increased grant of exceptional leave to remain – this will require further separate discussion.



## Expansion to 6000

105. IND will send 4500 appeals to IAA in November rather than the previously planned 4000, 3600 in December (500 more than previously planned) then 4500 a month till October 2002; then increase to 6000 from November 2002.
106. To support this, IND will improve management of our input to appeals to create a Central Appeals Processing Unit which will streamline and centralise processes and liaise with the Immigration Appellate Authority. This will provide a central focus for all stages of the appeals process apart from the few weeks leading up to the appeal hearing. It will have added value in improved procedures to handle allowed appeals and to identify and take forward cases whose appeal rights are exhausted. The unit will be responsible for keeping the ACID database up to date. It will provide greater capacity to sift appeals by a variety of criteria designed to improve the flow of removable cases, deal with human rights casework and additional grounds of appeal and undertake quality checks and decision review at an early stage to ensure that cases passed to the IAA are disposable.
107. IND needs to recruit more clerical staff to process appeal bundles, use more skilled caseworkers to give an early sift and consideration of substantive grounds of appeal to improve disposal rates, and recruit more presenting officers. This will cost £4m in 2001/2, above the current budget, and £10m in 2002/3. To continue at 6000 cases a month thereafter would mean a budget increase for IND in 2003/4 and later years of £13-14m.
108. Actions to be taken by IAA to reach a capacity of 6000 in November 2002 are:
- Adjudicator recruitment – both full time and part time
  - Increasing the size, and improving the utilisation, of the interpreter panel as well as increased use of agencies
  - Increase hearing rooms, judicial chambers and administrative accommodation
  - Enlarge and continue to improve the typing support functions
  - Recruitment of permanent, casual and agency administrative staff
109. The costs will be £1m in 2001/2, £52m in 2002/3 then reducing to £36m in 2003/4 and £35m thereafter.
110. Legal aid costs are incurred whenever an appeal is heard. The proposed change would bring forward the profile of these costs, though there would be offsetting reductions in later years since the “bulge” would be cleared earlier. Expansion of legal services into accommodation centres could lead to some offset against the baselined legal aid costs. However, this cannot be guaranteed and hence no savings have been included in this paper. The Legal Services Commission will need to provide legal assistance for two systems – one where the asylum seeker is in an accommodation centre and one where they do not seek support. During transition to the full capacity of the new system the LSC will have to over-provide to make sure that there is the necessary coverage for both systems and in all geographic areas.
111. Savings from this increased capacity have been calculated by comparing two runs of the asylum support costs model, one with 4000 each month and the other showing the planned increase, sustained at 6000 cases a month from November 2002. (Since cases

## Restricted - Policy

take 4 – 6 months to clear the appeal stage, this extra capacity only begins to impact support costs from March 2003).

**TABLE 7: COST/BENEFIT OF INCREASING IAA CAPACITY TO 6000 CASES A MONTH FROM NOVEMBER 2002, WITH NO FURTHER INCREASE**

£m	2001/2	2002/3	2003/4	2004/5	2005/6
IND costs	4	10	13	14	14
IAA costs	1	52	36	35	35
Legal aid costs	3	30	30	30	30
<b>Total costs</b>	<b>8</b>	<b>92</b>	<b>79</b>	<b>79</b>	<b>79</b>
Asylum support savings		-5	-55	-129	-218
<b>Net costs</b>	<b>8</b>	<b>87</b>	<b>24</b>	<b>-50</b>	<b>-139</b>

112. Table 7 shows that investment of £119m in the next three years repays £189m in the two years following: a net gain of **£70m**. Savings compared with status quo would continue into the future, and the case is a strong one in financial terms, in addition to abating the risks of instability in the current system. At March 2006 the backlog would be 44,000. Assuming a “work in progress” level of around 30,000, the rest of the backlog would be cleared a year later.

### Expansion to 7000

113. An increase of IAA capacity to 7000 a month would carry significant risks beyond the logistics of a further increment of expansion. Rapid expansion on this scale carries huge risks. IAA has expanded almost threefold in the last two years and has had no time to learn from its previous expansion. A two stage expansion to 7000 cases may bust the system. A shorter one off expansion to 6000 will be possible with changes in policy and procedures providing further opportunities for efficiencies.

114. The riskiest part of the expansion to 6000 will be the provision of interpreters and legal representatives. LCD are not sure there is sufficient supply within the current market to meet our demands. Expanding the size of the market may not be possible within a short time scale and to reach 7000 without changes to procedures will thus be impossible. Running two systems (one for asylum seekers in accommodation centres and one for those who do not claim support) increases the risk.

115. IAA’s database system should be able to handle the volume of records necessary to support expansion. But the current network infrastructure and enabling software cannot expand without risks. Those risks are manageable to 6000 cases, but the number of users and locations necessary to support case volumes in excess of this level bring major system stability risks. Expansion to 7000 cases therefore risks triggering costs beyond those identified so far.

116. If these problems could be overcome, there would be further savings in asylum support costs. But the added capacity would not be available before November 2003. By that date, on the assumptions in the asylum support model, there would be around 75,000

## Restricted - Policy

appeals waiting resolution. The predicted monthly number of new appeals would be around 5000 a month. The natural level of work in progress is 30,000 - 40,000 appeals (at capacity of 7000 appeals a month and allowing for preparation of case papers in IND). The backlog would clear down to this level in about 3 years, by the end of 2006. This would save £19m in 2004/5 and £69m in 2005/6 compared with Table 7.

**TABLE 8: COST/BENEFIT OF INCREASING IAA CAPACITY TO 6000 A MONTH FROM NOVEMBER 2002 AND 7000 FROM NOVEMBER 2003.**

£m	2001/2	2002/3	2003/4	2004/5	2005/6
IND costs	4	10	16	18	18
IAA costs	1	52	59	46	46
Legal aid costs	3	30	45	45	45
<b>Total costs</b>	<b>8</b>	<b>92</b>	<b>120</b>	<b>109</b>	<b>109</b>
Asylum support savings		-5	-55	-148	-287
<b>Net costs</b>	<b>8</b>	<b>87</b>	<b>65</b>	<b>-39</b>	<b>-178</b>

117. Table 8 shows that investment of £160m over the next three years repays savings of £217m in the following two years. A pay back of £57m in two years is less than the £70m pay back in the same period if capacity remains at 6000 cases a month. This suggests that capacity of 6000 cases is the preferred option. However, further checks on cost proposals and sensitivity testing on key assumptions, and perhaps review of costs and savings over a longer period, would all be worthwhile in order to verify this choice. Payback comparisons above have not used discounted cash flow, though doing so for the same period does not appear to alter the conclusion.

118. Capacity of 7000 cases a month would be surplus from around the end of 2006. However, this judgement depends crucially on whether current estimates of asylum intake and the number of asylum appeals prove correct. Given past problems, there is real value in a margin for rapid re-expansion if required. Some extra capacity may also be needed for bail hearings as numbers of failed asylum seekers in detention increase. If required IAA could manage down costs of surplus capacity by releasing agency staffing and remaining temporary/short lease accommodation. LCD could consider options not to renew part-time judicial contracts at the end of their 5 year term, but this will need to be handled sensitively. The IAA could, however, be left with a significant overcapacity for an extended period of time.

119. Tables 7 and 8 above depend critically on projections of numbers of new appeals, as well as the speed of clearance of those already lodged. These depend on the number of new asylum claims, the proportion of claims which are granted or given ELR at the initial decision, the proportion of those with negative decisions who appeal, and additional factors such as Human Rights Act appeals which are valid only for cases where the initial decision was first made before 1 October 2000. If the number of new appeals increased (for any combination of reasons) by 10%, beginning from November 2002, the "bulge" of old appeals would take longer to clear and the case for increasing capacity above 6000 would be stronger.

120. Equally, if a robust approach can be agreed to granting ELR to claims from the oldest cases or those from difficult nationalities, the pressure on the appeals system would be relieved and it would return more quickly to steady state.

#### Risks

- **Difficulties in recruiting legal representatives and interpreters**
- **Problems in finding suitable sites for hearing centres on timescale planned, and slippage in build up of capacity**
- **Overload on IAA IT system (above 6000)**
- **New "delay" tactics emerge in which legal representatives find ways of challenging progress and clogging system**

#### CONCLUSION

121. The decisions on which Home Office seeks endorsement are:

- To adopt the policy of accommodation centres and reporting centres and make a very rapid start on building developments and procurement
- To agree that additional detention centres (to 4000 spaces) are needed to enhance the removals strategy
- To agree that the IAA capacity should be increased to 6000 a month, subject to further detailed work to confirm estimates of numbers of appeals, sensitivity testing and agreement on procedural changes.

122. Costs of these proposals, on the preferred option, are set out in Table 2 in Annex A. The comparison with the current system shows that the new approach is £70m cheaper than the current position by 2005/6. Savings will grow progressively in later years because more family removals will be possible and fraud will reduce. In addition, further savings should be possible from reviewing options for use of exceptional leave to remain.

123. There has not been time to do a full sensitivity testing of this business case against the many variables which could change. The major risk would be an increase in asylum intake (or in demand for support, or extra appeals or other factors which put pressure on resources). While international pressures cannot be controlled, the tough proposals in this package, especially with accommodation centres, provide some reduction in this risk. If asylum intake is higher than the assumptions used in this paper, the response would be:

on current policies, NASS would need extra accommodation. This can be procured relatively fast though with increasing cost pressure and social risks, as the number of supported applicants rises. Costs would go up.

reporting centres would make no difference.

with accommodation centres, flexible options could be deployed to expand capacity at each site e.g. through use of extra portakabin dormitories or even tents. Marginal costs per additional case on this option could be relatively low – though there would

Restricted - Policy

clearly be a need to consider further capital provision if the high asylum intake was sustained.

**ANNEX A - COSTS**

Annex A is two excel spreadsheets setting out current costs and costs of new policies (on selected options) – please insert here after printing “whole workbook”.

Notes on the tables are sent as a separate document

Note that the “as we are” costs have increased since previous papers as a result of modelling through the recent increase in the numbers of out of time and Human Rights Act appeals.

## ANNEX B

### VOUCHER & DISPERSAL REVIEWS

#### Main conclusions and recommendations

**Vouchers:** proposes an increase in total essential living needs support (vouchers and cash) in line with income support and an increase in the cash element of support from £10 to £14 per week. Will help tackle difficulties caused by no change rule and minimise problems in shops.

Identifies a range of operational issues that need to be addressed and recommendations for doing this, including:

- ensuring retailers operate the scheme correctly;
- improved communication with asylum seekers; and
- improvements to NASS so it delivers a better service.

**Dispersal:** recommends:

- Registration centres to provide a controlled and supportive gateway to asylum system – briefing for asylum seekers and better dispersal process.
- Reducing community tensions and managing the impact on local services by: reverting to policy of dispersal to language “cluster areas”; better liaison with local authorities and other local agencies; and improved regional structure for NASS.
- Better contact with asylum seekers to ensure the right standard of accommodation and support; and to facilitate integration if granted and removal if not.
- Series of recommendations internal to NASS for tauter management and internal efficiency savings.

