



Rialtas na hÉireann
Government of Ireland

Spending Review 2019

Direct Provision: Overview of current accommodation expenditure

IGEES UNIT

DEPARTMENT OF JUSTICE AND EQUALITY

AUGUST 2019



Disclaimer

This paper has been prepared by the IGEES unit of the Department of Justice and Equality. The views presented in this paper are those of the authors alone and do not represent the official views of the Department of Justice and Equality or the Minister for Justice and Equality. Analytical research papers are prepared on an ongoing basis and reflect the data available at the time. Please do not cite without permission.



**An Roinn Dlí agus Cirt
agus Comhionannais**
Department of Justice
and Equality



Irish Government Economic & Evaluation Service

Management Summary

Introduction

The IGEES unit of the Department of Justice and Equality (DOJE) has carried out this spending review of Ireland's Direct Provision accommodation centre programme. The overall objective has been to assess the programme, in terms of its expenditure trends, spending pressures, along with how it compares internationally and to discuss possible amendments or options that could improve the system. However, this report does not aim to provide a conclusive view of every aspect of the Direct Provision accommodation centre programme, which should be monitored and reviewed on a regular basis. Some operational aspects of the programme were outside the scope of this review.

Rationale for the Programme

The Direct Provision system encompasses a range of State services, including accommodation, food, health and education directly provided to international protection applicants through all the relevant Government Departments and Agencies. It is a whole-of-government support system for those seeking international protection in Ireland. This review is focused on the system of providing accommodation to international protection applicants, which is overseen by the Reception and Integration Agency (RIA) of the DOJE. The European Union (EU) (recast) Reception Conditions Directive, (the Directive), which Ireland opted in to, was transposed into Irish law on the 30th of June 2018 by way of the European Communities (Reception Conditions) Regulations 2018¹ and lays down the standards for the reception of international protection applicants. The delivery of the provisions of the Directive, as set out in the transposing regulations, is the responsibility of a wide variety of Government Departments and services. These include the Department of Employment Affairs and Social Protection; the Department of Health, the Health Services Executive (HSE); the Department of Education and Skills; and, in the case of unaccompanied minors, Tusla – the Child and Family Agency.

Direct Provision in Ireland commenced on 10th of April 2000, providing international protection applicants with accommodation. These residential centres known as accommodation centres currently

¹ European Communities (Reception Conditions) Regulations 2018

provide full board accommodation and a range of services to applicants, such as health and education, while their applications are being processed. At present there are 39 centres in operation across the country. Seven of these centres are State-owned but private contractors manage all of the centres².

Expenditure

In 2018 expenditure on Direct Provision reached €78 million, which was at its highest level since 2010. Provisional figures provided by RIA indicate that this could exceed €120 million in 2019 based on most recent trends. The projected increase is mainly accounted for by the factors outlined in the box below.

² Doras Luimni, Direct Provision

What are the factors driving this significant increase?

- (i) The key determinant has been an increase in the number of international protection applicants seeking accommodation. 2018 saw an increase of approximately 20% year on year in new arrivals to Direct Provision accommodation centres. Current indications suggest new arrivals for the full year 2019 could increase by 40%.
- (ii) While the number of arrivals into Direct Provision centres are increasing, the number of people exiting the centres is not keeping pace with the arrival numbers. This is despite the fact that the process time for applications has reduced and the average time for 2018 stood at 14.3 months. Approximately 12% of residents have had a decision made on their Status yet remain within Direct Provision – this is mainly due to wider issues around housing supply.
- (iii) Coming into late 2018 and early 2019 it was clear that capacity pressures were emerging. In this regard the scope to increase capacity quickly was impacted by the requirement to go through lengthy procurement processes and in addition some local issues emerged which had the impact of negating planned new supply.
- (iv) In the context of capacity not being available, RIA were required to seek emergency accommodation to accommodate new applicants. In the context of a housing crisis and a healthy tourism sector, the prices of obtaining such accommodation has proved very costly, averaging approximately €100 per person per night.
- (v) On foot of a recommendation from the McMahon Report, the quality of accommodation being provided is gradually being upgraded. Consequently, new contracts for provision are reflecting a higher cost per place provided. This process partly commenced in 2017 but is being rolled out on a more widespread basis. The additional improved standards combined with provision for independent living is generating an increase of approximately 25% in costs. However, the increased costs are also a function of market developments generally.

