



**Prosperous Communities
Committee**

Tuesday, 15 July 2025

Subject: Asylum Dispersal in West Lindsey

Report by:	Director of Planning, Regeneration & Communities
Contact Officer:	Sarah Elvin Homes & Health Team Manager sarah.elvin@west-lindsey.gov.uk
Purpose / Summary:	Provide members with an update on the Asylum position in West Lindsey and gain approval for the spend of the Asylum Dispersal Grant funding

RECOMMENDATION(S):

Prosperous Communities Committee

1. Members approve the use of the community grants process to allocate funding to community groups delivering services which meet the requirements of the Asylum Dispersal Grant funding criteria.

For the Corporate Policy & Resource Committee

1. *Members approve the allocation of £125,295 from the Asylum Dispersal Grant to the Homelessness functions as detailed in table 1 for the financial years 2025/2026 and 2026/2027.*
2. *Members approve the allocation of the remaining Asylum Dispersal Grant funding £60,055 to be utilised for community activity supporting asylum seekers and refugees.*

IMPLICATIONS

Legal:

Grant Funding Agreements will be in place for any grant awarded to community groups for delivery of services through this grant funding.

Financial : FIN/41/26/MT/MK

Current balance of Asylum Dispersal Grant is £185,350, the proposals contained within this report will utilise £125,295 over the financial years 2025/2026 and 2026/2027 for homelessness functions as set out in the table at section 5.7 of the report.

This will leave a balance of £60,055 which is proposed to be utilised for community grant funding to deliver the outcomes as set out in the Asylum Grant funding criteria.

	Amount
Total Funding Received	£185,350
2025/2026 spend	£62,304
2026/2027 spend	£62,991
Total spend	£125,295
Remaining	£60,055

Staffing :

All administration of this work will be undertaken within existing resources

Equality and Diversity including Human Rights :

None

Data Protection Implications :

Data protection will be built into the Grant Funding Agreement and any required information sharing agreements will be in place. We will keep data sharing to an absolute minimum during the reporting of the grant outcomes

Climate Related Risks and Opportunities:

None

Section 17 Crime and Disorder Considerations:

None

Health Implications:

It is vital that we ensure all members of our West Lindsey community have access to safe and affordable housing alongside support where required to remain living independently. We have the opportunity through this asylum funding to ensure that all asylum seekers being placed within West Lindsey have safe and affordable accommodation for them to reside once they have received their asylum decision.

Title and Location of any Background Papers used in the preparation of this report :

None

Risk Assessment :

N/A

Call in and Urgency:**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

☐

No

x

1. Executive Summary

- 1.1 The Home Office introduced a new system for Asylum Dispersal implemented in 2023 which saw the interim housing of asylum seekers across England and Wales dispersed across the Country as oppose to certain areas taking all the burden.
- 1.2 When this new system was implemented, alongside these new arrangements, funding was provided to Local Authorities to ensure front line services were not impacted and Local Authorities could implement new services where required to assist with wellbeing, mental health and community cohesion.
- 1.3 The Home Office have partnered with different agencies across the country to deliver the dispersed accommodation, Serco are the provider in the East Midlands.
- 1.4 Currently, in West Lindsey, there are 41 bedspaces procured by Serco for Asylum seeker accommodation.
- 1.5 Funding is provided to Local Authorities for every bedspace that is procured and brought online in the area. West Lindey have received £185,350 of funding for this to date.
- 1.6 The funding has a set of criteria for spend on asylum and refugee related activities based on the outcomes as detailed in the Asylum Dispersal Grant funding criteria.
- 1.7 This paper sets out how this funding is proposed to be utilised through spending on front line services and offering grants to community organisations who are delivering services which meet the funding criteria.