#### Key costs

**Vouchers:** £3 million additional support costs in 2002-03 for increasing asylum support in line with income support. £14 cash voucher is cost neutral (simply a change in the balance of cash and vouchers).

**Dispersal:** Registration centres assumed to be cost neutral because they are a different, more effective use of existing emergency accommodation.

Additional costs of enhanced contact management and regional management will be balanced by savings as a result of more efficient dispersal processes, fewer void bed-spaces and internal efficiency savings.

#### Argument

The reviews identified a range of operational improvements to help make the current systems work better. But they also identified the fundamental, inherent difficulties of: community tensions; potential for fraud; and perceptions of stigma. We can take steps to address these but ultimately can only be dealt with by a move to different type of asylum support.

## ANNEX C – BUSINESS CASE FOR EXPANDED DETENTION CENTRE CAPACITY

### The Requirement

- 1 The costs for additional new immigration detention accommodation are based on the requirement to increase the estate by 1300 places to a total of 4000 places.

### Assumptions

2. The costs are based on the following assumptions;
  - a) the use of H.O capital and a design, build and operate contract to allow fast track Government planning procedures as with the current projects for new detention centres at Harmondsworth and Yarl's Wood.
  - b) Site acquisition costs of £3 million per project on the basis of £200,000 per acre for 15 acres.
  - c) The use of existing government sites or brownfield sites with a good prospect of planning consent.
  - d) Fees of 10% of the capital costs
  - e) Construction costs of £90, 000 per detainees place based on the costs at Harmondsworth and Yarl's Wood.
  - f) Operating costs of £33,000 per detainees place per annum based on the current average cost including escorting services.
  - g) A procurement programme of 58 weeks from the start of the project to completion of construction.

### Timetable

3. With a start in November 2110, the timetable would be:

Project start November 2001	DBO
Planning consent Tender	April 2002
Contract Award after negotiation	April 2002
Construction	January 2003
Start operations	February 2003
<b>Total Weeks</b>	<b>60</b>

### Costs

4. The estimated costs are:



Restricted - Policy

Financial profile: 1300 Places in 2-3 projects (£m)	2001/02	2002/03	2003/04	2004/05	2005/06
Capital		87.0	30.0		
Fees		4	6.0		
Operating Contract		7.0	43.0	43.0	43.0
Total		98.0	79.0	43.0	43.0

**Feasibility**

5. Sites are similar to those required for accommodation centres. The current site search has so far identified about 20 possible candidates. A further search of the north west and north midlands may also provide options with a good prospect of planning consent.
6. The Project Team has experience in delivering this sort of requirement and can draw off existing documents to speed up the process.
7. Although the timetable is tight, past projects have been delivered within 12-13 months. The requirement would be met by the delivery of 2-3 projects.

**Benefits**

**Removals**

8. There is a close relationship between detention and removal. About 75 % of those removed have been detained at some stage in the process. On the assumption that there is some improvement in the efficiency of systems to ensure that people leave voluntarily, the requirement for detention accommodation is based on 1/3 of removals leaving of their own volition. Of the remainder, the assumption is set out as follows to meet the target of 37,000 removals by 2003/04:

**Removals target:** 37,000 of which 7,400 are family members and 29,400 singles.

Assumed that 1/3 will depart without the need for detention.

NUMBER TO BE DETAINED		DETENTION PLACES REQUIRED	
Singles	29,400 x 6 weeks	8.7 people per place pa	3,379
50% families	3,700 x 6 weeks	8.7 people per place pa	425
50% families	3,700 x 2 weeks	26 people per place pa	142
			3,946
+ 10% for non-asylum removals			395
			4341

Assume an efficiency target of 10 % -hence requirement is 4000 places. In the light of the current removals per detention place, this assumes a substantial improvement in the processes

## Restricted - Policy

by 2003/04. What is clear is that we will need additional capacity to achieve the removals target.

### Savings on asylum support costs

9. On the assumption that it costs the Exchequer £250 per week per family the annual saving on support costs through the removals above is estimated at £90 million per annum. The additional detention accommodation would make a contribution of about 1/3 to this- or about £30 million per annum.

### Increased removals

10. Using similar assumption from the removals model, the 1300 additional places would increase the capacity for removals by about 12000 per annum or 1000 per month. There may also be a deterrent effect on those arriving to claim asylum which is less easy to quantify.

### Accommodation Centres and Reporting Centres.

11. The principal benefit in having reporting facilities with accommodation units would be a reduction in escorting costs. Police need not be involved in removals from accommodation centres and immigration service time would be used better. But this would not reduce the need for detention accommodation to effect the removal of those who would otherwise not depart voluntarily. Furthermore, the greater use of charter flights to remove large numbers of asylum seekers whose application has failed will also require more detention accommodation to hold these people in one place prior to removal.

### Reporting Centres only/Reporting to the police

12. As above, there are no additional benefits in having reporting centres only because periods of detention at the end of the process are still required. Reporting to the police commits resources away from core business.

### Do nothing

13. If we maintain the status quo, there will not be sufficient detention accommodation to deliver the target of 37,000 removals in 2003/04. This will be very challenging even with 4000 detention places.

## ANNEX D: COSTS OF ACCOMMODATION CENTRES

### Introduction

- 1 The accommodation centre programme has been costed on the basis of 18,000 places. This assumes:
  - a) Asylum intake at about 60,000 a year – consistent with current Home Office forecast; assumes that some deterrence from new tighter regime balances any international pressures for increase
  - b) 60% of claimants go to accommodation centres (36,000) – this is based on the fact that 50% of claimants now take full NASS support and 20% take vouchers only, and assumes that half the “vouchers only” elect to be self supporting
  - c) average stay 6 months (allows for initial decision and preparation of papers for appeal in 2 months, 4 months for appeal. The initial decision time will be shorter than now since claimants will be on site subject to a streamlined plan for advice, interview and service of decision. Applicants who are granted asylum or ELR leave within a few weeks; some cases might take longer; families are factored in but 6 months average is valid as a steady state assumption. No change has been assumed in timescale for appeal but it would be beneficial if this could be achieved.)
  - d) 18,000 places are needed: sites will be designed with some flexibility to add extra units quickly if this proves too tight.
- 2 The programme assumes a mix of provision, from sites provided and run by local authorities, those developed by Home Office and those supplied by private or voluntary agencies. The initial working assumption was 36 sites at 500 beds each, though much depends on size of available sites. Units much smaller than this would be uneconomical in terms of facilities such as health and education. Very large sites can be divided into 2 or more separate centres to help case management (as with the dual detention centres at Yarl's Wood). Provisional costings now suggest that 750 beds is more economical than 500. The approach will need to be “mix and match” as sites become available.
- 3 Each local authority consortium (a system already working for asylum dispersal) is expected to find one site giving 12 sites – 6000 spaces. Home Office will build 6000 spaces – site searches have already begun and identified over twenty possibilities, mostly in rural areas (which are judged preferable in order to avoid the risks of claimants drifting from the centres into cities with risks of social tension, and/or the attractions of illegal working or absconding). Commercial or voluntary organisations will be invited to tender for provision of another 6000 spaces. Any defaults will be made up by Home Office building.
- 4 The advantage of Home Office building is that accelerated planning procedures can be used, giving earlier completion. This is only available to the Crown. HO is well placed to make an early start (if funds are assured) by using contracts for technical advice and project management already in place for detention centre building. Local authority provision has the advantage of building in strong links to local communities, and avoiding some of the problems experienced with NASS dispersal. But lead times are likely to be

## Restricted - Policy

longer. With local authority or commercial/voluntary partners there may be significant reduction in initial capital costs, e.g. if existing facilities are converted – but realistically the partners would expect reimbursement of the costs of capital, including extra works, and interest charges, over the contract life. Options for spreading capital costs over a longer period are discussed below – inevitably, there is an increase in whole life cost if this is done.

5 Standard cost estimates per 500 bed site are:

£17.5m for vacant site, assuming prefabricated modular units (as developed in the prison building programme)

£15m for conversions

running costs of £9.2m for a 500 bed centre.

6 The underlying assumptions are set out in the tables below

<b>Capital Costs</b>	<b>£</b>
Land purchase (12 acres @ £200k per acre)	2,400,000
Living Accommodation	5,340,000
Regimes( activities, medical, education, visits, etc)	4,000,000
In going works	1,000,000
Perimeter fence	750,000
Fit out (laundry, furniture, activities etc)	1,500,000
Professional works services fees	1,500,000
Legal fees and planning fees	310,000
Contingency	700,000
<b>Sub total</b>	<b>17,500,000</b>

<b>Running Costs per 500 bed centre (excluding casework)</b>	<b>£</b>
Security staff	1,500,000
Activities, Education	3,000,000
Catering	750,000
Utilities	500,000
Maintenance	500,000
CILOR( rates)	500,000
Cleaning/laundry services	500,000
Medical	480,000
Supplies	350,000
Transport	500,000
Interpreters	1,340,000
<b>Total</b>	<b>9,170,000</b>

7 Although there may be some opportunity to factor in existing opportunities on both the Home Office estate ( for example Oakington) and local authority accommodation which may deliver quick results, the nature and magnitude of the requirement is best addressed

by the assumption that the vast majority of the accommodation will need to be delivered by new projects. The proposed procurement strategy and projected costs of projects are set out below. Note that this gives a significantly different capital profile from earlier papers, as set out in the final table.

## **Revised Estimates and Profiles**

### **The Requirement**

8

- |   |   |
|---|---|
| a) 3000 Home Office places in prefabricate units:     | Construction by mid 2002<br>Fully operational by mid 2003   |
| b) 6000 local authority places by conversion          | Construction by late 2002<br>Fully operational by late 2003 |
| c) 3000 Home Office places by conversion:             | Conversion by mid 2003<br>Fully operational by mid 2004     |
| d) 6000 places private/voluntary sector by conversion | Construction by late 2003<br>Fully operational by mid 2004  |

### **Procurement Strategies**

9 The key options are as follows:

- a. Home Office Capital to buy accommodation and a separate operating contract
- b. Home Office Capital to award Design Build and Operate contracts (DBO)
- c. Home Office capital to do refurbishment and award a separate operating contract
- d. Private Finance: private sector, local authority or voluntary sector
- e. Rent Accommodation and award a separate operating contract

The scale and timing will probably require a combination of some of the above strategies.

### **Procurement Programmes**

- 10 The Home Office would use Circular 18/84 Special Urgency planning procedures pending further possible legislation in early 2002. The minimum time for planning consent is 3 months. Ordinary planning procedures have to be used for PFI deals – a delay of at least a further six months.
- 11 Subject to being able to avoid potential contingent liabilities or otherwise to proceed, a competition would be run at the same time as the planning application for the new facilities. This would cover the entire need and provide the information on which to judge value for money options. The minimum time for this is also three months.

