

From: Roger Gough, Leader of Kent County Council

Amanda Beer, Chief Executive Officer

To: Policy and Resources Cabinet Committee – 10th September 2024

Subject: Afghan Resettlement (ARAP and ACRS) and United Kingdom Resettlement Scheme (UKRS) – proposed service delivery from February 2025

Decision no: 24/00071

Key Decision: Yes

Classification: Unrestricted

Past Pathway of report: Corporate Management Team, 4th June 2024.

Future Pathway of report: Cabinet Member Decision

Electoral Division: All Electoral Divisions

Summary: This report concerns the proposals for delivering the Afghan Resettlement Schemes (ARAP and ACRS) and United Kingdom Resettlement Scheme (UKRS) from 1st February 2025.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Leader of the Council on the proposed decision to:

1. **Approve** the acceptance of Home Office grant funding for the Afghan Resettlement Schemes (ARAP and ACRS) and the United Kingdom Resettlement Scheme (UKRS) and to determine the appropriate delivery model.
2. **Agree** to Kent County Council continuing to be the ‘Lead Recipient’ for the Home Office grant for all districts in Kent with the exception of Ashford, Canterbury and individuals resettled to the Ministry of Defence and Local Authority Housing Fund properties in Dover.
3. **Approve** that the Afghan Resettlement Schemes (ARAP and ACRS) and the United Kingdom Resettlement Scheme (UKRS) be delivered based on the preferred option (recommissioning using a new commissioning delivery model).
4. **Delegate** authority to the Chief Executive Officer, in consultation with the Leader to take relevant actions, including but not limited to, entering into the

relevant contracts or other legal agreements, as necessary, to implement the decision.

1. Introduction

1.1 Refugee resettlement plays a key role in the global response to humanitarian crises: it saves lives and offers stability to refugees most in need of protection. In response to crises around the world the UK has created various resettlement schemes and programmes to provide 'safe and legal routes' to the UK. There are a number of 'safe and legal' routes which allow people to travel to the UK either temporarily or with a route to settlement.

1.2 This report concerns the following refugee resettlement schemes being coordinated by Kent County Council across ten districts in Kent and the options for their delivery from 1st February 2025 are briefly set out below with full details found in Appendix B:

- Vulnerable Persons Resettlement Scheme (VPRS) (2015 – 2021)
- United Kingdom Resettlement Scheme (UKRS) (2021-).
- Afghan Relocation and Assistance Policy (ARAP) (2021-
- Afghan Citizens Resettlement Scheme (ACRS) (2022-
- Other similar refugee resettlement schemes
- Community Sponsorship Scheme (2016-).

¹ *Afghan Resettlement Programme: operational data - GOV.UK (www.gov.uk)*

1.3 Refugees arriving through these schemes have experienced prolonged conflict and instability. Some have lived in refugee camps and/or precarious living conditions for years prior to being resettled resulting in increased vulnerabilities. Others have undergone shorter but still very traumatic experiences. For most, there is no hope of ever returning home and for most moving to the UK will be for long term, permanent resettlement. All the schemes allow those eligible to bring their immediate family with them and also confer full rights to work, study, rent, claim benefits and other public funds.

All the above schemes operate on a self-financing basis using ring-fenced funding received from the Government which means that they do not rely on direct KCC financial support.

The proposed decision supports the key priority 'Infrastructure for communities' within the 'Framing Kent's Future (2022-26)', under which it states that we will 'continue to coordinate Government-sponsored refugee resettlement programmes including those for Syrian, Afghan and Ukrainian nationals and support them to settle into Kent's communities'.

2. Background

2.1 Following a meeting of Kent Leaders on 23 September 2015 and KCC on 22 October 2015 it was proposed that KCC would work with district housing leads to determine the best way to set up the Vulnerable Persons Resettlement Scheme in Kent. It was subsequently agreed that KCC should co-ordinate a

service in partnership with those districts that wished to take part. At the time, this involved all the districts in Kent with the exception of Ashford and Canterbury who manage their own schemes. Since then, KCC and the Kent housing authorities have been working in partnership to resettle refugees through a number of government schemes and programmes.