- **Increased Expenditure 2019 v 2018**

The factors outlined above translate into an estimated increased cost of approximately €46 million when compared with the 2018 outturn and can be broken down into the following components in approximate terms as given in Table 1 below.

Table 1: Indicative Analysis of 2019 Expenditure Increase

| Expenditure heading | Approximate increase during 2019 | Reason |
|--|----------------------------------|---|
| Emergency Accommodation | €22 million | Increased use of hotels to meet demand. New accommodation centres not due to open until Q3 and Q4 2019. |
| Commercial Centres | €15 million | Contracts due for renewal mostly from mid-year onwards. An approximate increase of €10 million in 2019 is forecast. Primarily this cost arises from supply pressures in the accommodation market and changes to many accommodation centres offering increased independent living with consequential increases to the daily rates. This also reflects expanded capacity over 2018. |
| New Commercial centres expected to be opened | €7.5 million | Planned new centres required to meet additional demand with most expected to come on stream from Q3 2019. |
| Grant payments | €1 million | NGO's have been provided with additional funding to assist people with status to move from direct provision. |
| Total | €45.5 million | Approximate increase over 2018 Expenditure |

Source: [DOJE Estimates](#)

Furthermore, the outcome of the Brexit process also has the potential to further increase the pressures and costs on Direct Provision but these are not quantifiable at this point.

International comparisons

The report researches the position in relation to international protection applicant accommodation across a number of countries - UK (because of its proximity to Ireland), Sweden (as a Nordic country for comparison) and the three countries which had the largest number of first time asylum applications within the 28 EU countries in 2018; Germany, France and Greece.

In expenditure terms, it is hard to compare Ireland with its European peers as the support provided to international protection applicants and how it is provided to them, varies considerably between countries. Nonetheless, the report provides interesting findings including allowances paid to individuals and access to the workplace varies from country to country.

Alternative to Direct Provision Accommodation

A number of different alternative scenarios were examined in the report including;

- **More State accommodation**

The cost differences between centre types including the options around more State owned centres are examined. This report found that commercially owned centres' operational costs are approximately 44% more per person per day than State owned centres. However, there are additional costs for State owned centres which need to be considered here, in particular the initial capital costs of locating and buying or building the centre. While completely moving to State owned accommodation may not be feasible, increasing the number of these types of centres could lead to a reduction in current operational costs. Presently, increasing the number of state or commercially owned centres should lead to a reduction in costs, as an increase in capacity would reduce the usage of more expensive emergency accommodation. However, this option would require upfront capital investment.

- **Specialist not for profit accommodation**

An alternative model would be to contract with specialist not for profit accommodation providers to provide accommodation, potentially with contracted arrangements, which were substantially longer to allow for construction costs to be absorbed over a longer timeframe. This may be an appropriate option for groups of applicants who are particularly vulnerable.

- **Interdepartmental Group**

Given the recent placing of direct provision on a statutory footing and the current pressures being experienced within the system, the DOJE has established a high level Interdepartmental Committee to reconsider the State's response to managing persons seeking international protection in the context of its obligations under the Directive. This group will include consideration of alternative models of service provision.



Areas for consideration

A number of areas for further consideration are outlined in the report including;

- In order to have a robust process, it is essential to collect accurate and timely data in order to fundamentally assess any changes to the programme and their impacts to the system. An ability to track individuals as they move through the system would also be beneficial.
- Consideration should be given to the establishment of an early warning system to analyse future budgetary pressures while the development of a procurement process that is responsive to demand should be developed and implemented to minimise use of emergency accommodation.
- As expenditure is again anticipated to increase further next year, the completion of a further cost analysis or a Value For Money (VFM) Review of Direct Provision accommodation centres would be beneficial.
- Furthermore, as there are a number of departments involved in the overall direct provision process, a knowledge gap exists as to the full cost of direct provision to the government. Therefore, it may be worth investigating the costs of all aspects of the system.