## Restricted - Policy

- 12 For new build or refurbishment, nine months should be allowed for construction and fit out.
- 13 For a PFI deal, a further six months needs to be added to the competition programme because of the involvement of financial backers and the extra time to sign off deals.
- 14 For lease arrangements, the assumption is that the suppliers of accommodation would be able to conclude the deal within the three months as at 3.2 above.

### Assumptions

- 15 Following details, estimated costs and design for 500 places using prefabricated units, a revisal requirement for 750 bed units on two storeys is being pursued to reduce the capital costs.
- 16 The requirement is therefore for 4 X 750 bed projects to deliver a total of 3000 places in prefabricated units
- 17 Conversion costs for a further 3000 places will vary with the size and nature of the sites available.
- 18 For the 6,000 local authority places, each local authority will provide one facility of 500 places. It is likely that each local authority will seek to use existing accommodation and to adapt this to meet the requirements of the accommodation centre. To ensure consistency of standards across the proposed estate, the facilities and services should be similar to those delivered under Home Office funded projects. The local authority will be required to demonstrate propriety and value on the use of its assets. The estimated cost of each 500 place project must therefore include an element for the opportunity cost of the premises, the capital costs and the operating costs. If local authority capital is used, then the provision of the facilities will be a form of private finance and should be treated as such.
- 19 Similar considerations will apply to the 6,000 places to be provided by the private or voluntary sector.
- 20 Of the 24 projects each of 500 places to be delivered by the local authorities and the private/voluntary sector, it is assumed that a proportion will have to be new build because of a lack of suitable existing facilities for conversion. The assumption is that 16 projects will be refurbishment and the remaining 8 new build. The estimated capital costs to the provider are taken to be similar to those proposed for Home Office build and refurbishment projects in terms of recovering the capital investment by a form of PFI.

**Procurement Options: Impact on Time**

21 The likely best timetable to deliver the buildings for each option is as follows.

	<b>Home Office Capital</b>			<b>Private Finance</b>	
	Works Contract (1)	DBO (2)	Refurbish (3)	Lease	PFI (4)
Planning consent Tender	12	12	12	36	52
Contract Award after negotiation	8	10	8	8	12
Construction	36	36	36	36	36
<b>Total Weeks</b>	<b>56</b>	<b>58</b>	<b>56</b>	<b>80</b>	<b>100</b>

**Notes**

- (1) – Separate construction and operating contracts
- (2) – One contract for design, build,
- (3) – Separate construction and operating contracts
- (4)- This is the assumed option for the 6,000 local authority places and the 6,000 private/voluntary sector places.

22 In all cases, 26 weeks are allowed from opening to a final build up of operations as each proposed unit is likely to be more than 750 places.

**Appraisal Assumptions**

23

- In all cases, the life of the building is ten years (any less would fail to attract private finance).
- The start date for the projects in November 2001.
- TDR is taken at 6% in respect of HO capital projects.
- The total project capital cost for a 750 place accommodation centre is £27 Million.
- The total project capital cost for a refurbishment is £15 million per 500 places.
- The total project capital cost for a 500 place accommodation centre is £17.5 million
- The operating cost per detainee place is £17,000 per annum (This would increase significantly depending on the nature and output of the services requested on site. It compares to an average annual cost per detention place of £33,000). An additional

## Restricted - Policy

allowance of £0.7 million per 500 bed project is included to cover local transport costs.

- The operating contract has phased costs, **but** assumes that all basic service requirements are required at the start of operations.

### Summary of Estimates

**24 This summary provides for the provision of 3000 new places and 3000 refurbished places as HO projects, for 6,000 places under a form of private finance from the local authorities and for 6,000 places under a form of private finance from the private/voluntary sector.**

25 The only options, which will stand any chance of delivery, are 3000 new places by mid 2002 are Option 1 – HO capital with or without separate operating contract and option 2 – HO refurbishment project.

26 The lease approach under option 3 might deliver the further 3000 places by mid 2003 and reduce the demands on HO capital.

27 The PFI route fails to meet any of the targets with any degree of certainty. On paper, it might deliver the projects by mid 2004. But any challenge under the ordinary planning procedures would knock this seriously off course. It follows that the risk of the local authorities failing to meet the target of delivering 3,000 places by late 2002 is high and that there is also a risk that the 3,000 places from the private/voluntary sector by late 2003 is challenging.

28 It is difficult to know what the right mix is at this stage because we have not completed a search of the various opportunities available. But the best estimates below are in £ million

29 For planning purposes, 4 HO capital projects under operation 1 would give a projection as follows:

	2001/02	2002/03	2003/04	2004/05	2005/06
Fees	16.8	7.2	-	-	-
Capital	12.0	80.0	4.0	-	-
Operating	-	32.0	51.0	51.0	51.0

Four refurbishment projects under option 2 would give costs of:

	2001/02	2002/03	2003/04	2004/05	2005/06
Fees	4.8	6.0	-	-	-
Capital	-	72.0	4.0	-	-
Operating	-	8.0	51.0	51.0	51.0
Rent	1.0	1.0	1.0	1.0	1.0

Four projects with lease accommodation raises costs of:



Restricted - Policy

	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Fees</b>	6.0	8.0	-	-	-
<b>Lease</b>	-	16.0	16.0	16.0	16.0
<b>Capital</b>	12.0	-	-	-	-
<b>Operating</b>	-	-	52.0	52.0	52.0

Four PFI projects to deliver 750 places using prefabricated units would give estimates of:

	2001/02	2002/03	2003/04	2004/05	2005/06
Fees	6.0	10.0	2.0	-	-
Capital	12.0	-	-	-	-
operating	-	-	-	66.0	66.0

12 PFI projects to deliver 500 places by 8 refurbishment facilities and four new build as the 3,000 places from local authority suppliers would give estimates of:

	2001/02	2002/03	2003/04	2004/05	2005/06
Fees	3.0	6.0	2.0	-	-
Capital	-	-	-	-	-
operating	-	-	-	160	160

12 PFI projects to deliver 500 places by refurbishment/new build with 8 refurbishment and four new build as the 3,000 places from private/voluntary sector suppliers would give estimates of:

	2001/02	2002/03	2003/04	2004/05	2005/06
Fees	3.0	3.0	1.0	-	-
Capital	-	-	-	-	-
operating	-	-	-	160	160

Option One

**HO Capital to acquire site and buildings: 750 Bed unit**  
**Separate operating contract OR design build, operate contract**

Year	Description	Cost (Million)	DF	NPV
0	Fees	1.2	0	1.2
0	Site	3.0	0	3.0
1	Fees	1.8	0.9434	1.70
1	Construction	20.0	0.9434	1.89
1	Operating Costs	8.0	0.4934	7.55
2	Construction	1.0	0.89	0.89
2-10	Operating Costs	12.75	7.3601 X 0.89	83.52

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<b>TOTAL NPV</b>	<b>99.75</b>
------------------	--------------

<b>Financial Profile:750 places</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Fees	1.2	1.8	-	-	-
Capital	8.0	20.0	1.0	-	-
Operating Costs	-	8.0	12.75	12.75	12.75

**Option two: Lease Site**

**Refurbishment with HO Capital: 750 Places  
Separate Operating Contract**

<b>Year</b>	<b>Description</b>	<b>Cost (£ Million)</b>	<b>DF</b>	<b>NPV</b>
0	Fees	1.2	0	1.2
0-10	Site/Buildings( Lease)	1.0	7.3601	7.36
1	Fees	1.5	0.4434	1.42
1	Construction	18.0	0.4334	17.0
1	Operating Contract	8.0	0.4434	7.55
2	Construction	1.0	0.89	0.89
2-10	Operating Contract	12.75	7.3601 X 0.89	83.52
<b>Total NPV</b>				<b>118.94</b>

<b>Financial Profiles:750 Places</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Fees	1.2	1.5			
Capital		18.0	1.0		
Lease	1.0	1.0	1.0	1.0	1.0
Operating Costs		8.0	12.75	12.75	12.75

**Option 3: lease Accommodation and Separate Operating Contract: 750 Places**

<b>Year</b>	<b>Description</b>	<b>Cost</b>	<b>DF</b>	<b>NPV</b>
0	Fees	1.5	0	1.5
0	Site	3.0	0	3.0
1	Fees	2.0	0.9434	1.89
2-11	Lease pa	4.0	7.8869 X 0.89	28.1

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2-11	Operating Costs pa	12.75	7.8869 X 0.89	89.5
<b>Total NPV</b>				<b>123.99</b>

<b>Financial Profile:750 places</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Fees	1.5	2.0	-	-	-
Capital	3.0		-	-	-
Operating (Including lease)	-	-	16.75	16.75	16.75

**Option Four: Private Finance Initiative: 750 places**

Year	Description	Cost	DF	NPV
0	Fees	1.5	0	1.5
0	Site	3.0	0	3.0
1	Fees	2.5	0.9434	2.36
2	Fees	0.5	0.89	0.45
3	Operating Contract	16.75	0.8396	14.0
4-12	Operating Contract	16.75	8.3838 X 0.8396	117.9
<b>Total NPV</b>				<b>139.21</b>

<b>Financial profile:750 Places</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Fees	1.5	2.5	0.5		
Capital	3.0				
Operating Contract				16.75	16.75

**Option Five : Private Finance Initiative: 500 places from local authority/private sector/voluntary sector supplier.**

Year	Description	Cost	DF	NPV
0	Fees	0.25	0	0.25
1	Fees	1.0	0.9434	0.94
2	Fees	0.25	0.89	0.22
3	Operating Contract	13.3	0.8396	11.17

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4-12	Operating Contract	13.3	8.3838 X 0.8396	93.6
<b>Total NPV</b>				<b>106.18</b>

<b>Financial profile:500 Places</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Fees	0.25	1.0	0.25		
Operating Contract				13.3	13.3

**ACCOMMODATION CENTRES: 18000 PLACES**

	Supplier	Number of projects	Number of places	Target completion of construction	Target Full operations
1	HO Capital/Lease: New Build	2	1500	End 2002	mid 2003
2	HO Capital: Refurbishment	3	1500	End 2002	mid 2003
3	Local Authority: Conversion	6	3000	End 2002	mid 2003
4	HO Capital/Lease: New Build	2	1500	Mid 2003	End 2003
5					
6	HO Capital Refurbishment	3	1500	Mid 2003	End 2003
7	Local authority: Conversion	3	1500	Mid 2003	End 2003

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8	Private Sector/Voluntary Sector	3	1500	Mid 2003	End 2003
9	Local Authority: Conversion	3	1500	End 2003	Spring 2004
10	Private/Voluntary Sector	9	4500	End 2003	Spring 2004
	<b>Totals</b>	<b>34</b>	<b>18000</b>	<b>End 2003</b>	<b>Spring 2004</b>

### Notes:

#### Strategy

- 30 Home Office capital/refurbishment projects are likely to deliver more quickly as we have fast track planning and a greater measure of control than the other options. The procurement programme therefore brings forward the 6000 places in two phases. Phase 1 delivers 3000 places.
- 31 Some local authority accommodation may be quickly identified and converted. of the total of 12 projects required, 6 are assumed to be capable of delivery in Phase 1.
- 32 The sum of (1) & (2) delivers the Phase 1 requirement of 6000 places fully operational by mid 2003-although the construction is later than the target of mid 2002.
- 33 The Phase 2 requirement of 6000 places fully operational by late 2003 is met by 3000 places under HO projects and 3000 places by a combination of local authority/private/voluntary sector solutions.
- 34 The Phase 3 requirement of the final 6000 places fully operational by spring 2004 is met by a further 12 local authority/private/voluntary sector projects.
- 35 The programme would have a critical progress view at the end of Phase 1 to establish whether the Home Office needed to backfill any gaps in the provision by other service suppliers.

