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To: Cabinet – 15 October 2007

Subject: Asylum in Kent

Classification: Unrestricted

Summary: This report updates Cabinet Members on the current situation regarding Kent County Council's responsibility to unaccompanied asylum seeking children.

For Information

Introduction

1. Over the last decade asylum issues have been a high profile concern for the County Council and this paper provides an update on the current situation.

Migration

2. The UK has traditionally attracted new migrants and over the years the nature and composition of this has, of course, changed. During the last several years Kent, as a Gateway County, has experienced two key aspects of this. First, the extraordinary rise in the number of asylum seekers during the mid nineties and early years of 2000 and, more latterly, the rise in the numbers of migrant workers. The issue of migration will come to Cabinet separately at a later date.

Asylum

3. (1) Cabinet on the 16 July received a detailed report on the costs to the County Council in meeting its duties for Unaccompanied Asylum Seeking Children. Central Government continues to fail to fully reimburse the costs incurred and for 2007/2008 the estimate is that the County Council will be facing an in- year budget shortfall of some £3.6m. Added to this is the £3.8m shortfall from previous years. A more detailed analysis is presented as Appendix 1.

(2) Lobbying and campaigning to reverse the current Government's standpoint continues. The latest initiative is the creation of a strategic alliance of local authorities, known as the Joint Council's Group. More acutely affected by this funding issue. This group is working collectively to present a common voice and meetings are being sought with Ministers and a Westminster briefing event is be organised to widen the campaign.

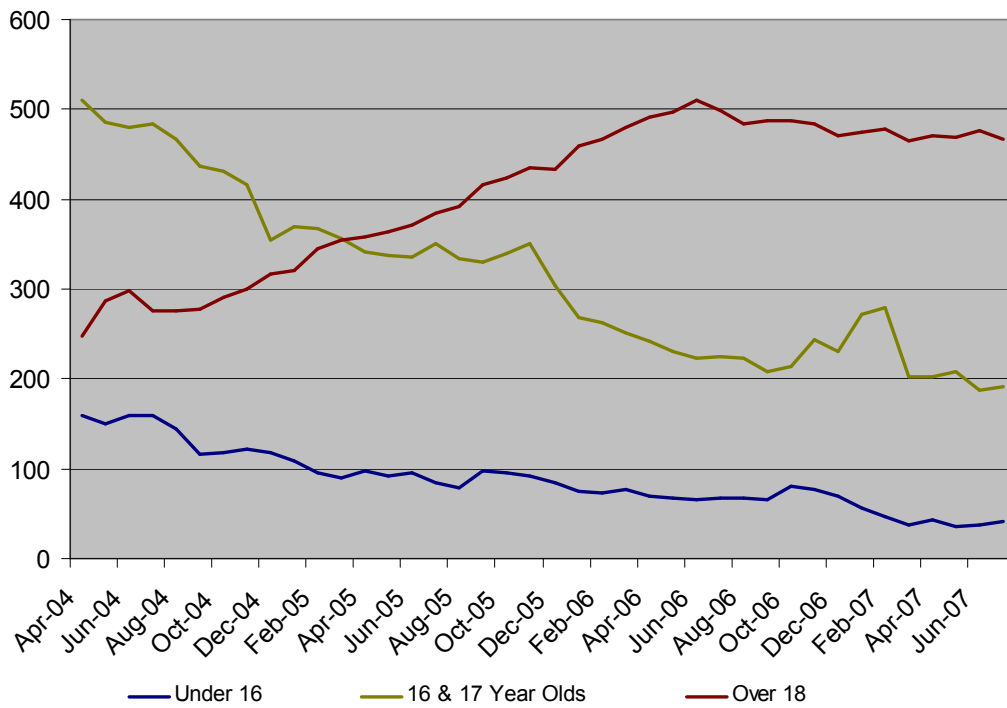
(3) There have been two significant changes in the asylum field during 2007. Firstly the creation of The Border and Immigration Agency BIA, previously a department of the Home Office, known as the Immigration and Nationality Directorate IND, which became an executive agency of the Home Office in April this year. Secondly the introduction of the New Asylum Model NAM, (also sometimes called the New Asylum Arrangements NAA). Under this model new departments and systems of organising BIA