Table of Contents

| | |
|---|-----------|
| Management Summary | i |
| 1 Introduction | 12 |
| 1.1 Background | 12 |
| 1.2 International Protection Applicants | 13 |
| 1.3 Overview of Direct Provision | 14 |
| 1.4 Rationale for Topic Selection | 15 |
| 1.5 Objectives of the review | 16 |
| 1.6 Methodology | 16 |
| 2 Spending on Accommodation Centres | 17 |
| 2.1 Trends of Estimated and Actual expenditure | 17 |
| 2.2 Breakdown of Accommodation Centre costs | 20 |
| 2.3 Factors Impacting Expenditure | 21 |
| 2.3.1 Number of Applicants | 21 |
| 2.3.2 Length of Application Time | 21 |
| 2.3.3 Procurement | 21 |
| 2.3.4 Daily Rates | 22 |
| 2.3.5 Independent Living | 23 |
| 2.3.6 Emergency Accommodation | 24 |
| 2.3.7 Labour Market Access | 25 |
| 3 Analysis of Trends in the Direct Provision system | 26 |
| 3.1 Migration Trends | 26 |
| 3.2 Number in Accommodation Centres | 27 |
| 3.2.1 New International Protection Applicants | 28 |
| 3.2.2 Arrivals and Outgoings | 30 |
| 3.2.3 Length of Stay | 30 |
| 3.2.4 Demographics | 32 |
| 3.3 International Protection Application Process Ireland | 34 |
| 3.3.1 Single Procedure | 35 |
| 3.3.2 Application Process | 36 |
| 3.3.3 Departments Involved in Process | 37 |
| 3.4 Demand pressures | 38 |
| 4 International review of Direct Provision Programmes | 39 |
| 4.1 Choice of comparator countries | 39 |
| 4.2 Overview of chosen different systems | 40 |
| 4.3 Summary of comparable countries | 44 |
| 4.3.1 UK | 44 |
| 4.3.2 Sweden | 45 |
| 4.3.3 Germany | 46 |
| 4.3.4 France | 48 |
| 4.3.5 Greece | 49 |
| 5 Alternatives to Management of Direct Provision | 50 |
| 5.1 Alternatives to Direct Provision accommodation | 50 |
| 5.1.1 Cost differences between centre types | 51 |
| 5.1.2 Increase capacity in areas with lower accommodation costs | 52 |

| | | |
|----------------|---|-----------|
| 5.1.3 | Savings if allowance reduced for those employed | 52 |
| 5.1.4 | Time limit on right to work | 53 |
| 5.1.5 | The cost of providing social welfare instead of accommodation centres | 53 |
| 5.1.6 | Interdepartmental Committee | 55 |
| 6 | Summary of findings..... | 56 |
| 6.1 | Key findings | 56 |
| 6.2 | Areas for consideration..... | 58 |
| Annex A | Glossary of terms | 61 |