#### Costs

- 36 H.O sites for a total of 10 projects are based on a price of £3 million for each site. Any sites available for rent would release some of this capital to other project pressures.
- 37 Finance costs under PFI or Lease are £4 million per annum for the accommodation
- 38 Operating costs are £9.2 million for a 500 bed centre and £12,750 for 750 places.

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39 H.O projects are a mix of capital new build and refurbishment to enable the use of 18/84 special urgency planning procedures to deliver some quick wins.

40 All local authority and private sector/voluntary solutions are a form of private finance to reduce the demand for H.O capital.

### COSTS OF ACCOMMODATION CENTRES

	2001/02		2002/03		2003/04		2004/05		2005/06	
	Capital	Running	Capital	Running	Capital	Running	Capital	Running	Capital	Running
Home Office Projects	21.0	4.0	92.0	9.0	87.0	44.0	7.0	57.0		57.0
Local Authority Projects		1.5		52.0		98.0		160.0		160.0
Private/voluntary Sector projects				6.0		15.0		160.0		160.0
Totals	21.0	5.5	92.0	67.0	87.0	157.0	7.0	377.0		377.0

**OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to reform the system of support for asylum seekers. Our key objective is to establish a system that is throughout tough, effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines tough reporting centres, increased appeals capacity, more detention facilities and accommodation centres.

We shall introduce a tough new regime in eight new-style reporting centres and, by 2003, establish four 750-bed accommodation centres to trial the new approach. Decisions about the long-term mix of facilities will be taken in the light of emerging evidence about what works.

Subject to this evidence, our aim is to phase out the current system and replace it with a new, more tightly controlled regime designed to speed up the decision-making process, which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.

If it works  $\rightarrow$  we will (.) to say for it

If it doesn't  $\rightarrow$  ...

DB: I need this as the

If it works —

In principle this is to explain  $\rightarrow$

but we are not yet convinced with it

[no.]





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To achieve this we shall develop a system which combines tough new reporting centres, increased appeals capacity, more detention facilities and accommodation centres.

We shall establish quickly [8] new style reporting centres and, by 2003, [4 x 750] accommodation centres to trial the new approach. Decisions about the long term mix of facilities will be taken in the light of emerging evidence about what works.

Subject to this evidence, our aim is to phase out the current system and replace it with a new, more tightly controlled regime designed to speed up the decision-making process, which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.



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We shall establish quickly [8] new style reporting centres and, by 2003, [4 x 750] accommodation centres to trial the new approach. Decisions about the long term mix of facilities will be taken in the light of emerging evidence about what works.

Subject to this evidence, our aim is to phase out the current system and replace it with a new, more tightly controlled regime designed to speed up the decision-making process, which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.



**OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to reform ~~change~~ the system of support for asylum seekers. Our key objective is to establish a system that is throughout both effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines reporting centres and detention facilities ~~accommodation centres~~, together with increased appeals capacity, as well as trials for accommodation centres ~~and more detention facilities~~.

We shall establish in these trials 3000 places ~~quickly a number of accommodation centres~~ by 2003. Any future decisions to extend the capacity of accommodation centres beyond 3000 places will be made ~~about the long term mix of facilities will be taken in the forthcoming Spending Review~~ and in the light of emerging evidence about what works. Over time, the current system – based on the dispersal system of asylum seekers and vouchers – could be phased out.

Our aim intention is to ~~phase out the current system – based on the dispersal of asylum seekers and vouchers – and replace it with a new,~~ a more tightly controlled system designed to speed up the decision-making process which reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money.

**Table 3**

**Net costs of 1500 Accommodation Centre places (based on 2 x 750 bed prefabricated centres financed by Home Office capital)**

	<b>2001/2</b>	<b>2002/3</b>	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>	<b>Total</b>
Capital costs	0	60	0	0	0	60
+ 10% risk factor on capital costs	0	+ 6	0	0	0	+6
Run costs		8	29	29	29	95
+ <b>HMT</b> 10% risk factor on running costs		+1	+3	+3	+3	+10
Total agreed savings	0	-2	-15	-16	-16	-49
<b>HO Net total</b>		66-72	14	13	13	106-112
<b>HMT net total</b>		66-73	14-17	13-16	13-16	106-122

result of ACs.						
Net total <b>HO</b> (range reflects agreed risk factor)	<b>27-29</b>	<b>174-185</b>	<b>159-168</b>	<b>154-155</b>	<b>25</b>	<b>539-562</b>
Net total <b>HMT</b>	<b>27-29</b>	<b>174-92</b>	<b>188-216</b>	<b>278-322</b>	<b>236-280</b>	<b>903-1039</b>
+ further risk factor if asylum intake is sustained 78,000 rather than 60,000 <b>(HMT costs)</b>						<b>270-310</b>
+ further risk factor if asylum intake is sustained 78,000 rather than 60,000 <b>(HO costs)</b>						<b>165</b>

**Table 2**

**Net costs of 1000 Accommodation Centre places (based on 2 x 500 bed prefabricated centres, financed by Home Office capital)**

	<b>2001/2</b>	<b>2002/3</b>	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>	<b>Total</b>
Capital costs	0	48	0	0	0	48
+ 10% risk factor on capital costs	0	+ 5	0	0	0	+5
<hr/>						
Run costs		5	20	20	20	65
+ <b>HMT</b> 10% risk factor on running costs		0	+2	+2	+2	+8
<hr/>						
Total agreed savings	0	-1	-10	-11	-11	-33
<b>HO Net total</b>		52-58	10	9	9	80-85
<b>HMT Net total</b>		52-58	10-12	9-11	9-11	80-91

TABLE 1

## Net costs of full 18,000 Accommodation Centres package (including 20 reporting centres)

	2001/2	2002/3	2003/4	2004/5	2005/6	Total
Capital costs	21	106	93	7	0	227
+ 10% risk factor on capital costs	+2	+11	+9	+1		+23
Running costs (based on 1/3 HO capital; 1/3 local authority and 1/3 private incl PFI)	6	70	189	428	435	1068
+ <b>HMT</b> 10% risk factor on running costs		+7	+19	+43	+44	+107
Total agreed savings from ACs (incl 20 RCs)	0	-2	-94	-157	-199	-450
+ <b>HO</b> extra fraud benefit	0	0	0	-39	-40	-79
+ <b>HO</b> extra if assume "steady state" on appeals – only reached by 2003/4 if appeals backlog reduced, e.g. by ELR <b>HMT:</b> these savings not a	0	0	-29	-85	-171	-285



**OUTLINE OF STATEMENT ON NEW APPROACH TO ASYLUM**

The Government intends radically to change the system of support for asylum seekers. Our key objective is to establish a system that is throughout both effective and credible, ensuring that those who are fleeing persecution can have their claims considered fairly and efficiently and those who do not have a right to stay are removed from this country.

To achieve this we shall develop a system which combines reporting centres and accommodation centres, together with increased appeals capacity and more detention facilities.

We shall establish quickly a number of reporting centres and accommodation centres. Decisions about the long term mix of facilities will be taken in the forthcoming Spending Review and in the light of emerging evidence about what works.

Provided that this approach speeds up the decision making process, reduces fraud, increases the rate of removals of failed asylum seekers and ensures that those granted refugee status are properly integrated into society, while offering value for money, we intend in due course to phase out both dispersal of asylum seekers and the voucher support system.

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**FROM: PAUL BRITTON**  
**Hd, Economic & Domestic Sect**  
**TEL: 270 0240**  
**DATE: 17 OCTOBER 2001**

**JEREMY HEYWOOD**

cc Chancellor of the Exchequer  
Lord Chancellor  
Home Secretary  
Chief Secretary, Treasury  
Lord Macdonald  
Sir Richard Wilson

**ASYLUM**

- 1. The attached paper, prepared by the Home Office, contains the further analysis of the costs and benefits of the options for asylum reform which the Prime Minister commissioned at his meeting with colleagues on 27 September.**
2. The key points are as follows:

**Current Costs**

3. On current policies, the total costs of running the asylum system are estimated to be at or around £2 billion a year for the next five years, rising steadily from next year (row 2 of Table A). The Home Office calculates that if the Home Secretary's package of proposals (including accommodation centres) is implemented, these costs would rise in the short-term (on an invest-to-save basis), but would then gradually come down from 2003/04 (row 10 of Table A). However, even by the end of the next spending review period (April 2005) estimated total costs would still be only a fraction under £2 billion.

**Those measures where there is broad agreement at official level**

4. Ministers have already agreed to implement measures to speed up the asylum system and bear down on the costs of fraud and waste. These include an audit of NASS expenditure, ID cards for asylum seekers and introducing a requirement for applicants to collect decisions in person. The net costs of these measures are shown in rows 4 and 5 of Table A. Officials in all departments are also agreed that the recommendations of the dispersal and voucher reviews

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(summarised in Annex B of the Home Office paper) should be implemented. These are broadly cost neutral.

5. In order to bear down on the costs of support it is vital to improve the rate of removals. To do this, and to meet their original PSA target of 37,000 removals a year by 2003/04, the Home Office must have a credible removals delivery plan, and as part of this:
  - the number of detention centre places needs to be expanded, probably to 4000, from the 2700 places that will be available by March next year; and
  - appeals capacity should be increased to 6000 cases a month (but probably not beyond this).
6. The estimated net costs (minus the off-setting savings identified by the Home Office and LCD) of doing this are shown in rows 6 and 7 of the attached table. The Home Office believes that with the additional detention capacity they will be able to hit the original PSA target of 37,000 removals by 2003/04.
7. With 6000 a month appeals capacity the backlog could be cleared by 2007. The proposed increase in detention capacity to 4000 would not enable detentions and removals to keep pace with this increased flow of appeals. But increasing appeals capacity to this level is still justified by the need to "switch-off" support for single people whose claims are unfounded, which results in savings that more than offset the costs. The case for further expansion of the detention estate will need to be revisited in the context of SR2002.