2.2 KCC's Refugee Resettlement Programme Team act as coordinator and liaison point with the Government resettlement teams, identify properties in partnership with the district housing teams, procure and manage the resettlement and integration casework support of three commissioned providers (Migrant Help, Clarion Housing and Rethink Mental Illness) and more recently provide specialist targeted support in areas such as housing, ESOL and complex cases.

2.3 In addition to the work involved in the resettlement of families into long-term accommodation, the KCC Resettlement team has also, up until end August 2023, been providing the wraparound support in one of the three Afghan bridging hotels in Kent (closed at the end of August 2023). This part of the work has been entirely provided by KCC staff, except for the first 6 months when assistance was received from Migrant Help.

2.4 In 2023 Dover District Council created an internal team, the Dover Asylum and Refugee Team (DART), to deliver the ARAP and ACRS to Afghan families in Dover matched to the Ministry of Defence (MOD) properties they are leasing and their Local Authority Housing Fund properties. KCC continued to coordinate the delivery of the resettlement schemes to all other families in Dover.

2.5 The current contract under which KCC commissions a large part of the day-to-day resettlement and integration casework support from our three area-based providers will come to an end on 31st January 2025 (following a final 12-month extension from February 2024). The current contract cannot be extended beyond this date and so the delivery model from 1st February 2025 needs to be determine.

2.6 Appendix B provides overview of the refugee resettlement schemes and shows the number of families (and individuals) settled across all districts / boroughs in Kent up to 30th July 2024.

2.7 The data for the families supported by the KCC team (in the 10 districts covered) is as follows:

Table 1: Data for families supported by KCC team in 10 districts across Kent (as at 30th July 2024)

Scheme	Open cases - number of individuals (with number of families in brackets)						Total Open Cases	Closed cases
	Year 1	Year 2	Year 3	Year 4	Year 5	UK born children		
VPRS/UKRS	0	0	14(3)	31(7)	53(12)	7	105(22)	235(48)
ARAP/ACRS	152(28)	56(11)	65(14)	1(1)	0	18	292(54)	13(2)
TOTAL	152(28)	56(11)	79(17)	32(8)	53(12)	25	397(76)	248(50)

3. Options considered

3.1 Following a review of the delivery current model, consultation with key stakeholders, and other refugee resettlement teams, consideration of relevant literature and an analysis of key risks, it was concluded that there were three options for the service delivery model that needs to be in place by 1st February 2025 at the latest.

3.2 The option of 'doing nothing' was considered early on, however it was quickly dismissed. When the current contracts end on the 31st January 2025, alternative provision for existing refugee families on the schemes will have to be sought until their support through the schemes comes to an end. If not, there is a risk that vulnerable families who are not yet integrated, independent, or self-sufficient falling through the net, becoming an added burden on local services.

In summary, the three options delivery model options are:

Option 1: Recommission using the existing commissioning model (multiple providers): Providers may bid for one or any combination of 4 Lots (geographical areas) but will only be awarded a maximum of two.

Option 2: Recommission using a new commissioning model (to make it more likely that the casework element of the service is delivered through one commissioned provider). This could be through removing the current restriction on the number of Lots (geographical areas) an organisation can bid for or simply requiring all potential providers to bid for the whole area.

Option 3: All service provision is moved in-house to an internal KCC team (insourcing)

The review of options highlights a number of issues the Council need to take into account. It highlighted both negatives and positives relating to all methods of delivering the schemes.

3.3 The preferred option is recommission using a new commissioning delivery model, as it provides the basis for protecting KCC core budget, given the uncertainty of demand and associated staff related costs in the event of having to exit the scheme because of a decision by government to close the scheme and the current ambiguity of the funding instructions about which clarification has been sought and we are still awaiting a response from the Home Office.

3.4 Assessment of the options

The appraisal of the options concluded that both options 2 and 3 scored very similarly and are reasonable options for the council to consider (although they both carry a level of risk).

