

1 September 2024

Dear Home Secretary

I am writing regarding your statement made to Parliament on Monday 22 July and my subsequent correspondence with Sir Matthew Rycroft.

In your statement you said: "two and a half years after the previous Government launched it, I can report that [the Rwanda programme] has already cost the British taxpayer £700 million."

You went on to say: "The potential costs of asylum support over the next four years if we continue down this track could be an eye-watering £30 billion to £40 billion." And: "I am laying a statutory instrument that ends the retrospective nature of the Illegal Migration Act provisions, so that the Home Office can immediately start clearing cases from after March 2023. Making this one simple change will save the taxpayer an estimated £7 billion over the next 10 years."

I wrote to Sir Matthew on 25 July about the calculations behind these claims, and his reply raises several important questions. In particular, his letter contradicts the impact assessment published on 22 July. Sir Matthew's letter says, "the Home Secretary's statement included the £700 million figure, which encompasses ... expenses related to preparing for relocation flights to Rwanda and implementing the Illegal Migration Act." He also said: "The £700 million figure accounts for expenses such as legal challenge responses, charter flights, and airfield and escort charges for individuals relocated to Rwanda."

But the impact assessment says: "this analysis makes no attempt to model the future of the asylum system or how this cohort would be managed in the absence of this instrument, and instead assumes that those who claimed asylum up to 16 July 2024 would remain in the retrospective queue for the duration of the 10-year appraisal."

This appears to be an example of double counting in the £700 million figure you presented to Parliament: including on the one hand expenses for implementing the Rwanda policy, while on the other hand assuming the Rwanda policy would never be implemented. Can you explain this discrepancy?

The impact assessment makes clear that its calculation is based on unrealistic assumptions about the counterfactual. It says: "The value for money of this intervention is positive in monetised terms. The monetised value is driven by the time the cohort in question would spend on support in the asylum system as a result of this instrument. If the time spent in the asylum system is less than the counterfactual time spent in the retrospective queue, the value for money will be positive." But of course it also says it assumes nobody in the March 2023-July 2024 cohort would be deported and would remain instead in the retrospective queue with costs met by the Home Office.

The impact assessment also admits that deporting migrants in the cohort – which was the intention of the last government – would reduce the cost of the counterfactual. "Any decision which could be made to reduce the size of the retrospective queue or reduce the time spent in this queue would alter the counterfactual being appraised in this Impact Assessment. No such decision has been made and therefore cannot be appraised. Any reduction in the time spent in the retrospective queue would reduce the quantified benefits of the preferred option in this Impact Assessment."



And the impact assessment admits that it does not consider many sizeable costs in your policy. "The scale of non-monetised impacts could be significant," it says. "Granting asylum to those in the retrospective queue will lead to costs to local authorities, may have adverse labour market impacts and may put pressure on wider public services and infrastructure." And in conclusion it accepts that the exclusion of these costs renders the exercise futile: "The net effect of these impacts is not known and could undermine the quantified assessment in this impact assessment."

Why, given these significant caveats and warnings in the impact assessment, did you fail to mention any of them in your statement? Will you commission urgent research on the costs of processing the asylum claims of this cohort for the welfare system and local authorities? Can you explain how you can produce estimates of comparative costs of the policy options – and be so certain when presenting them to Parliament – without knowing the costs of processing asylum claims for the welfare system and local authorities?

Given the sensitivity of these matters – and the importance of always presenting accurate information to Parliament – I invite you to place the following information in the House of Commons Library:

- The full breakdown of all the spending items and full workings used to calculate the figures you presented to Parliament.
- The precise wording of the original request commissioning these figures from the Department.
- Any changes to the commission, methodology or calculations, from the original commission until publication.
- An account of the involvement of ministers and special advisers in any changes to the commission, methodology or calculations of the figures presented to Parliament.
- A statement by the Department's statisticians giving their endorsement to the figures you presented to Parliament.

You will know that there is disquiet among your officials regarding your statement of 22 July, and clear answers and full transparency will help to address public concern about the legitimacy of the figures you used in the House of Commons.

Yours sincerely

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