### Accommodation centres and reporting centres

8. The paper explores three options:
  - (i) Bespoke reporting centres as an addition to the existing NASS system
  - (ii) Accommodation centres and reporting centres together
  - (iii) Using an existing network, such as police stations for reporting centres
9. The Home Office's preferred option is (ii) on the grounds that this offers the greatest benefits by
  - eliminating the scope for fraud (eg sub-letting or the black-market in vouchers)
  - making it more difficult for supported applicants to abscond (particularly if the centres are in remote locations) so facilitating removals

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- halving the time for initial decisions from current target of two months
  - reducing disruption to local services such as schools, hospitals and the police
  - reducing the numbers of asylum-seekers in urban centres, so alleviating social tensions in those areas and
  - once all existing asylum claims had been dealt with, which will take at least 5 years, removing the need for vouchers.
10. The Treasury has very strong reservations about this option on affordability and value for money grounds (the estimated net additional costs are high – £171m and £173m in next two years, even taking into account projected savings - and Treasury officials believe the true costs could be higher still) and because they believe that option (i) could be made to work and to deliver many of the benefits outlined above at a significantly lower cost.

### **A possible compromise**

11. We have discussed a possible compromise at official level. The key elements would be:
- the measures outlined above on which there seems to be broad agreement at official level (eg detention, appeals, audit);
  - beginning towards the end of 2002, a tougher reporting regime, linking signing on to receipt of vouchers in a number of reporting centres - some bespoke, some based on police stations (eg existing pilots in Leicester and Newcastle) – to assess their effectiveness. Non-attendance would result in loss of vouchers and (subject to the Asylum Bill) affect the credibility of their asylum claim;
  - an immediate start to procurement of a number of accommodation centres, with a view to these becoming operational in mid-2003;
  - provision in SR2002 via an “asylum development fund” for the wider roll out of reporting and accommodation centres subject to evidence about what works;
  - an announcement to Parliament signalling the intention to move towards a radically changed system, provided that evidence shows that this works. The bones of a draft statement are attached at Annex B.
12. If ministers agree in principle to this compromise, further urgent discussion will be needed at official level, before any announcement can be made, in order to agree the exact number of reporting centres and accommodation centres on which work

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should begin now and the funding that would be made available to Home Office to begin this work. To gather the necessary evidence of costs and effectiveness, at least 3 or 4 of each type of centre would probably need to be taken forward. The Home Office are keen that 12 accommodation centres (6000 places) are taken forward in this first phase so that they can keep to their original timetable.

13. Longer-term funding could be considered in the context of SR2002. And Treasury officials have mooted the idea of an "asylum development fund" – effectively an envelope of money that could be agreed in SR2002 and which could then be released for subsequent phases of development based on further evidence of what mix of centres is most cost effective.
14. The Home Office and Treasury would also like to explore, in the context of SR2002, options to reduce the backlog of cases and/ or reduce the future flow of appeals, by increased grant of exceptional leave to remain. More work needs to be done on the costs and savings of this, especially the implications for benefits expenditure.

### Conclusion

15. If ministers agree that increasing the level of removals is a priority, they are invited to agree to:
  - (a) increase the capacity of the appeals system to 6000 cases a month;
  - (b) increase the number of detention places to 4000;as part of a credible removals delivery plan. Ministers are also invited to agree to implement the recommendations of the dispersal and vouchers review.
16. On paper, accommodation centres offer considerable advantages in terms of eliminating fraud, speeding up the decision process, facilitating removals and reducing social tensions in urban areas. In addition they offer the political advantage of being able to abolish vouchers. The question for Ministers is whether they would represent value for money, given the high costs, and whether a tough reporting regime could be made to deliver, more cheaply, some of the key advantages.
17. If Ministers are not prepared at this stage to commit themselves to the full programme of accommodation centres which the Home Office would prefer, the compromise outlined in paragraph 11 or a variant of it might offer a way forward.

**PAUL BRITTON**

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## ANNEX A

TABLE A

Estimated asylum costs under new policy proposals  
(All figures in £ millions)

Col	Expenditure Type	2001/2	2002/3	2003/4	2004/5	2005/6
	<b>Current costs:</b>					
1	IND and LCD baseline	1097	1115	1164	1164	1164
2	Total costs on present policies	2035	1862	1879	1977	2079
3	Total net requirement over baseline	938	747	715	813	915
	<b>Costs of new proposals net the estimated savings calculated by the Home Office:</b>					
4	NASS audit	0	-121	-24	-24	-24
5	ID card	0	20	0	0	0
6	Additional detention capacity (4000)	0	98	79	43	43
7	Appeals at 6000 a mth	8	87	24	-50	-139
8	(option ii) 18000 accommodation centre spaces and 20 reporting centres	27	171	173	117	-13
9	Total costs of new proposals	35	255	252	146	-133
10	<b>Total requirement including new proposals</b>	2070	2117	2131	2063	1946
11	<b>Total net requirement over baseline</b>	973	1002	967	899	782

£ 80 m → 3000 places.

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**From: Justin Russell  
Michael Barber**

**Date: 19 October 2001**

**PRIME MINISTER**

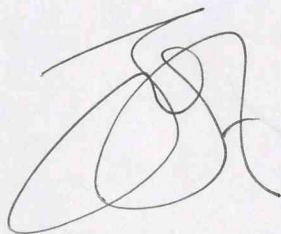
**cc: Jeremy Heywood  
Andrew Adonis  
Jonathan Powell  
Olivia McLeod**

**ASYLUM CENTRES**

You are meeting David, Gordon, Derry and Andrew again on Monday evening at 6pm to discuss asylum support. HMT, HO and CO officials met this morning to attempt to reach agreement on costings. The attached personal note to you from Paul Britton sets out where we have got to (some agreement on capital and running costs but ongoing dispute on savings). As Paul says, the crucial items to resolve on Monday are a form of words for DB's statement and a decision on expenditure in the current financial year which will get us through to the SR2002 decision.

We recommend that you:

- Press GB to accept the form of words in the draft statement (attached)– which should satisfy both DB's desire to signal a radical change in the system and HMT's desire to make sure that longer term decisions about funding are taken in SR2002 "in the light of emerging evidence about what works"
- Press for DB to be allowed to start work on procuring 3,000 bed spaces immediately (at a cost of £79m this financial year). This is already significantly less than the 6,000 he was going to press for yesterday and is the minimum that he would require to keep his package on track for delivery by 2004.



**JUSTIN RUSSELL**

**MICHAEL BARBER**

**RESTRICTED - POLICY**

RESTRICTED



file

10 DOWNING STREET  
LONDON SW1A 2AA

From the Senior Policy Adviser

19 October 2001

Dear Hilary

### ASYLUM

The Prime Minister met with the Home Secretary, the Lord Chancellor, the Chancellor and the Chief Secretary to discuss the Home Secretary's proposals on asylum. Sir Richard Wilson, John Gieve, Sir Hayden Phillips, Stephen Boys Smith, Paul Britton, Nick MacPherson, Ed Balls, Nick Pearce, Jeremy Heywood, Michael Barber, Sarah Tobin and myself were present. The meeting had before it Paul Britton's minute to Jeremy Heywood of 17 October, which covered a detailed paper prepared by the Home Office. The following key points were made:

#### **Streamlining the appeals system**

The Lord Chancellor outlined the proposals set out in his private secretary's letter of 17 October to streamline the appeals system. These included constituting the Immigration Appeal Tribunal (IAT) as a superior court of record from which there could be no judicial review; tidying up the 1999 Act to confine appeals to a single appeal hearing; removing the right of those granted ELR to appeal for indefinite leave; and granting right of appeal in "manifestly ill founded" applications to the IAT, once constituted as a superior court of record. He also recommended that the Home Office should consider carrying out a substantive review of decisions before they are transferred to the appellate authority to cut down on the number of adjournments. The Home Secretary said that officials were already working up provisions for the Asylum Bill to cover these issues. The Prime Minister said that the time taken to reach decisions and process appeals had to be brought down and he asked Ministers to ensure that all the legislative options be explored to this end in the context of working up the Asylum Bill.

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### Improving whole system management

The Chancellor said that there were substantial pressures on public expenditure and each of the elements of the Home Secretary's proposal would need to be tested on value for money grounds and on the affordability of the overall package. He suggested establishing, within DEL, but separate from the main Home Office budget, a new fund to cover all asylum costs. He suggested that there could be a multi-lock to release money from this fund, with the approval of the Treasury, Home Secretary and Lord Chancellor. He saw a case for providing from this fund to:

- Increase appeals capacity to 6000 a month;
- Create an additional 1300 detention centre places (bringing the total to 4000) at a cost of £98m/£79m/£43m and £43m over the next four years;
- Pilot two accommodation centres
- Toughen up the reporting regime using existing reporting centres

The Lord Chancellor said that accommodation centres would only provide for 60% of new asylum seekers. It was estimated that the remaining 40% would chose to support themselves. This made it vital also to tackle illegal working as part of a complete package of measures to reduce the pull factors that made the UK more attractive than other EU countries.

The Home Secretary said that he was happy to discuss how a multi-locked fund might operate, but he needed to announce a system change that would send a clear international signal. Piloting two accommodation centres would not do this. Instead, he said that the Home Office wanted to commence work on 3000 accommodation centre places, with a view to entering into contractual commitments on these by June 2002. He said this would incur costs of £79m in the current financial year. Then in SR2002 Ministers should agree a reserve fund for the rest of the accommodation centre programme, which could only be drawn down if the first 3000 places delivered the expected benefits. To wait until two pilot centres had been evaluated in 2003/04 would delay by two years the benefits offered by accommodation centres, namely eliminating fraud, speeding up decisions, facilitating removals and easing social tensions in urban areas.

The Chancellor said that he was not persuaded by the Home Office's cost estimates and believed that the true costs of accommodation centres were likely to be significantly higher. He did not think that the benefits had been proven. Setting aside such sums during SR2002 would reduce the amount available for competing priorities in education, health and for other parts of the Home Secretary's

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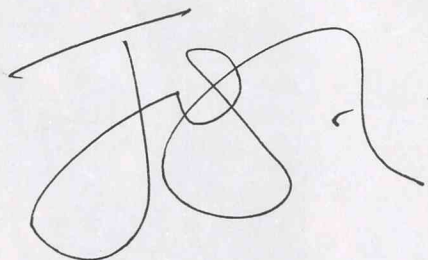
- 3 -

responsibilities. If the pilots showed that accommodation centres worked it ought to be possible to fast-track a wider roll-out.

The Prime Minister said that there was agreement on the case for the additional detention and appeals capacity and for reporting centres. The Chancellor said this was subject to agreement on the overall package. The Prime Minister said that, in principle, he was attracted to the idea of accommodation centres because they simplified the system; offered scope to eliminate fraud; would facilitate rapid detention and removal of failed asylum seekers and would send out a clear signal that would act as a deterrent. He said he would like to meet again on Monday with an agreed set of costings to take a decision on the outstanding issue of reporting centres and accommodation centres. He asked Paul Britton to lead work at official level on the costings.