Each delivery model option was assessed using the same set criteria. The criteria and weighting were developed in relation to the scheme criteria, review of the current delivery model, consultation on our delivery model with key stakeholders, review of other refugee resettlement delivery models and analysis

of key risks. The criteria used when appraising the delivery model options is shown in Appendix C.

Once the relative weightings were determined for each criterion, each one was then scored between 0 and 5, from lowest score to highest for each management option. A description of the scores can be seen in Appendix C.

Final evaluation results for each management option have been determined through a calculation of the relative importance weightings and the score given for each criterion. The maximum score each option can receive is 5.

Table 1: Evaluation Results

Rank	Option	Total Score
1	Option 2: Recommission under a new model to encourage single provider	3.86
2	Option 3: All elements delivered in-house	3.79
3	Option 1: Recommissioning under the same model	3.34

An average of the assessors scores were taken to create a final total score.

The two options with the top score were, recommissioning under a new model to encourage a single supplier and bringing all element of service delivery in-house.

4. Key Issues for consideration and associated risks

4.1 The following risks are considered to be sufficiently serious, and they apply to both remaining delivery model options. The inherent risks of this contract could be reflected in bidders cost contingency.

4.2 District / Borough Council Participation

Discussions with the ten district/borough councils in which the KCC scheme currently operates, has confirmed that all wish KCC to continue to provide the coordination and support for the schemes (on a case-by-case basis). Dover District Council (DDC) will continue to deliver the Afghan schemes to families in Dover matched to the Ministry of Defence properties they are leasing and their Local Authority Housing Fund properties. KCC will continue to coordinate the delivery of the resettlement schemes to all other families in Dover.

None of the districts are currently willing to make a firm commitment to the numbers they will aim to resettle in the next and coming years. Rather they wish to proceed on a case-by-case basis, as and when properties can be sourced and capacity of other local services considered. This uncertainty presents a major risk in terms of the funding that is likely to be available to provide the service (funding is on a per person basis and only received on arrival).

Any district/borough council's decision for KCC to coordinate the scheme in their area could change in line with the political environment and/or policy decisions. To mitigate these risks KCC's Refugee Resettlement Team has built strong partnerships with the district housing teams and regular discussions enable us to be alerted to any issues or potential changes in policy, revise our MOU with districts/borough councils to confirm their continued participations and other proactive measures.

4.3 Housing Supply

There is a severe shortage of affordable housing suitable for the scheme which has (for the most part) to rely on private sector rentals. The larger than average size of the refugee families further compounds supply issues and creates concerns around the sustainability of housing costs, particularly as they are more likely to be affected by the benefit cap. Although incentives and top-ups can be given to landlords, it is important that, in the long run, tenancies are sustainable to families who nearly all rely on benefits even after securing initial employment.

Families are only resettled once a property is offered to the scheme. The severe shortage of affordable properties suitable for the scheme, limits local authorities' ability to make resettlement offers and has the potential to limit any new families arriving through the schemes and therefore creates uncertainty over the funding for a KCC refugee resettlement team.

The competing housing demand of multiple programmes (asylum, Homes for Ukraine, ARAP, ACRS, UKRS, Hong Kong BNO and UASC care leavers) alongside huge pressure around homelessness compound supply issues. The Home Office has accelerated the clearance of the asylum backlog, and the Kent districts are anticipating an increase in the number of asylum seekers who receive a positive decision in need of housing. The Home Office have also indicated an increase in the number of asylum dispersal accommodation units in the South-East.

The delivery of the services through either model will require us to work closely with district housing teams and consult them on the use of properties found to ensure that does not impact on other housing demands in their area. KCC's Refugee Resettlement Team has an internal Housing Coordinator and part of his role is to look at other available avenues for sourcing housing, for example through philanthropic routes.

4.4 Policy

As a result of a recent General Election, we have a new ministerial team in place and we may see some change in policy. This could result in a shift in policy on refugee resettlement and/or changes to the current funding arrangements. It is expected that the resettlement of refugees through 'safe and legal routes' will still be a commitment of any future government.

