



16<sup>th</sup> December 2022

**Directors of Children's Services, Chief Executives, Council Leaders, and Northern Ireland Department of Health**

**Unaccompanied Asylum-Seeking Children (UASC) Funding**

As the Minister of State for Immigration, I would like to express my sincere gratitude, and that of the Home Secretary, for your ongoing support for the National Transfer Scheme (NTS) and the unaccompanied asylum-seeking children (UASC) who benefit from the crucial care placements you provide.

Since February 2022, all local authorities with children's services, along with the Health and Social Care Trusts in Northern Ireland, were directed to participate in the NTS. As a result, we have seen the rate of transfers of children to local authorities across the country significantly increase. Despite this progress, it was necessary to make a number of further fundamental changes in August to prepare for, and respond to, the sharp increase in UASC arrivals. There were 5,152 asylum applications from unaccompanied young people in the year ending September 2022, a 36% increase compared with 2019 (3,775), and this has placed our infrastructure under considerable strain.

The changes announced on 24<sup>th</sup> August 2022 included reducing the NTS transfer timeline from 10 working days to 5 working days from hotels; increasing the threshold under which local authorities must accept UASC from 0.07% to 0.1% of their total child population; and providing additional funding of £6,000 per UASC moved within 5 working days from hotels.

Despite the impact of those changes and the continued hard work by local authorities, alongside central government to secure additional placements, we still see instances where children are accommodated temporarily in hotels on arrival to the UK. The Government has been consistently clear that the use of hotels for unaccompanied children is not sustainable and that we must return to a position whereby unaccompanied children enter the care of a local authority as soon as they arrive in the UK.

To move closer to achieving this objective, and to support you in your plans to build infrastructure for unaccompanied asylum-seeking children, I am now announcing further changes to introduce **a new funding pilot, on a fixed term basis**. The pilot

will look to provide additional funding to local authorities and their Northern Ireland equivalent to support the building of suitable infrastructure. This additional funding will repurpose the money we currently use to pay for hotels housing UASC and empower you to invest in local authority infrastructure where it provides the greatest benefit to the unaccompanied children we all aim to protect and support.

This funding will be delivered in two stages. The progression to stage 2 will be dependent on the successful completion of stage 1 by the end of February 2023. The details of each stage are set out below.

**Stage 1 of the Funding Pilot: Incentivised Funding of £15,000 per UASC from hotels and Kent Reception and Safe Care Service.**

**The Home Office will introduce a new conditional lump sum payment of £15,000 to accompany the transfer of each unaccompanied asylum-seeking child.** To qualify for this funding the children must be transferred from a hotel run by the Home Office or from the Kent Reception and Safe Care Service (RSCS).

The allocation of unaccompanied children will be made to local authorities and their Northern Ireland equivalent based on the NTS agreed criteria for allocation as per NTS guidelines. This additional funding can be provided in advance of a child/children moving from their temporary placement to allow specific capacity building, on agreement that they will have left the temporary estate by the end of February 2023. Local authorities may take greater numbers of transfers than their allocation.

This funding will commence for relevant transfers from the date of this letter and will run until unaccompanied asylum-seeking children, accommodated in UASC designated hotels, or the RSCS, are placed within a local authority. This includes children subject to referrals already made to local authorities who have not yet transferred by the date of this letter but who transfer from hotels and Kent RSCS in the timeframe.

By the end of February 2023, we aim to begin closing the hotels currently accommodating unaccompanied children. We expect to withdraw this lump sum payment of £15,000 for NTS transfers from 1 March 2023. Our UASC funding rates will continue to be paid throughout this pilot and beyond as set out in the UASC Funding instructions.

The current Home Office incentivised funding pilot, which provides £6,000 of additional funding for transfers of children from hotels within 5 working days, will be replaced by this new funding pilot on the basis set out above.

The lump sum funding does not apply to transfers of children between local authorities under the NTS or to spontaneous arrivals in local authority care given the objective is to exit the hotels. Referrals into the NTS by local authorities will continue to be handled in the same way.

## **Stage 2 of the funding pilot: Grant funding for accommodation**

**Additional funding will only be offered if we have seen a significant reduction in occupancy in temporary accommodation.** We will assess in February 2023 whether we are on track to close the designated UASC hotels and, dependent on the outcome of our review of hotel occupancy, we will then look to introduce stage 2 of our funding incentivisation pilot. This will provide funding for local authorities to directly invest in long-term accommodation options and more sustainable placements for UASC.

The local authority may choose to use this grant in a number of ways, for example: to fund third sector partners in developing suitable long-term accommodation; ensure disused children's homes are fit for purpose so they can be brought back into use; or for the refurbishment and introduction of accommodation that is suitable to accommodate, support and process unaccompanied children. The Home Office, alongside other government departments, will work with you to ensure suitable options are considered for the additional grant.

Funding for the lump sum payments will apply to local authorities in England, Wales, and Scotland and to Health and Social Care Trusts in Northern Ireland where they receive the relevant children within the timeframe from the hotels and Reception and Safe Care Service. Funding linked to stage 2 of the incentivised funding pilot will be payable where suitable alternative accommodation options are presented and agreed in advance by the Home Office and other government departments who support children in care and accommodation options. A mechanism for this will be communicated before the end of March 2023.

### **Data**

The Home Office also recognise the importance of working with local authorities and sharing information to support longer-term planning. I have agreed for officials to share **more data on future forecasts** for unaccompanied children with you so that local authorities can plan and prepare for these future arrivals. My officials will be in touch with Strategic Migration Partnerships about this in due course to put this commitment into action.

I look forward to working closely with you during this new phase in supporting unaccompanied children so that together, we can end the use of hotels for unaccompanied asylum-seeking children.



**Rt Hon Robert Jenrick MP  
Minister of State for Immigration**