I am copying this letter to Tom Scholar, Sarah Albon, Lucy Makinson, Andrew Allberry, John Gieve, Sir Hayden Phillips, Stephen Boys Smith, Paul Britton, Nick MacPherson, Ed Balls, Nick Pearce, Jeremy Heywood, Michael Barber and Sarah Tobin.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'JR' with a flourish extending to the right.

**JUSTIN RUSSELL**

Hilary Jackson

RESTRICTED



10 DOWNING STREET

Prime Minister

Good news on Ewotunnel.  
Numbers coming through  
significantly down

- Jack 19/10.

MATIX ✓

From: Adam Bye  
Date: 19 October 2001

Justin Russell

cc Stephen Wall      Jeremy Heywood  
    Martin Donnelly    Michael Roberts  
    Olivia McLeod     Sarah Tobin

**EUROTUNNEL AND SANGATTE: LATEST SITUATION**

**Following extension of Civil Penalty at the beginning of the month, the number of clandestines through Eurotunnel has fallen significantly. While there is some evidence of displacement, the numbers getting through on lorry freight are still relatively low.**

You said you would welcome an update on Eurotunnel/Sangatte:

- **The Civil Penalty, extended to Eurotunnel at the beginning of the month, seems to have had a dramatic effect on numbers.** In the first 17 days of October, 103 clandestines made it through the Chunnel. This compares to 456 in September, 726 in August, and 808 in July (i.e. the average numbers a day have fallen from some 28 in July/August to around 5). Home Office are being cautious about numbers released publicly given the Eurotunnel judicial review. We should also remember that, while encouraging, there have been false dawns before;
- **There is some evidence of a displacement effect, in particular through increased deep concealment in lorries.** However, while the numbers arriving in Kent rose last month (to just over 800), this is still some way below the 1400 a month we saw before the Civil Penalty on freight traffic. With the number of immigrants at the Sangatte Red Cross Camp remaining stable at around 1000, Home Office think a modest number must now be going to other European countries;
- **We are making progress on the actions agreed by Blunkett and Vaillant.** By end November, we should have 90% more immigration officers in Coquelles. Among other things, they will operate a new holding area to help prevent repeated nightly incursions. We are encouraging the French to accept an x-ray machine (to help deal with deep concealment). While the Interior Ministry is happy, Health need convincing. Due to Red Cross sensitivities, we are having little success sending Immigration Officers to join the IoM project dissuading immigrants at Sangatte – we are seeking to resolve. We need to keep up the pressure on Home Office – as

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you know they can be lacklustre;

- **A number of legal challenges are underway against the Civil Penalty.** A judicial review requested by road-hauliers is likely to rule at the end of the month (Counsel are optimistic). The judicial review requested by Eurotunnel will not get underway until next year ("permission" will probably be granted in early November).

So far the French have reacted calmly to the extension of the Civil Penalty (though they may wait to see how the Eurotunnel Judicial Review goes before making waves). The Cross Channel Commission Plenary on 30 October will be the next major discussion with the French.

**ADAM BYE**  
**European Secretariat**  
**( 270 0218**

**RESTRICTED - POLICY**

**RESTRICTED - POLICY**

**From:** Justin Russell  
**Date:** 17 October 2001

**PRIME MINISTER**

**cc:** Jeremy Heywood  
Andrew Adonis  
Michael Barber  
Olivia McLeod  
Jonathan Powell

**ASYLUM SUPPORT**

You are meeting with Gordon, David and Derry tomorrow afternoon at 3.30pm to discuss asylum support. I attach:

- A short paper from Paul Britton summarising areas of agreement and a possible compromise between the Home Office and HMT
- A draft statement which we hope can form the basis for initial agreement between GB and DB
- A detailed Home Office paper which sets out the costs and benefits of different options for reforming the asylum system

We (Michael Barber, Jeremy, Paul Britton and I) have invested considerable effort in attempting to broker a way forward between the Home Office and HMT. There has been movement on both sides. The Home Office has been able to reduce the size of their bid and in our view have strengthened the case they are making for accommodation centres. HMT have started to acknowledge that there may be a role for accommodation centres (if only on a pilot basis to test if this approach can work).

I recommend that you:

- Thank both sides for the work that has gone into this since 27 September and for the flexibility that both sides have started to show.
- Remind people that it was agreed at the 27 September meeting that DB should be able to make a statement on overhauling the asylum system before the end of October – and that DB reaffirmed this at Labour Party Conference in Brighton.

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## RESTRICTED - POLICY

- 2 -

- Ask if we can now agree to move forward on those areas where we now seem to be close to agreement. In particular can we now commit to:
  - Expanding the number of detention places to 4,000 – which the Home Office say is essential if they are to deliver the PSA target of 37,000 removals which they agreed with HMT.
  - Increasing the capacity of LCD's asylum appeals system to 6,000 cases a month (from current 4,000 a month) which would cost £119m over the next three years but save £189m in the two years thereafter.
- Invite comments on the statement drafted by Cabinet Office which we propose DB use as the basis for his HoC statement at the end of the month.

From the initial reactions we have received from DB and GB's office it seems likely that both sides will press for amendments to the statement.

- David will press for HMT agreement tomorrow to the Home Office building an initial 6,000 beds in accommodation centres.
- Gordon will reject this and press for it to be made clear that approval (if any) is only being given for a small number of pilots centres and that no decision has yet been made on wider roll out.

It is extremely unlikely that they will be able to reach agreement on a precise number of accommodation centres tomorrow and any prolonged debate on this will be counter-productive and will merely lead to Gordon hardening his position. **We should urge GB and DB to focus on agreeing the form of words in the statement** (which would be a significant step forward in itself) **and remind them that they still have 9 or 10 days to agree the precise details of how many accommodation centres can be announced** by the end of October.

In the meantime we should aim to reach agreement that:

- The Home Office will push on with expanding the number of reporting centres and will pilot a tougher approach to signing on – linked to receipt of vouchers by the end of next year.
- The Home Office will include powers to enable it to set up accommodation centres and change reporting requirements in the asylum bill it has planned for this session (now unlikely to be ready for introduction before March – **you may want to press DB on this**).

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## Conclusion

The Home Office has set out a strong case that restricting all support for asylum seekers to full board accommodation centres could have significant benefits by:

- Reducing fraud (e.g. black-market in vouchers, misuse of accommodation)
- Speeding up processing (all interactions can be on site and face to face)
- Increasing surveillance (by enabling a daily signing in requirement)
- Reducing burdens on and tensions with local communities (e.g. through on-site children's education and GP services)
- Increasing removals (e.g. because asylum seeker is on-site and doesn't have to be searched for in wider community at the time their appeal is refused)

But all of this comes at a price (more than £400m additional costs over the next spending review period) before any potential savings start to kick in from 2005/06 onwards. And the Home Office have not yet explored in sufficient detail whether some of the same benefits could be gained from tightening up reporting requirements whilst retaining vouchers.

HMT are, not unreasonably, unwilling to commit to this expenditure in advance of evidence from the Home Office that their accommodation centre approach works (which is unlikely before the end of 2003). But we don't want their insistence on piloting to mean that any move to a national accommodation centre system is held up by several years if it does prove to be successful (as Michael and I feel it may).

If possible we should push for HMT agreement to the HO moving to immediate procurement of the full first phase of accommodation centres (they want 6,000 beds – equivalent to 12 centres – mix of PFI, HO capital build and local authority leased – they may have to settle for less). There would be no commitment on HMT's part to any more funding after 2002/03 – but there should be sufficient flexibility in SR2002 (e.g. an Asylum Development Fund) to allow HO to roll out nationally if they prove a success. **Are you content for us to press HMT on this basis?**

JUSTIN RUSSELL



FROM THE PRIVATE SECRETARY



HOUSE OF LORDS,  
LONDON SW1A 0PW

*Faxed*  
*17 October* 2001

Justin Russell  
Senior Policy Adviser  
10 Downing Street  
London  
SE1A 2AA

Dear

*M. Russell*

#### ASYLUM AND IMMIGRATION BILL

Thank you for copying me your letter to Jane Fowler of 10 October asking about the timing for the Asylum and Immigration Bill.

The Home Office has lead responsibility for this Bill but a number of clauses are likely to be LCD's responsibility. I understand that the planning for the Bill at the Home Office is still in its early stages and not very much has been achieved beyond identifying the policy areas to be addressed by the Bill with outline notions only of the changes that might be made. The proposed areas for inclusion are:

- Accommodation Centres
- Asylum Process
- Asylum Appeals
- Removals
- Illegal working
- People smuggling/trafficking
- Nationality issues
- War criminals
- Bogus marriages

Most importantly the policy on accommodation centres has not yet been agreed: I refer in particular to the letter from Andrew Smith to David Blunkett of 21 September 2001.

Next I address the main areas for possible change that are with the Lord Chancellor's responsibility.

1. Substantive review at IND level

In his minute to the Prime Minister, of 20 September, the Lord Chancellor wrote

**"B Major Conclusions**

1. The 2 + 4 months (ie apparent 6 months) target for processing asylum applications end to end is misleading. More accurately it is at least 2 + 1½ + 4 months, ie 7½ months, because the "+" represents about 1½ months during which appeal papers against refusals of asylum remain within IND and are not transferred to the IAA"

He added at 2 (ii) below that

"2. (ii) There is no hard figure for the "+" period.....but I am told it is 6 weeks or more"

The Lord Chancellor believes that during this substantial period IND is essentially looking for formal errors in processing and invites the Home Secretary to consider whether the time would be better spent with a substantive review as well, so that changes of decision come more frequently from within IND without being imposed by the judicial process.

2. How to reduce or eliminate Judicial Review

Statutory provisions which expressly oust judicial review always meet with total judicial hostility, best illustrated by the Anisminic decision in the House of Lords. This route is therefore to be avoided if other means are available. The simple route is to constitute the Immigration Appeal Tribunal (IAT) as a superior court of record, or something akin to that (cf. the Employment Appeal Tribunal): there can be no Judicial Review from a superior court of record. The judiciary will oppose that but they will be on much weaker ground (than in opposing ouster of judicial review) because the IAT is headed up by a High Court Judge. This, therefore, is the course the Lord Chancellor recommends.

3. In the Lord Chancellor's view 2 above is the way through. He knows that there is an idea about that appeals to the IAT should be confined to points of law only. He has no objection to that but it will make next to no difference because Mr Justice Collins in practice only grants leave if a point of law is raised.

4. Confining Appeals to a Single Appeal Hearing

The provisions of the 1999 Immigration and Asylum Act which seek to confine appeals to a single appeal hearing are badly drafted and are capable of letting in further or delayed appeals founded on the Race Relations Amendment Act and the Human Rights Acts. This can be prevented by tighter drafting.

5. Removing the Right of those granted Exceptional Leave to Remain (ELR) to appeal for Indefinite Leave

Currently those that are granted ELR can appeal this decision and claim they should be given indefinite leave. As ELR means the applicant is safe from removal this appeal right is not strictly necessary and can thus be removed, because if the privilege of ELR is not extended that decision attracts an appeal right.