staff into regional units have been established, with the welcome aim of closer working with local authorities and regional consortia. New processing arrangements and tight timescales for asylum claims have been introduced. NAM has also adopted the Case Owner model, with one immigration officer taking ownership and case responsibility for each applicant for the entire asylum process, with the target for a decision on the asylum claim within two months. The process has introduced a number of additional duties and responsibilities for the local authority social services teams, including transporting and supporting newly arrived young people through a series of meetings and interviews. There has also been an increase in the number of age assessments the reception services have undertaken due to changes in BIA policies. These changes and responsibilities have had a very significant impact on SUASC resources.

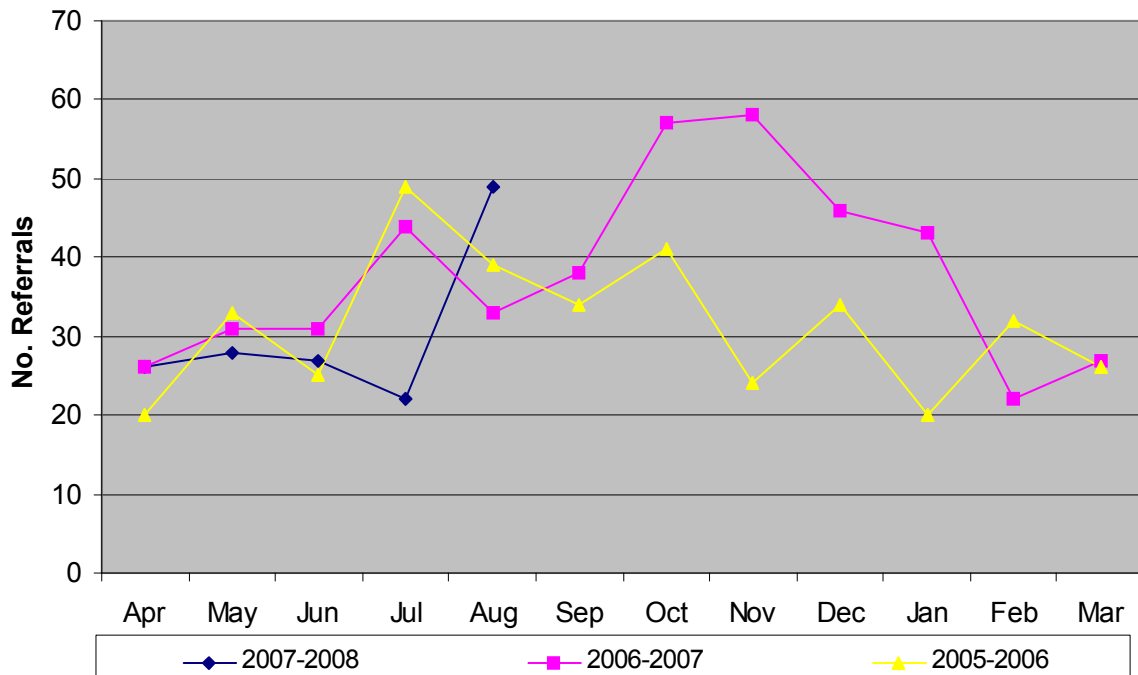
(4) The national picture for asylum applications is that they have reduced from approximately 90,000 to about 23,000 a year. The statistics for UASC however remain constant at about 3,000 per annum, with the number for KCC as detailed below.

