

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2495

### Title: Cost benefit analysis of the no recourse to public funds (NRPF) policy in London

#### Executive Summary:

The no recourse to public funds (NRPF) policy is a condition imposed on some migrants, due to their immigration status, limiting their access to mainstream benefits such as Universal Credit and Housing Benefit. This policy has been applied automatically to many migrants with a long-term residence right in the UK since changes made to the immigration rules in 2012. This policy has caused particular harms for a number of Londoners during the COVID-19 pandemic. There is currently a lack of data on the cost of a policy change in removing the NRPF policy.

To assist with the Mayor's advocacy on NRPF the GLA would like to commission an organisation or consultant to conduct a cost benefit analysis of the NRPF policy in London. The analysis will be used to understand the value for money provided by the NRPF policy, particularly in terms of the use of taxpayers' money compared to the case of no policy in place, to inform and improve mayoral advocacy on this issue. The analysis will also enable the wider public value of removing the NRPF policy to be articulated, quantifying economic benefits that accrue to individuals, local and central government and businesses, as well as social benefits in terms of improved individual health and well-being.

#### Decision:

That the Assistant Director of Communities and Social Policy approves:

Expenditure of £39,600 in financial year 2020/21 to commission an organisation to conduct a cost benefit analysis of the no recourse to public funds (NRPF) policy in London.

#### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

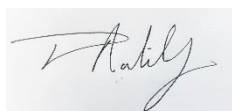
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Tom Rahilly

**Position:** Assistant Director,  
Communities and Social Policy

**Signature:**



**Date:**

1 February 2021

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. The no recourse to public funds (NRPF) policy is a condition imposed on some migrants, due to their immigration status, limiting their access to mainstream benefits such as Universal Credit and Housing Benefit.
- 1.2. There are a few reports from civil society on the profile of groups that are affected by NRPF<sup>1 2</sup>. In particular, the report from Woolley (2019) formed part of evidence for a legal challenge that successfully challenged part of the NRPF policy on discrimination grounds in spring 2020<sup>3</sup>. However, there is currently no research available that provides a cost benefit analysis for central government on removing the NRPF policy for certain groups (such as families with dependents).
- 1.3. There is limited analysis of the financial implications of not automatically applying the NRPF condition to people, such as families who apply for leave to remain under the 10-year settlement route. A 2012 policy change means that the NRPF policy is now automatically applied to people on this route and they have to apply to have it removed if they are destitute – many have called for a reversal of this policy since 2012<sup>4</sup>. Effectively, this is unnecessarily introducing welfare controls in the immigration system when the welfare system is already robust.
- 1.4. The Mayor of London and other key figures across local government have argued that the NRPF policy should be suspended at least while we continue to deal with the effects of the pandemic<sup>5</sup>. The pressures for London local authorities (LAs) in responding to NRPF needs are well-documented by organisations such as London Councils and the NRPF Network<sup>6 7</sup>. However, these analyses predominantly focus on the cost burden for local government, rather than the prospective impact for central government if it were to remove the condition for certain groups.
- 1.5. Throughout the Mayor's advocacy on NRPF during the pandemic, the policy leads within the Communities and Social Policy Unit have sought to produce data on the cost of a policy change in removing NRPF. Without clear data on this, it is difficult to progress with building knowledge and advocacy on this issue without updated data on the impact of NRPF on Londoners.
- 1.6. NRPF has come up repeatedly in the GLA's engagement with frontline community organisations, such as through the Community Response Survey, a regular survey asking civil society organisations that work in London a small number of questions to understand the impact of COVID-19 and associated policy measures, such as social distancing, on vulnerable populations in the capital<sup>8</sup>. Many organisations are seeing an increase in people facing destitution, having lost work or facing other financial hardship, but organisations without immigration expertise struggle to support these people without prior knowledge on addressing NRPF and destitution arising out of immigration status.
- 1.7. A cost benefit analysis would measure not only the cost for government if families are able to access welfare support when they need it, but also some of the benefits to, for example, tax contributions if parents are able to work. Many parents with leave to remain and NRPF work already, but they struggle to make ends meet and this situation has worsened since the COVID-19 pandemic.

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<sup>1</sup> The Children's Society. (2020). [A Lifeline for All](#).

<sup>2</sup> Woolley, A. (2019). [Access Denied: The cost of the 'no recourse to public funds' policy](#).

<sup>3</sup> <https://www.theguardian.com/society/2020/may/07/home-offices-denial-of-benefits-to-migrant-families-unlawful-court-rules>

<sup>4</sup> <https://www.gov.uk/government/publications/statement-of-changes-to-the-immigration-rules-hc194-june-2012>

<sup>5</sup> <https://www.london.gov.uk/press-releases/mayoral/mayor-calls-for-support-for-those-with-low-income>

<sup>6</sup> <https://www.londoncouncils.gov.uk/our-key-themes/asylum-migration-and-refugees/no-recourse-public-funds>

<sup>7</sup> <https://www.nrpfnetwork.org.uk/news/nrpf-connect-data-report-2019-20>

<sup>8</sup> <https://data.london.gov.uk/dataset/london-community-response-survey>