6. Manifestly ill founded asylum applications

At present the Home Secretary may certify a case as manifestly unfounded where that is his judgment in accordance with the statutory criteria. This restricts the right of appeal to a first tier Adjudicator appeal only: if the Adjudicator agrees with the Secretary of State the Adjudicator's decision, however, can be Judicially Reviewed. These cases form the bulk of asylum Judicial Reviews. The Lord Chancellor says that the way round that is to give a right of appeal to the IAT, once constituted as a superior court of record. If the appeal is hopeless, leave will be refused and there can be no Judicial Review.

7. Remittal power between the IAT and the Adjudicators

These should be strengthened so that instead of sending a case back to the Adjudicator for further consideration, which takes further time, the IAT should be given stronger powers to decide the issue for itself where it has sufficient material to do so.

8. Adjournments at the IAT

Unnecessary adjournments have to be stamped on, but the Lord Chancellor doubts whether this can be achieved more effectively by any legislative change. The Lord Chancellor is already speaking to Mr Justice Collins and HH Judge Hodge on the subject. The Lord Chancellor would have no objection, in principle, to the IAT having a costs sanction available to it to impose on the party at fault for the adjournment. He doubts its efficacy, however, because it would largely be a matter of robbing Peter to pay Paul (where the Applicant is legally aided and the Respondent is the Home Office); and also it would flag up the significant minority of cases where want of preparation by the Home Office is the cause of the adjournment.

In light of the work remaining to be achieved on pulling together all the policy areas for the Bill, the Lord Chancellor believes it would not be wise to commit to introducing it before the Spring. March is likely to be the earliest possible date. This should still allow for Royal Assent before the Summer Recess. The more urgent asylum measures, and those that can be easily developed, can be included in the Emergency Anti-Terrorism Bill.

He also thinks that a White Paper should be produced prior to the Asylum and Immigration Bill. It is likely to smooth the passage of the Bill if the proposals have previously been made public. In any case, a White Paper would not slow the timetable. The White Paper could be published in January, with the Bill introduced two months later in March.

I am copying this letter to Jane Fowler in the Home Secretary's Office so as to invite the Home Secretary's views on each of the policy points I have listed above.

The Lord Chancellor requests that you put this letter in front of the Prime Minister for his consideration before the meeting with him tomorrow (Thursday, 18 October at 4:30pm) on asylum.

I am also copying this letter to Lucy Makinson and Andrew Alberry.

Yours

*sincerely*  
*Amrita D.*

AMRITA DHALI WAL

file (DCO - in Matrix)

LT

MASTEF



10 DOWNING STREET  
LONDON SW1A 2AA

cc FCO  
HMA  
HO

THE PRIME MINISTER

15 October 2001

Your Excellency,

Thank you and Mr Lubbers for your letter of 12 April extending a joint invitation to the UK Government to participate in the first formal meeting of States Parties to the 1951 Convention relating to the Status of Refugees and/or to the 1967 Protocol, to be held in Geneva on 12 December 2001.

We are fully committed to the global consultations on international protection, and will continue to participate actively in them. It is not only important that all States individually uphold their obligations under the 1951 Convention, but also that non-signatory States are persuaded to join. I hope that this occasion will also enable us to continue to discuss how the international protection regime is operating, and the provision of protection to those in need in the most effective way. We also need to ensure that our systems cannot be abused by those who threaten our security.

I am pleased to say that David Blunkett, the Home Secretary, will represent the UK Government at the 12 December meeting. This historic gathering promises to be a fitting occasion to mark 50 years of a Convention,

JC

which has provided sanctuary for so many people in need of international protection.

Yours sincerely,  
Tony Blair

His Excellency Mr Moritz Leuenberger



THE SWISS FEDERAL COUNCIL



UNITED NATIONS  
HIGH COMMISSIONER  
FOR REFUGEES

12 April 2001

Mr. Prime Minister,

The Swiss Federal Council and the United Nations High Commissioner for Refugees have the honour of jointly extending an invitation to your Government to participate in the first formal meeting of States Parties to the 1951 Convention relating to the Status of Refugees and/or to its 1967 Protocol. This meeting is scheduled to be held at ministerial level at the Palais des Nations in Geneva, on 12 December 2001.

The meeting is being organised on the occasion of the 50<sup>th</sup> Anniversary of the 1951 Convention which is broadly accepted as the founding instrument of the international refugee protection regime.

It will first and foremost present the occasion for States Parties to reaffirm their collective commitment both to the protection framework enshrined in the Convention and its Protocol and to the full and effective implementation of its provisions. The withdrawal of reservations made by certain States at the time of their accession would make a valuable contribution in this regard.

Non-States Parties will be invited to participate as observers. The meeting should offer them an important opportunity to accede to the Convention and the Protocol and thereby join the 140 States who are currently party either to the Convention, or to its Protocol, or to both instruments.

The 50<sup>th</sup> Anniversary should serve as the occasion for States Parties to adopt a joint declaration recognising the Convention's enduring importance and the need for its strengthened and effective implementation.

In reaffirming their commitment to the Convention, States may at the same time wish to reflect on how best to build upon the Convention system to ensure that aspects of the refugee situation, not adequately or at all covered by this system, also benefit from an effective response. Refugee protection needs, at their core, have remained constant, but the environment in which they have to be addressed has evolved markedly. Features which have changed since 1951 include the extent to which inter-ethnic conflict is now generating mass displacement, the absence of safe and timely solutions in the face of frozen or unresolved conflicts, the growth in irregular migration and people smuggling, and the heavy costs associated with hosting refugee populations, particularly in large numbers and for protracted periods.

In the view of the Swiss Federal Council and UNHCR this Anniversary offers a unique opportunity for States Parties to reflect together on the governance system for international refugee protection put in place by the Convention and within which it remains central against the background of the evolution of the refugee and displacement problem since 1951.

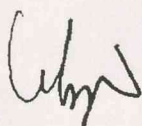
These developments are the backdrop to the Global Consultations process which UNHCR has launched with States in an effort to define the agenda for protection for the coming period. They are also the context within which States Parties will be meeting in December to consolidate the enduring place of the 1951 Convention framework as they reflect upon the way ahead for refugee protection. It is hoped that the Global Consultations process will be sufficiently advanced by the time of the meeting to have generated valuable ideas in this regard.

The Swiss Federal Council and UNHCR share the firm conviction that it is necessary at this point to strengthen the international system of governance upon which refugees are entitled to rely and upon which their protection must depend. Although this "strengthening" is primarily the responsibility of States, this opportunity might be used to reconfirm the role of UNHCR as the multilateral institution with the mandate to serve the protection of refugees and to further examine the mechanisms, resources and modalities by which UNHCR has to fulfil its role. The Swiss Federal Council and UNHCR hope that this meeting will serve both to reinforce a truly global and meaningful commitment to the foundation principles, while it contributes also to the search for complementary and compatible new approaches.

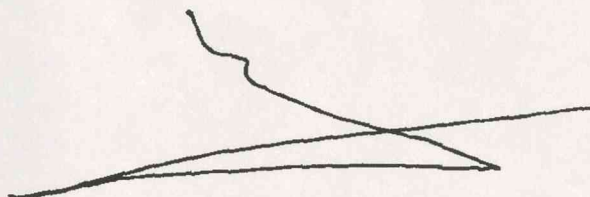
We shall share with you in due course further details of arrangements for this event, meanwhile, we should be grateful to receive confirmation of your Government's participation at your earliest convenience.

We very much look forward to the participation of your Government at this ministerial meeting.

Please accept, Mr. Prime Minister, the assurances of our highest consideration.



Moritz Leuenberger  
President of the Swiss Confederation



Ruud Lubbers  
High Commissioner

His Excellency  
The Rt. Hon. Tony Blair, M.P.  
Prime Minister, First Lord of the Treasury and Minister  
for the Civil Service of the United Kingdom  
of Great Britain and Northern Ireland  
London  
United Kingdom

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## PRACTICAL INFORMATION

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### 1. Date and Place of the Ministerial Meeting

The Meeting is to take place on Wednesday, 12 December 2001 at the

**Palais des Nations  
8-14, Avenue de la Paix  
1211 Geneva 10**

in the

**Salle des Assemblées**

The Meeting will start on Wednesday, 12 December 2001, at 10:00 o'clock in the Salle des Assemblées and conclude on the same day.

### 2. Preparatory Meeting(s)

It is planned that one or two preparatory meetings will be organised in Autumn 2001 in Geneva. They will focus on the drafting of the declaration of States Parties that will be adopted at the 12 December 2001 Ministerial Meeting.

### 3. Contact Information

May we ask you to confirm your participation at the Ministerial Meeting by May 31, 2001 to the

*Secretariat, Ministerial Meeting 1951 Refugee Convention  
c/o Permanent Mission of Switzerland, Rue de Varembe 9-11, 1211 Geneva 20,  
Switzerland*

*Phone: +41 22 749 24 40; Fax +41 22 749 25 88*

*E-mail: [secretariat.51convention@eda.admin.ch](mailto:secretariat.51convention@eda.admin.ch)*

We should be grateful to receive with your confirmation the coordinates (telephone, fax, e-mail address, postal address) of the office or person to whom the Secretariat can communicate additional information concerning the Ministerial Meeting. Please indicate the language in which you wish to receive any documentation that may be produced relating to the Meeting.

### 4. Interpretation and translation, reproduction and distribution of documentation

A provisional agenda and other documentation will be provided in due course.

Simultaneous interpretation for all meetings in the Salle des Assemblées is foreseen in the six official languages of the United Nations. Conference documents, as necessary, may be translated in all six languages.





EMBASSY OF SWITZERLAND

16-18 Montagu Place, London W1H 2BQ

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CC: MP  
JK  
ES

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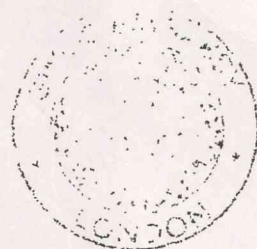
The Embassy of Switzerland presents its compliments to the Foreign and Commonwealth Office and has the honour to enclose an invitation from the President of the Swiss Confederation, Federal Councillor Moritz Leuenberger, addressed to the Prime Minister, The Rt. Hon. Tony Blair MP, to attend the Ministerial Meeting of States Parties to the 1951 Refugee Convention, which will be held in Geneva on 12 December 2001.

The Embassy of Switzerland would appreciate it if the Foreign and Commonwealth Office could forward the Note to the Prime Minister.

The Embassy of Switzerland avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurance of its highest consideration.

London, 25 April 2001

Encl.



Foreign and Commonwealth Office  
King Charles Street  
London SW1A 2AH

HIA 18/1A PT \$  
01-05

**Heywood, Jeremy**

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**From:** Livermore, Spencer  
**Sent:** 12 October 2001 19:24  
**To:** Heywood, Jeremy  
**Cc:** Balls, Ed; Miliband, Ed; Scholar, Tom; Bowman, Mark  
**Subject:** Asylum: relative cost of accommodation centres and reporting centres

Jeremy

I understand from Ed Balls that you are under the impression that the difference in cost between the Home Office proposal of accommodation centres and a possible alternative proposal from the Treasury of reporting centres is £100 million. I thought I should let you know that this is not the case.