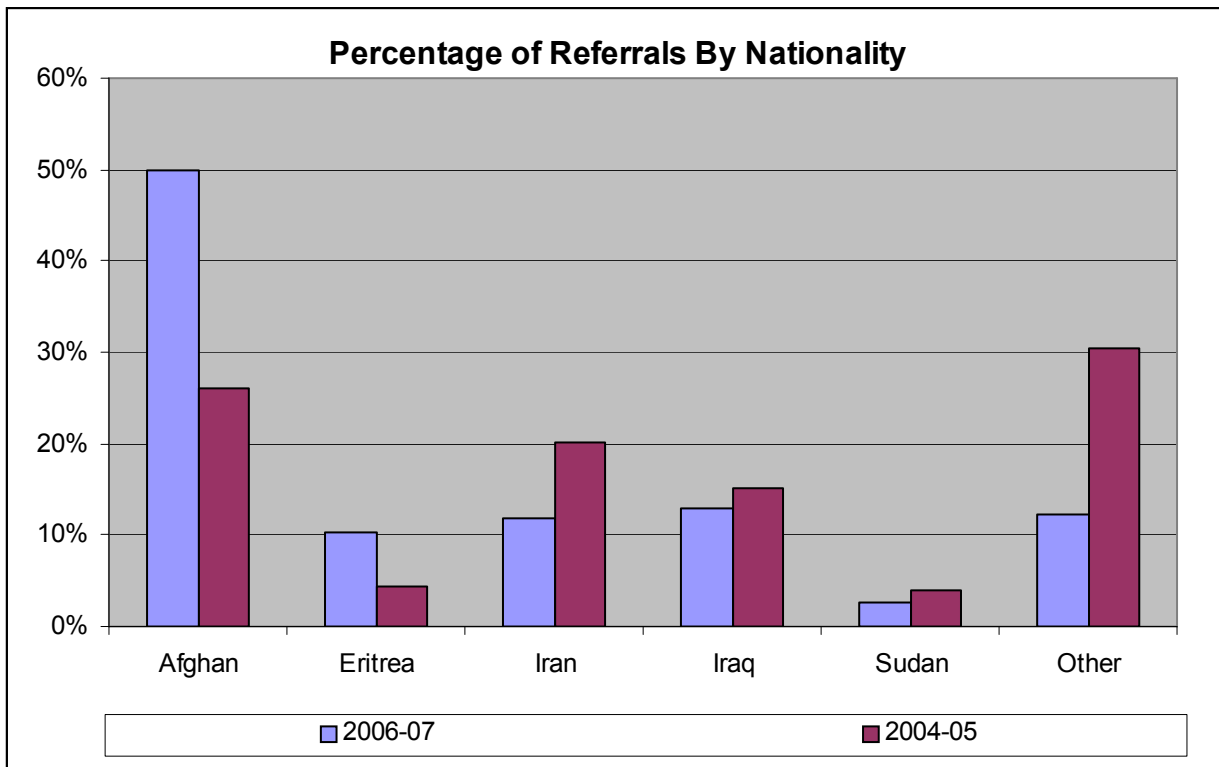
(5) So far in 2007-2008 the service has received 152 referrals, the majority being directly from BIA. This is slightly lower than the number at the same point last year when we had 165 referrals, and our forecast for the year is 160. It is apparent from the graph below that there does not appear to be any clear pattern to when clients are referred to Kent. This lack of any identifiable trend makes planning and resourcing our Duty and Reception teams exceptionally challenging. We are currently struggling with an unanticipated level of referrals in August with 49 in the month, more than double the number of the month before. In the two previous years, referrals in August have been markedly lower than July. We have no indication whether this is a "one-off" increase, or a trend that will be replicated in the following months.

Unaccompanied Minors Supported By KCC



Monthly Referrals to SUASC





(6) There do however appear to be some trends in the nationality of referrals. Of all referrals for whom we retained responsibility in 2006-07, 50% were from Afghanistan compared to 26% in 2004-05 and 40% in 2005-06. It is also noticeable that a significantly larger proportion of referrals are from Africa, in particular Eritrea (up from 4% in 2004-05 to 10% in 2006-07). Conversely the referrals from Iran have almost halved from 20% to 12%.

(7) Both health and education provision continue to be a challenge, with the majority of young people arriving after the age for statutory education, and in the main with little or no English. However despite this we are very proud that this year we will have 31 young people at University including the following, Southampton Queen Mary's, Kingston Bradford, Canterbury, City, Oxford Brook, Middlesex, Kings College and Salford; studying various subjects including: aeronautics, bio medics, law & French, business & marketing, architectural technology: fashion, computers, accounts, and music.

Home Office and DCSF

4. (1) The Home Office continues to be the lead Government department for UASC, with the immigration status of the children dominating, and the ongoing absence of the DCSF with respect to both funding and policy issues.