UK resettlement policy could also develop once we know the outcome of the Home Office Safe and Legal Routes Cap consultation, where local authorities were asked to submit a figure for the maximum number of refugees they could

support for the 2025 calendar year. This included the UK Resettlement Scheme (UKRS), the Afghan Citizens Resettlement Scheme (ACRS), and the Community Sponsorship Scheme. The consultation closed in January 2024 and further information was expected in the summer. The annual cap is supposed to come into force in January 2025 but this could change under a Labour government.

4.5 Future demand for resettlement

Over the last 10 years, the number of refugees in need of resettlement has dramatically increased.

There is still a huge need for resettlement through ARAP, ACRS and UKRS and many thousand eligible individuals are waiting to be resettled to the UK. Most families resettling under the UKRS will only come to the UK once properties have been sourced. There has, however, been a recent change in policy for several thousand eligible ARAP and ACRS individuals waiting outside the UK (e.g. in third countries such as Pakistan and Iran) who are being moved to the UK as a matter of urgency due to an increased risk of these individuals being forcibly deported back to Afghanistan.

Resettlement continues to be a critical tool for refugees who face specific or urgent risks. Given the national expectation that all regions will contribute, it is anticipated that activity to support refugees (and asylum seekers) will be a significant long-term area of work and focus for the Council going forward. This will require ongoing resources, expertise and knowledge in these areas and a clear and joined up strategic approach across Kent County Council and the District Housing Authorities in Kent.

4.6 Market Engagement

A Prior Information Notice (PIN) was published to gauge the level of interest in the provision of these services from potential suppliers and gather feedback from the market on the delivery of the schemes.

The notice led to 73 expressions of interest, ranging from national organisations with many years of experience in delivering the full package of care, to SMEs that can provide specific services such as housing support or translation services. The Commercial and Procurement division is providing technical advice and support on the appropriate procurement route. It may be necessary to seek approval to extend the existing contract, subject to agreement by relevant parties for a period up to 3 months because of the need to plan for appropriate mobilisations from current providers to the new commissioned service. A few larger organisations with expertise in the migration sector have indicated interest. However, if no suitable single supplier is successful (or chooses to bid), this would force KCC to either accept a multiple supplier model or mobilise an in-house delivery model.

A Strategic Commissioning Commercial Case will be considered by the Commissioning and Procurement Oversight Board (CPOB) at its meeting on 11 September 2024, providing the justification and rationale for the procurement approach proposed. The advice and views expressed by the CPOB will be taken into account before the Cabinet Member/Leader takes the Key Decision.

5. Financial Implications

5.1 The funding for both the UKRS and the two Afghan schemes is essentially the same, except for the fact that the UKRS funding is spread over five years whereas for the ARAP and ACRS schemes it is spread over 3 years. The table below shows the main funding received.

Table 2

Per person funding	UKRS (and legacy VPRS/VCRS cases)	ARAP	ACRS
Year 1	£8,520	£10,500	£10,500
Year 2	£5,000	£6,000	£6,000
Year 3	£3,700	£4,020	£4,020
Year 4	£2,300	N/A	N/A
Year 5	£1,000	N/A	N/A
SUB TOTAL	£20,520	£20,520	£20,520
ESOL (first year only)	£850	£850	£850
Education (first year only)	3-5 yrs: £2,250 5-18 yrs: £4,500	3-5 yrs: £2,250 5-18 yrs: £4,500	3-5 yrs: £2,250 5-18 yrs: £4,500
Healthcare (claimed by NHS)	£2,600 plus additional secondary HC costs if approved.	£2,600 plus additional secondary HC costs if approved	£2,600 plus additional secondary HC costs if approved

5.2 Due to the recent election, the funding instructions for 2024 – 2025 have not yet been issued. The Treasury have agreed a roll-over of the 2023/24 funding package under the Afghan Schemes for all arrivals up to 25 October 2024. Work on a funding package for the rest of this financial year continues and LAs will be updated in due course.

5.3 Financially, the programme aims to be cost neutral. All the schemes operate on a self-financing basis using ring-fenced funding received from Government which means that they do not rely on direct KCC financial support. There is no call on KCC or district core budgets and to date (since the beginning of the scheme in Kent in December 2015) spending on the scheme has not exceeded the available funds. It appears in the KCC Budget as a “net nil” budget.