The £100 million figure is totally misleading because it compares the gross cost of the HMT proposals with the net cost of the Home Office proposals for next year only, and because the HO proposals are based on implausible assumptions about savings

To get a true sense of the difference, clearly we need to compare the net cost of each proposal and ensure that estimates of any potential savings are based on credible assumptions.

On the HO proposals, we have not seen complete estimates of the gross cost - our officials are yet to be convinced on the breakdown of the proposed services, security measures, etc.

But we do know that the net savings HO estimate are unrealistic. We are extremely doubtful of the assumptions they have made, not least their assumption that accommodation centres will speed up the decisions and appeals process to just 6 months, and that after 6 months in an accommodation centre, no applicants will cost any further money. On the first assumption, we do not believe this to be achievable, and on the second assumption, HO officials conceded this week that they have understated the costs.

Based on reasonable assumptions about the growth in the number of family removals (assuming HO meet their overall removals target in 2003/4 and family removals grow proportionately), this alone takes the difference between the gross cost of the HMT proposals and the net cost of the Home Office proposals to £525 million over the years to 2005/6.

Of course, the difference would be even larger when we include savings from the HMT proposals (on which we await estimates from the HO), and larger still if an existing network such as police stations were used for reporting centres.

I hope this is helpful

spencer

cc. P. J. B  
MB  
JR

A review of HMT  
position  
92

020 7273 2565



MATRIX

(P)

## Home Office

Angela Eagle MP

PARLIAMENTARY UNDER SECRETARY OF STATE

50 Queen Anne's Gate, London SW1H 9AT

Switchboard 020 7273 4000 Fax 2565

www.homeoffice.gov.uk

JN  
 JNH  
 omc

### Foreign Secretary

#### **PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING THE CRITERIA AND MECHANISMS FOR DETERMINING THE MEMBER STATE RESPONSIBLE FOR EXAMINING AN ASYLUM APPLICATION LODGED IN ONE OF THE MEMBER STATES**

### Summary

The Committee is asked to give its approval by 19 October to a decision that the United Kingdom opts in to the Commission proposal for a Council Regulation establishing the criteria and mechanisms for determining the Member State responsible for examining an asylum application lodged in one of the Member States by a third country national. It short, the regulation will replace the mechanism currently operated by Member States under the Dublin Convention and for this reason that the proposal is generally known by the short title of "Dublin II".

The Dublin Convention itself was signed in Dublin on 15 June 1990 by the then Member States of the European Community. It was not an instrument of Community law within the meaning of the Treaty establishing the European Community, but a treaty under international law, so ratification by all signatory states was necessary to put it into effect. The ratification process was not concluded until 1997. The Dublin Convention came into force on 1 September 1997 between the 12 original signatory states, on 1 October 1997 for Austria and Sweden and on 1 January 1998 for Finland.

The new proposal seeks to meet one of the key obligations of Article 63 TEC by introducing a replacement mechanism for the Dublin Convention. It also reflects the wish expressed by the Tampere European Council that the replacement mechanism be based on a "clear and workable method" as part of "a fair and efficient asylum procedure". I welcome the proposal. At this early stage there are some concerns on points of detail, but I judge that it is very much in the UK's interests to opt in at this stage in order to ensure the maximum possible influence over the forthcoming discussions. And such a decision would be consistent with our general policy, as announced in Parliament and to our European partners, to opt in to Title IV measures that do not impinge on our frontiers Protocol.

On 1 August the Commission brought forward a proposal for a Council Regulation to replace the Dublin Convention. This proposal is based on Article 63(1)(a) of the Treaty.

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As you know, measures under Title IV do not apply to the UK unless we decide to opt in under the provisions of the Protocol on the Position of the UK and Ireland. The Protocol allows a period of three months from the presentation of the proposal to the Council. In this case it is understood to expire on 2 November.

As you will recall the UK has opted in to all the measures on asylum that have been adopted to date (the Council Decision establishing the European Refugee Fund, the Directive for giving Temporary Protection in the event of a mass influx and the Eurodac Regulation). We have also opted in within the initial three-month deadline set by the Protocol to measures where discussions continue, namely the two distinct measures setting minimum standards for asylum procedures and reception conditions. Once operational the Eurodac Regulation will support the application of both the current Dublin Convention and this replacement Regulation. This consistent approach has meant that we have been able to positively influence the discussions.

An effective replacement for the Dublin Convention is part of the wider package of measures focussing on aspects of the asylum and protection process at EU level. A responsibility mechanism such as that set out in this measure aims to protect the integrity of the asylum process from abuse by those seeking to make multiple claims for asylum in several Member States and who move between Member States exhibiting the behaviour best described as "asylum shopping". I believe that action at the EU level is vital to address the questions raised by the issue of asylum, the need to offer safety and protection to those in genuine need, whilst at the same time quickly identifying those who are not and are seeking to exploit the process. In conjunction with the other measures already under discussion, as set out above, an effective "Dublin II" regulation will contribute to our shared objectives.

I consider that the proposal adequately sets out a mechanism to replace that currently provided by the Dublin Convention. The proposal is naturally based upon the existing mechanism, but incorporates new features, for example in terms of both criteria allocating responsibility between the Member States and the time limits for action to be completed. It seeks to emphasise the responsibility of each Member State towards its partners within the EU. This is welcome. As the "Dublin II" mechanism will form part of the asylum procedure in Member States this draft acknowledges another proposal being brought forward under Article 63(1)(d) which sets minimum standards for asylum procedures in Member States.

There are, naturally, some concepts where we would prefer to see improvements. For example, although we welcome shorter deadlines in principle the proposal as drafted could raise practical difficulties for all Member States where an agreed transfer cannot be effected within a rigid time frame. There are also some inconsistencies between this draft regulation and other measures, mentioned above, where negotiations are already underway. This is to be expected given the changes which occur as discussions unfold on different documents at different times. However, we are aware that these issues, as well as other points of detail that we support, are of interest to other Member States and will be the subject of considerable discussion in the relevant Council working groups.

There are also some points of detail on which we have concerns. For example, because of our position under the Protocol the draft has been written on the basis that it does not apply to the UK, unless and until we use the Protocol to opt-in. This includes the question

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of potential territorial scope, which is presently limited to the territory of the Member States and the European territory of the French Republic. We will of course ask that this question is revisited and the omissions corrected if agreement to my proposal to opt in is accepted.

I strongly believe it would be in the best interests of the UK to opt in to this proposal now, in order that we are in the strongest possible position to influence the negotiations. This will ensure we are best placed to seek favourable amendments and press for the retention of new provisions. We will also be able to protect our position in the short term regarding the development of the Eurodac database to exchange and compare fingerprint data to support the operation of the Dublin Convention and this replacement regulation. On the other hand I believe that being outside the Regulation would be very damaging to the UK. We would lose access to Eurodac, key to the rapid determination of responsibility to deal with an asylum claim and the identification of those who have previously claimed asylum in another Member State or States. identification. Once the Regulation was in force external community competence rules would mean that the UK would have no basis for negotiating separate mechanisms to facilitate third country returns to other Member States. We would also cease to have effective any effective influence in the debate on the Common European Asylum System.

I am copying this letter to the Prime Minister, members of EP, Sir Richard Wilson, Sir Stephen Wall and Sir Nigel Sheinwald.



**ANGELA EAGLE**  
October 2001

FILE  
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Electronic copy  
in DCO Inbox



10 DOWNING STREET  
LONDON SW1A 2AA

From the Senior Policy Adviser

10 October 2001

Dear Jane

### ASYLUM AND IMMIGRATION BILL

Thanks for your letter of 5 October outlining the potential content of an Asylum and Immigration Bill later this session which was very helpful.

You say that the Home Secretary is planning to publish a White Paper on asylum, migration and citizenship in the New Year. Given that this may make it difficult to meet the Prime Minister's desire for an asylum bill in January can you provide further advice on whether it would be possible to disengage the two processes? Could we move ahead with preparation of the Bill alongside the White Paper (or even instead of it) – consulting informally where necessary? If the Home Secretary sees a formal white paper as an essential precursor to a Bill – what would be the earliest that a Bill would be ready for introduction?

I'd be very grateful for further advice on this by Friday 12 October in advance of the Prime Minister's meeting with the Home Secretary next Monday. I am copying this letter to Deborah Matthews, Lucy Makinson and Andrew Alberry.

Yours sincerely,

JUSTIN RUSSELL

Jane Fowler  
Private Secretary to the Home Secretary

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WS



Home Office

MATRIX

The Private Secretary to the Home Secretary

Michael Tatham  
Prime Minister's Office  
10 Downing Street  
LONDON  
SW1A 2AA

cc: PR  
AW  
OR  
ome  
DTH

- 8 OCT 2001

Dear Michael

**MEETING OF STATES PARTIES TO THE 1951 CONVENTION RELATING TO THE STATUS OF REFUGEES**

Thank you for your letter of 27 April enclosing a joint letter from the Swiss President and the UN High Commissioner for Refugees inviting the UK Government to participate in the first formal meeting of States Parties to the 1951 Convention relating to the Status of Refugees in Geneva on 12 December 2001.

The Home Secretary will represent the UK Government, though is concerned to ensure that in celebrating the principles of the Convention, sight is not lost of the need to continue to examine its operation. A draft reply is attached.

I am copying this letter to Simon McDonald (FCO).

Yours ever  
Jane Fowler

JANE FOWLER

**DRAFT LETTER TO MORITZ LEUENBERGER, PRESIDENT OF THE SWISS  
FEDERATION, AND RUUD LUBBERS, UN HIGH COMMISSIONER FOR  
REFUGEES, FOR SIGNATURE BY THE PRIME MINISTER**

**MEETING OF STATES PARTIES TO THE 1951 CONVENTION RELATING TO  
THE STATUS OF REFUGEES**

Thank you for your letter of 12 April extending a joint invitation to the UK Government to participate in the first formal meeting of States Parties to the 1951 Convention relating to the Status of Refugees and/or to the 1967 Protocol, to be held in Geneva on 12 December 2001.

We are fully committed to the global consultations on international protection, and will continue to participate actively in them. It is not only important that all States individually uphold their obligations under the 1951 Convention, but also that non-signatory States are persuaded to join. I hope that this occasion will also enable us to continue to discuss the effectiveness of the international protection regime, and the provision of protection to those in need in the most rational way. We also need to ensure that our systems cannot be abused by those who threaten our security.

I am pleased to say that David Blunkett, the Home Secretary, will represent the UK Government at the 12 December meeting. This historic gathering promises to be a fitting occasion to mark 50 years of a Convention, which has provided sanctuary for so many people in need of international protection.



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