

Report to CABINET

Asylum Dispersal Grant

Portfolio Holder: Councillor Elaine Taylor, Cabinet Member for Neighbourhoods

Officer Contact: Deputy Chief Executive – Place

Report Author: Lorraine Kenny – Assistant Director Community Safety and Cohesion

22 September 2025

Reason for Decision

To seek approval to formally accept £898,800 award from the Home Office in Asylum Dispersal Grant for the period 2025/26.

Executive Summary

Oldham Council has been awarded £898,800.00 in respect of Asylum Dispersal Grant. This is an annual payment for the financial year 1 April 2025 to 31 March 2026 and paid by the Home Office to local authorities to facilitate Local Authorities to assist with costs of supporting Asylum Seekers.

The Asylum Dispersal Grant is a 'burdens' grant to mitigate the pressure of asylum dispersal and therefore does not have to be spent specifically or solely for expenditure on asylum seekers.

This report seeks approval to accept £898,800 award from the Home Office in Asylum Dispersal Grant for the period 2025/26.

Recommendations

Option 1 – Accept the grant award of £898,800. This will enable the council to mitigate the pressure on services and provide further funding to increase capacity in services to support all Oldham residents.

Asylum Dispersal Grant**1 Background**

- 1.1 The UK government uses dispersal to allocate asylum seekers to accommodation across the country to distribute costs among local authorities. This policy of asylum dispersal was introduced under the Asylum and Immigration Act 1999 and aimed to reduce pressure on the Southeast of England.
- 1.2 In April 2022 the Home Office announced the new policy of 'Full Dispersal' where all local authorities in England, Scotland and Wales were informed they would house people seeking asylum and become dispersal areas.
- 1.3 Asylum seekers cannot choose their location and may be moved anywhere in the UK. There is recognition that the number of arrivals, and statutory responsibility on the Home Office to support asylum seekers who would otherwise be destitute, have placed pressure on the asylum and housing systems.

2 Current Position

- 2.1 Oldham Council has been awarded £898,800.00 in respect of Asylum Dispersal Grant. This is an annual payment for the financial year 1 April 2025 to 31 March 2026 and paid by the Home Office to local authorities to facilitate Local Authorities to assist with costs of supporting Asylum Seekers.
- 2.2 The Asylum Dispersal Grant is a 'burdens' grant to mitigate the pressure of asylum dispersal and therefore does not have to be spent specifically or solely for expenditure on asylum seekers. The funding instruction states that it can be spent on:
 - Statutory services; for example: education services, children's and adults' social care, waste collection, public health services, planning and housing services, road maintenance or library services, or
 - Non-statutory services; for example: leisure services, community initiatives, wellbeing services, interpreting provision, intervention services and signposting/ orientation services.
 - Ineligible spend includes party political lobbying or funding to support or promote activities of an exclusively religious nature. This will not include activity designed to improve inter-faith relationships or working.
- 2.3 Local authorities will be expected to provide monitoring information to the Home Office in respect of spend.

3 Options/Alternatives

3.1 **Option 1 – Accept the grant award of £898,800.** This will enable the council to mitigate the pressure on services and provide further funding to increase capacity in services to support Oldham residents. It is recommended that the council approves this option.

3.2 **Option 2 – Do not accept the grant award of £898,800.** At a time of increasing pressures on services this will mean that the option to provide additional capacity in services is lost. It is not recommended that the council approves this option.

4 **Preferred Option**

4.1 **Option 1 – Accept the grant award of £898,800.** This will enable the council to mitigate the pressure on services and provide further funding to increase capacity in services to support Oldham residents. It is recommended that the council approves this option.

5 **Consultation**

5.1 Consultation has been undertaken with all relevant stakeholders, including elected Members and senior officers. Specifically, input has been sought from the Portfolio Holder for Neighbourhoods, the Director of Communities, representatives from Finance and Legal Services. All parties have expressed their support for accepting the funding to enable the council to increase capacity in services to support Oldham residents.

6 **Financial Implications**

6.1 This report seeks approval to accept the Home Office Asylum Dispersal Grant for the financial year 2025/26. The total funding secured is £898,800, which has already been allocated to the appropriate cost centre.

As outlined in the body of this report, the primary purpose of this grant is to provide 'burdens' funding, intended to mitigate the financial pressures associated with asylum dispersal. However, it is important to note that the funding does not need to be spent exclusively or specifically on services for asylum seekers, allowing for flexibility in addressing broader local authority pressures.

Finance will conduct monthly monitoring to ensure that spending remains within the funding envelope. There are no additional financial implications arising from this proposal.

(Waheed Rehman – Accountant)

7 **Legal Implications**

7.1 The funding must not be used for any purpose other than achieving delivery of outcomes detailed in the Funding Instructions for Local Authorities: Asylum Grant 2025-26. The expected outcomes are minimising public services pressures and recognising the role of wrap-around funding in supporting asylum seeker wellbeing, mental health and community cohesion. The Council is required to manage and administer the quality and level of delivery relating to the support it provides to

asylum seekers. If the Council fails to comply with the funding conditions the Home Office may reduce, suspend or withhold payments or require all or part of the payments to be repaid within 90 days of receiving demand for the repayment. (A Evans)

8 Equality Impact, including implications for Children and Young People

8.1 Yes

9 Key Decision

9.1 Yes

10 Key Decision Reference

11.1 HL/03/25

12 Background Papers

12.1 None

13 Appendices

13.1 None