- 1.8. A robust cost benefit analysis of NRPF would also help to expand the Mayor's advocacy on Londoners in low income work – those with leave to remain and NRPF are often represented in low paid essential work, including at the forefront of London's response to the pandemic – such as cleaners, hospital porters, carers etc.
- 1.9. This remains a pressing advocacy issue for local government during the COVID-19 pandemic. Pressures on local authorities to support those with NRPF continue to be very high. Croydon Council, which recently issued a section 114 notice, meaning it is effectively insolvent, cited unsustainable children's and adult social care costs as one factor in its issuing the notice<sup>9</sup>. Unless there is a change in the impact of this policy, the pressures of supporting groups with NRPF will continue to mount for London LAs.
- 1.10. The benefit of the GLA conducting this analysis is that we would not only be able to use it in our own advocacy, but our key stakeholders across civil society and local government would be able to use it in their work.
- 1.11. This work is particularly relevant for the GLA's work in Recovery, particularly the Robust Safety Net mission<sup>10</sup>. The mission's goal is for every Londoner to be able to access the support they need to avoid financial hardship. NRPF is a policy that restricts financial assistance, so analysis of this area will help to inform future programmes and advocacy work delivered as part of that recovery mission.
- 1.12. The data to inform a robust cost benefit analysis can be difficult to come by. However, initial scoping conversations with stakeholders in this field have confirmed that a cost benefit analysis on this issue would be feasible, given the data that is currently available.
- 1.13. The requested £39,600 will be used to commission an organisation to conduct a cost benefit analysis of the NRPF policy in London. The budget has been determined after consultation with colleagues with some expertise in the area of cost benefit analysis. The market for this type of work consists of academics and professional organisations specialising in cost benefit analysis.

## **2. Objectives and expected outcomes**

- 2.1. To assist with the Mayor's advocacy on NRPF by understanding and documenting the costs and benefits of the NRPF policy in London. The analysis will be used to understand the value for money provided by the NRPF policy, particularly in terms of the use of taxpayers' money compared to the case of no policy in place, to inform and improve mayoral advocacy on this issue. The analysis will also enable the wider public value to be articulated, quantifying economic benefits that accrue to individuals, local and central government and businesses, as well as social benefits in terms of improved individual health and well-being.

## **3. Equality comments**

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the Public Sector Equality Duty (PSED), that is the need to:
  - eliminate unlawful discrimination, harassment and victimisation;
  - advance equality of opportunity; and
  - foster good relations between people who have a protected characteristic and those who do not.
- 3.2. Equality, diversity and inclusion are some of the main drivers behind this research. This research considers the impact on a group that has the potential to be socially excluded, in this case, people with NRPF and their family members, notwithstanding that this specific attribute is not protected

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<sup>9</sup> <https://www.theguardian.com/society/2020/nov/13/how-covid-19-pushed-croydon-over-the-edge-into-bankruptcy>

<sup>10</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context>

under the Equality Act but may be common to people with protected characteristics, particularly race, pregnancy and maternity, disability and sex.

- 3.3. Understanding the experiences of specific groups of Londoners will help the GLA shape the development of policy going forward to increase fairness and ensure that equality impacts are considered as critical decisions are made.

#### 4. Other considerations

*Key risks and issues*

<b>Risk</b>	<b>Mitigation measures</b>	<b>Current probability (1: low-4: high)</b>	<b>Current impact (1: low-4: high)</b>	<b>RAG</b>
No bidders for the work after ITQ is issued	Expand list of candidates to bid for work; lengthen project timeline	2	4	Amber
Organisation commissioned to carry out work fail to deliver to expected quality or to time	Set clear and specific parameters for delivery; build in regular milestones to check progress	2	3	Green

- 4.1. There are no conflicts of interest to note for any of those involved in drafting or clearance of the decision form.

*Links to Mayoral strategies and priorities*

- 4.2. This work ties in with the Mayor's Equality, Diversity and Inclusion strategy and Social Integration Strategy. Both of these strategies themselves tie in with many, if not all, of the Mayor's other statutory and non-statutory strategies. This work is also particularly relevant for the GLA's work in Recovery, particularly the Robust Safety Net mission.

*Consultations and impact assessments*

- 4.3. This decision request builds on feedback from policy colleagues, the Mayor's Office and external stakeholders to carry out research into the costs and benefits of the NRPF policy in London.

#### 5. Financial comments

- 5.1. Approval is being sought for expenditure of £39,600 towards commissioning an organisation to conduct a cost benefit analysis of the NRPF policy in London.
- 5.2. This expenditure will be funded from the 2020/21 Social Evidence Base programme budget, within the Communities and Social Policy Unit.

#### 6. Planned delivery approach and next steps

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	From 8 Feb 2021
Contract awarded	1 March 2021
Delivery Start Date	1 March 2021
Delivery End Date	May 2021

**Appendices and supporting papers:**

None

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

**Part 1 - Deferral****Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: To secure best value via the competitive tendering process

Until what date: (a date is required if deferring) 1 March 2021

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO****ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Barry Fong has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 1 February 2021.

**ASSISTANT DIRECTOR OF FINANCIAL SERVICES**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature****Date**

1 February 2021