5.4 The level of funding for the schemes has remained fairly consistent over the past few years. There is no indication at this time that the level of funding will change but it is a possibility. However, the level of overall funding for the programme is dependent on our ability to secure suitable properties and local authorities’ acceptance of new refugee families. Funding is paid on a per person basis, therefore the amount of funding available to the refugee resettlement programme is based on the number of people that arrive. Funding is only paid on arrival, and so if people do not arrive at the expected rates or properties are not available, the flow of funding is disrupted (or could stop completely).

- 5.5 Due to the uncertainty surrounding how many families will be resettled, it is very difficult to predict the future funding of the programme (if funding pauses or stops, our budget will gradually deplete).
- 5.6 The value of the grant funding for 2025 - 2026 (based on existing families and expected arrivals) is estimated to be in the region of £1.1 – £1.5 million, with the possibility of an increased value of about £0.26 million for every five new families resettled. The procurement cost will be funded out of the indicative budget.
- 5.7 An in-house model will increase staffing commitments with associated cost risks in relation to redundancy. Staffing levels will need to flex up and down in line with the service requirements. An in-house model would require for a reasonable percentage of funding to be set aside as contingency in the budget to ensure that in the event of the schemes closure and/or funding ceases, the risk of calling on KCC funding is minimised.
- 5.8 An exercise has been carried out to assess projected expenditure of all delivery model options being considered. It revealed that there would be no significant difference in the cost of delivery between the two remaining options. As outlined above, any expenditure should be entirely within the ring-fenced Government grant that is attached to each individual refugee for the period that they are supported under the schemes. Any delivery model would require close budget monitoring and effective control mechanisms.
- 5.9 In a recent communication with the Home Office's Resettlement Services Payment Team, they indicated that the schemes *'funding does not cover redundancy costs within the outcomes as outlined within the Funding Instructions'*. However, we believe these costs should fall under 'eligible expenditure' as outlined in the sections of the Home Office Funding Instructions shown below:

"Eligible Expenditure" means all costs, expenses, liabilities and obligations that are related to, incurred by or arise out of the delivery, activities and operations of the Purpose by the Recipient during the funding period 01 April 2023 to 31 March 2024 and which comply in all respects with the eligibility rules set out in this Instruction as determined by the Authority at its sole discretion." (From the UKRS Funding Instruction 2023.24.

We have escalated our request for clarity on this matter and requested a formal written statement to confirm the Home Office's stance on this. We are waiting for a response. This was an issue that the Corporate Management Team advised should be escalated as it is material to the decision about the option to take forward.

- 5.10 It has been identified that TUPE is likely to apply to either of the options being considered. Legal advice from Invicta law has confirmed that TUPE will apply in the following circumstances:
- Changes to commissioned provider following any recommissioning of the service (this would largely be dealt with between providers and would not financially impact on KCC)

- Bringing the service in-house (TUPE would apply to KCC and is likely to have financial implications)

We have been advised that TUPE would apply at the end of a contract even if we were to make some changes to the delivery model. This is because, however the service is delivered, the Government Funding Instructions would have to be adhered to and essentially much of the support provided would have to remain the same.

If future delivery is to bring all elements of the service in-house we would have to be prepared to transfer approximately 21.52 staff to KCC. KCC currently has an in-house Refugee Resettlement Team of 9 staff working directly on the schemes. Based on our proposed in-house staffing model a restructure after the TUPE process would be necessary.

As part of our budget for planning for 2024 – 2025 we have put aside adequate contingency amount to cover any TUPE liabilities related to an in-house model of delivery.