2. Background

- 2.1 In April 2022 the Government announced the “new” Full Asylum Dispersal Model with plans for implementation from March 2023 onwards.
- 2.2 This model aims to shift from primarily using hotels to disperse asylum seekers more widely across the Country aiming to prevent any one area from being overburdened.
- 2.3 Serco was appointed as the housing procurement partner in the East Midlands and were set ambitious targets of the numbers of bed spaces they were to procure in each area.
- 2.4 Their procurement strategy required them to lease properties of a certain standard from private landlords at a higher than Local Housing Allowance rate for a minimum of 5 years taking on all repairs and maintenance liability for those properties.
- 2.5 Serco requested all Local Authorities were to undertake a full postcode review of their areas to either close, limit or leave open every postcode in the area for procurement from Serco.
- 2.6 West Lindsey undertook a full and comprehensive review of every postcode in the area, leaving the vast majority of West Lindsey open and only limiting or closing off areas with high ASB rates and the potential for hate crime. This closed off the North Ward and South West Ward of Gainsborough along with Scampton.
- 2.7 Serco did not take the postcode review into account when procuring properties even after numerous correspondence and meetings with officers and procured properties within the South West Ward of Gainsborough for asylum dispersal.
- 2.8 The Home office along with Serco agreed to not procure any properties in West Lindsey while the RAF Scampton site was still be considered as an Asylum Centre. This hold was removed from procurement once the decision was made to no longer utilise RAF Scampton for this purpose.

3. Asylum Dispersal in West Lindsey

- 3.1 A new model was released in 2024 with a new formula for determining the numbers of bedspaces that should be procured in each area.
- 3.2 Serco have stopped sharing data with all local Authorities about the location of those bedspaces, but we know from their last update on 12th June that there is the following currently in West Lindsey:

	HMO			Family			Total		
	Properties	Bedspaces	Active SU	Properties	Bedspaces	Active SU	Properties	Bedspaces	Active SU
West Lindsey	8	41	41	0	0	0	8	41	41

- 3.3 When a decision is made on the asylum application, if that decision is positive and they are granted leave to remain, wherever they are residing at the time of receiving that decision, be that in a hotel or in a dispersed bedspace, they have a local connection to that area.
- 3.4 The Home Office have recently changed their timeframes around evicting those who have been granted leave to remain due to push back from Local Authorities. Previously, they only provided 28 days' notice to vacate the accommodation, this has now been amended to be in line with the Homelessness Reduction Act and so now they are given 56 days to find alternative accommodation.
- 3.5 West Lindsey are notified when a positive asylum decision has been determined, and they have been granted leave to remain. Serco provide contact details of the refugee to the council after they have received their decision to make us aware of their status. There has been a steady stream of these coming through from Serco since the beginning of May, so we are expecting to see an increase in approaches to the Home Choices service in the coming weeks and months.
- 3.6 It is understood from some of the support agencies who have dealt with this cohort that it is unlikely they will want to remain in West Lindsey, instead choosing to settle in larger cities where the opportunities for employment are greater, and they have existing family, friends or communities they can receive support from.

4. Asylum Dispersal Grant funding

- 4.1 Local authorities in the UK receive funding from the government to support asylum seekers through the Asylum Dispersal Grant. This funding aims to help councils manage the financial and logistical challenges associated with providing housing, support services, and integration for these individuals.
- 4.2 The formula for which this grant is allocated has changed for 2025/2026 and prior to that, West Lindsey received £3500 per bedspace that was brought into use.
- 4.3 From March 2025 onwards, £1200 per bedspace will be allocated for every additional unit over the number that was in use on the 30th of March 2025. This is received quarterly in arrears.
- 4.4 £185,350 is held reserves which has been received from the Home Office for delivery of services in relation to the asylum seekers currently

residing in West Lindsey. The guidance document for this funding can be found via this link [Funding Instruction for Local Authorities: Asylum Grant 2025 - 2026 - GOV.UK](#)

- 4.5 Highlighted below are a few key points within that guidance.

Section 5 of the guidance attached states:

“Funding provided must not be used for any purpose other than achieving delivery of the outcomes detailed in this Instruction”

Detailed in this section of the guidance are also some examples of statutory and non-statutory functions that the funding can be utilised for.

- 4.6 If a decision is made to allocate funding to another organisation to deliver services, consent from the Home Office will be required.
- 4.7 The outcomes that are expected from the grant funding are detailed at section 7 and include:
- *Minimising public service pressures.*
 - *Recognising the role of wrap-around funding in supporting Asylum Seeker wellbeing, mental health and community cohesion; and*
 - *Enable the Authority to deliver the spending review financial objectives*