(2) The performance indicators by which we are measured apply equally to all KCC LAC and Care Leavers and SUASC is accountable for service provision throughout the full range of activity via a range of inspection regimes and audits. This continues to put the service under considerable pressure with the limited funding streams from both government departments.

(3) The Home Office launched a consultation on reforming the system for unaccompanied asylum seeking children with responses requested by the end of May 2007. The main area of reform was the creation of specialist; local authorities which

would care for unaccompanied asylum seeking children. However, the proposed reform did nothing to resolve the conflicts in childcare and immigration legislation which cause difficulties for local authorities. Kent County Council responded formally and Kent County Council members and officers were also involved in joint responses within a number of other groups. The Home Office have not yet published these responses. It would appear that no local authorities have volunteered to take on the specialist role because of the continuing financial risks involved with this area of work.

(4) At a recent meeting, the Joint Council's Group decided to make a direct political appeal to the Prime Minister and to look to do this in conjunction with the LGA Taskforce on asylum. This will be followed by a Westminster briefing by the group in the Autumn.

Recommendation

5. Cabinet is asked to:

- (a) Intensify their support in pressing Central Government for full reimbursement of all costs incurred in supporting unaccompanied minors, and
- (b) note and support the contents of the report.

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Background Papers:

None

Financial Position on Asylum – September 2007

1. The budget for the service for 2007-08 is £13.2m and we expect to support over 700 clients during the year. As in all previous years, we budget on the basis that all costs should be reimbursed by the Home Office (£9.0m) and DCSF (£4.2m) although to date we have always faced a shortfall in the funding made available. Although the DCSF grant rules for 2007-08 have not been published we have recently had confirmation from the Home Office/Border & Immigration Agency (BIA) of their funding rates for 2007-08. These have remained at the same level as 2006-07 with no allowance for pay or price increases and this has added £185k to our forecast shortfall. In addition, the introduction of the New Asylum Model (NAM) from April and the procedures BIA have introduced to meet NAM requirements of giving all applicants decisions within 7 weeks have resulted in increased costs for the service. The impact of all of this means that the latest forecast shortfall for 2007-08 has increased by £0.3m to £3.6m.

2. The period up to and including 2004-05 was settled after protracted lobbying and negotiation with central government over many years by Members and colleagues in Social Services – prior to the creation of CFE. We now find ourselves back in the same position of having to lobby and pressure central government to fully fund the costs that we incur. A considerable amount of work has been undertaken by the Leader, Chief Executive, Members and officers with the LGA, other authorities, Treasury, Home Office and DCSF to secure full funding for Kent and ensure we have a better system for funding in the future but at present headway with government, particularly DCSF, has been limited. The work being done was set out in more detail in a report to Cabinet on 16 July 2007.

3. The table below sets out the latest position in terms of the shortfall in funding over the past two years and our estimate of the position for the current year. By the end of this year we will be looking to recover £7.1m from DCSF and Home Office. This assumes that all other aspects of the grants are fully paid by Home Office and DCSF and that no part of those claims is rejected following the audits that both departments carry out on the grant claims.

4. It should be noted that whilst the total shortfall for the period 2005-06 and 2006-07 is £3.8m, in cash terms we are owed £12.2m (£7.5 from Home Office and £4.7m from DCSF) for that same period as grant payments will not be made until after the departments have completed their audits.

Shortfall	2005-06	2006-07	Current Total	Estimate 2007-08	Revised Total
	£m	£m	£m	£m	£m
Home Office	Settled in Jan 2007	1.5	1.5	1.7	3.2
DCSF	0.7	1.6	2.3	1.9	4.2
Total	0.7	3.1	3.8	3.6	7.4

5. Looking ahead, all that we can say at present is that if client numbers remain at around the same level and there are no changes to the grant rules then we could face a shortfall of around £3.5 each year.

6. If central government maintain their current stance then we face a very real budget issue as the authority only has £1.1m set aside in reserve to cover any gap in the shortfall set out in the table above. There is a further bad debt provision of £0.7m set aside but that is to meet the impact of any element of grant claims being rejected by Home Office or DSCF in light of their audits. Experience would indicate that there are always some issues highlighted by auditors that enable the government departments to reject parts of grant claims.

Keith Abbott
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12 September 2007