6. Legal implications

- 6.1 Those arriving on the schemes are granted long-term immigration status upon arrival and have permission to work and entitlement to mainstream statutory services and support. The funding for the schemes is in respect of Local Authority's cost in fulfilling its statutory duties. Funding provided must not be used for any purpose other than achieving delivery of the schemes outcomes as detailed in the Funding Instructions.
- 6.2 The Council owes a number of existing legal duties to arriving adults and children. These duties exist pursuant to a number of pieces of legislation that apply to Children and Adults.
- 6.3 If the service is recommissioned, the procurement process will adhere to The Public Contract Regulations (PCR) 2015 and Kent County Councils own Procurement Policy 'Spending the Council's Money'.
- 6.4 Legal advice on The Transfer of Undertakings Protection of Employment (TUPE) has been sought.

7. Equalities implications

- 7.1 The basis of the schemes (bringing vulnerable refugees to resettle in the UK), settling them in specific locations that, as far as possible, reflect their needs and, further, the way the scheme operates in Kent to assess and meet individual needs (many of which are based on the protected characteristics) means that the equality needs of individual are met in as thorough way as possible. The service delivery model will take account of these needs, experience to date managing the scheme and consultation with refugees and partners.
- 7.2 The equalities impact assessment (shown in Appendix D) indicates there will be potential impacts but that these are minimal, and sufficiently off-set by

mitigation. The EQIA shall be kept under constant review and updated in relation to the delivery model being implemented.

8. Data Protection Implications

8.1 DPIAs will be completed alongside a successful recommissioning process or on implementation of an in-house model.

9. Governance

9.1 The Director of Strategy, Policy, Relationships and Corporate Assurance is accountable for the effective management of the Refugee Resettlement schemes and exercises delegated responsibilities given by the Chief Executive. The Director also reports to the Corporate Management for assurance purposes.

9.2 In terms of the Member accountability, the Refugee Resettlement schemes sit in the Portfolio of the Leader as the relevant Cabinet Member responsible for this function.

10. Conclusions

10.1 The review of the delivery model options highlights a number of key issues and risks that the Council need to take into account in the decision-making process. It also highlights both negatives and positives from all methods to deliver the service.

10.2 The proposed decision to go forward with the preferred option (recommissioning using a new commissioning delivery model) is informed by the relevant key factors highlighted in this report which are:

- Instability of the schemes funding streams and the inability to predict the number of families the team will be able to resettle going forward (although our current budget is stable over the next two years, with the addition of a healthy roll-forward from 2023/24)
- Increased staffing commitments with associated cost risks related to the in-house delivery model
- TUPE implications for any potential provider connected with recommissioning under a new model and cost of staff restructure related to in-house option.
- The new funding instructions for 2024 – 2025 have not yet been issued due to the election and subsequent change in government.
- The change in government could result in a shift in policy on refugee resettlement and/or changes to the funding arrangements.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Leader of the Council on the proposed decision to:

1. **Approve** the acceptance of Home Office grant funding for the Afghan Resettlement Schemes (ARAP and ACRS) and the United Kingdom Resettlement Scheme (UKRS) and to determine the appropriate delivery model.
2. **Agree** to Kent County Council continuing to be the 'Lead Recipient' for the Home Office grant for all districts in Kent with the exception of Ashford, Canterbury and individuals resettled to the Ministry of Defence and Local Authority Housing Fund properties in Dover.
3. **Approve** that the Afghan Resettlement Schemes (ARAP and ACRS) and the United Kingdom Resettlement Scheme (UKRS) be delivered based on the preferred option (recommissioning using a new commissioning delivery model).
4. **Delegate** authority to the Chief Executive Officer, in consultation with the Leader to take relevant actions, including but not limited to, entering into the relevant contracts or other legal agreements, as necessary, to implement the decision.

11. Background Documents

- <https://www.gov.uk/government/publications/afghan-schemes-funding-instructions-2023-to-2024>
- <https://www.gov.uk/government/publications/uk-resettlement-programmes-funding-instruction-2023-to-2024>

12. Appendices

- 12.1 Appendix A – Proposed Record of Decision (PROD)
- 12.2 Appendix B – Overview of Refugee Resettlement Schemes and Number of families (and individuals) settled across all districts / boroughs in Kent.
- 12.3 Appendix C - Assessment Criteria and Scoring
- 12.4 Appendix D – Draft Equality Impact Assessment (EqIA)

13. Contact details

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