5. Asylum funding in West Lindsey

- 5.1 The funding must be utilised for the above purposes to achieve those outcomes, with that requirement, set out below is the proposal and rationale for the spend of the Asylum Grant Funding.
- 5.2 As a steady stream of asylum seekers are now receiving their decisions while residing in West Lindsey it is anticipated we will see an increase in the numbers approaching for housing advice and homelessness support. With one refugee placed in temporary accommodation to date (as of 6th June 2025) again, it is expected this number will increase with the turnover of service users in the bedspaces currently active.
- 5.3 Due to the above, it is proposed that a proportion of the funding we utilised for homelessness. Currently, 50% of one Homelessness Prevention Officer is funded through Homelessness reserves, it is proposed that this 50% is funded for 2025/2026 financial year from this funding. That will preserve the homelessness reserve for contingency in the future should funding in this area reduce.
- 5.4 Based on the likelihood of future requirement of temporary accommodation for this cohort, it is proposed that we forecast to have one refugee placed in temporary accommodation every night of the year during financial year 2025/2026 at an average cost of £75 per night. This is a generous estimate and will ensure that none of our Homelessness Prevention Grant will be utilised for this cohort.

- 5.5 Alongside that, we also offer to our homelessness households the benefit of rent in advance when accessing the private sector, because it is likely this cohort will access the private sector as appose to social housing, we are forecasting to assist 12 asylum seekers with rent in advance at £1000 per person this financial year.
- 5.6 There is no requirement to utilise all of the funding this financial year and due to the nature of the accommodation that has been procured, it is proposed to allocate funding over two financial years to mitigate the risk of less funding being received next financial year due to the amended funding formula and the demand for services increasing.
- 5.7 Monitoring of the use of this funding will be clear, and funding will only be drawn down from this reserve when evidence of the spend is provided. This will allow us to utilise the funding as best we can and ensure it is being used for the specific purpose as set out within the funding guidance.

Table 1

Total Funding received to date:	£185,350		
	Amount		Detail
	2025/26	2026/27	
Frontline Homelessness costs (temporary accommodation)	£27,375	£27,375	Based on £75 per night for 365 days of the year
Frontline Homelessness costs (rent in advance)	£12,000	£12,000	Based on £1000 rent in advance for 12 service users
Homelessness Staffing resource	£22,929	£23,616	Based on 50% of Homelessness Prevention officer salary for 2025/2026 and an increase of 3% on salary costs for 206/2027
Total	£62,304	£62,991	

Table 2

	Amount
Total Funding Received	£185,350
2025/2026 spend	£62,304
2026/2027 spend	£62,991
Total spend	£125,295
Remaining	£60,055

- 5.8 For the remaining funding and any further funding received, it is proposed to fund community groups who can offer advice, support and guidance to asylum seekers and refugees who are in our communities.
- 5.9 This type of support could mirror that provided to the Homes for Ukraine cohort and would look to ensure it was delivering on the second outcome of the funding guidance to recognise the role of wrap around funding in supporting wellbeing, mental health and community cohesion.
- 5.10 It would be preferred that this service is offered within the community and by the community as appose to being a service delivered by West Lindsey so as to not muddy the waters between the statutory services provided by the Council. It also offers an independent view to be able

to challenge services where needed without the added complication of affecting statutory requirements.

- 5.11 There remaining funding would be available as direct award grants with criteria relating to delivering on the required outcomes from the funding guidance.

6 Grant funding mechanism

- 6.1 Grant awards will be made utilising existing community grant processes used by the council. This includes the use of a grant application form, scoring and the Community Grants Panel which is a member working group.
- 6.2 Eligible organisations that offer services to asylum seekers and refugees will be invited to apply for funding. Grant funding can be awarded to support the delivery of existing or new services that meet the funding criteria.
- 6.3 Grant funding agreements shall be used for all grant awards in-line with our community grant processes. This will include any additional project conditions, monitoring and evaluation requirements.

7. Governance

- 7.1 To enable the spend of the funding as proposed above, Corporate Policy and Resource Committee are required to approve the spend of the funding on the proposed activity.
- 7.2 The Prosperous Communities Committee is required to approve the mechanism to utilise the community grants process to allocate funding to community groups who are delivering services that meet the requirements of the funding.

8. Recommendations

Prosperous Communities Committee

1. Members approve the use of the community grants process to allocate funding to community groups delivering services which meet the requirements of the Asylum Dispersal Grant funding criteria.

Corporate Policy & Resource Committee

1. Members approve the allocation of £125,295 from the Asylum Dispersal Grant to the Homelessness functions as detailed in table 1 for the financial years 2025/2026 and 2026/2027.
2. Members approve the allocation of the remaining Asylum Dispersal Grant funding £60,055 to be utilised for community activity supporting asylum seekers and refugees.