List of Figures

| | |
|---|-----------|
| Figure 1.1: Immigration into Ireland in 2018 by Economic Status | 12 |
| Figure 2.1: Profile of Estimated & Actual Expenditure (2004 to 2018) | 19 |
| Figure 2.2: Profile of Accommodation Centres Expenditure 2014 to 2019 | 20 |
| Figure 2.3: Comparison between Accommodation Centres Daily Rate and Residential Rental Inflation Rate (2015 to 2018) | 23 |
| Figure 2.4: Emergency Accommodation Analysis 2019 | 25 |
| Figure 3.1: Number of applications for international protection from 1991 to end of 2018 | 27 |
| Figure 3.2: New applications accommodated by RIA | 29 |
| Figure 3.3: Proportion Accommodated by RIA 2009 to 2019 (f) | 29 |
| Figure 3.4: Duration of stay by applicants in State Provided Accommodation 2014 to 2018 | 31 |
| Figure 3.5: Breakdown of Residents (2008 to 2018) by Gender | 33 |
| Figure 3.6: Age Profile of Residents 2008 to 2018 | 33 |
| Figure 3.7: Institutions associated with international protection applicants (DOJE) | 35 |
| Figure 3.8: Overview of departments associated with Direct Provision | 37 |
| Figure 4.1: Proportions of EU-28 first time asylum applications per country 2018 | 39 |
| Figure 4.2: First time asylum applications per 100,000 of population 2017 | 40 |
| Figure 4.3: Average allocation of AMIF 2014 – 2020 and percentage of asylum applications per country from 2014 to 2018 | 44 |
| Figure 4.4: First time asylum applications in the UK | 44 |
| Figure 4.5: First time asylum applications in Sweden | 45 |
| Figure 4.6: First time asylum applications in Germany | 47 |
| Figure 4.7: First time asylum applications in France | 48 |
| Figure 4.8: First time asylum applications in Greece | 50 |

List of Tables

| | |
|---|-----------|
| Table 1: Indicative Analysis of 2019 Expenditure Increase | vi |
| Table 2.1: Breakdown of Accommodation Centre Spending Estimates (€'m) 2004 to 2018 | 18 |
| Table 2.2: Breakdown of Direct Provision costs (€'m) 2012 to 2018 | 20 |
| Table 3.1: Numbers accommodated by RIA 2009 to 2018 | 28 |
| Table 3.2: Arrivals and Outgoings from Accommodation Centres | 30 |
| Table 3.3: Proportion at different time lengths in centres (2015 v2019) | 32 |
| Table 4.1: Approximate standard allowance provided per country per person per week in 2018 | 42 |
| Table 4.2: Overview of right to employment in different countries in 2018 | 43 |
| Table 4.3: The approximate levels of financial allowance per week for 2019 in Sweden | 46 |
| Table 4.4: Approximate allowance per week in Germany 2018 | 47 |
| Table 4.5: Approximate allowance per week per household composition in France in 2018 | 49 |
| Table 5.1: Estimated allowance costs for 2018 | 54 |

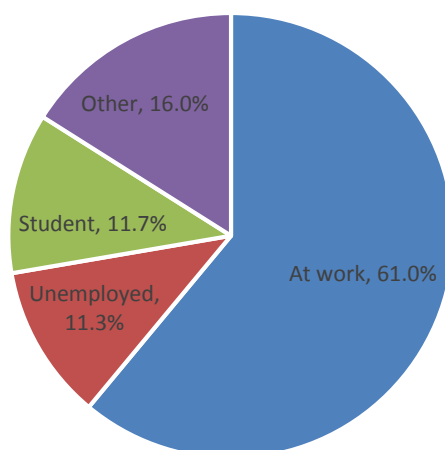


1 Introduction

1.1 Background

Migration is often a result of displacement because of complex social, political or environmental events resulting in people seeking refuge away from their domestic country. There has been an increase in migration into Ireland in recent years. According to the Central Statistics Office (CSO)³, the number of immigrants who entered Ireland in the year to April 2018 is estimated to have risen by 5.3% compared to the same period in 2017, from 75,800 to 78,800 immigrants. There was a 13% increase in total numbers in 2018 compared to the average of the last five years and a 30% rise compared to the ten year average. Many of these immigrants have come from EU member states and have EU free movement rights. In 2018, approximately 61% of these immigrants who came to Ireland came for work purposes, up 16% compared to 2017. Around 11.7% were students, while 11.3% were unemployed with immigrants classed as other making up the remaining 16% as shown in Figure 1.1 below. In contrast, emigration has declined leaving an estimate of net inward migration for Ireland in 2018 of approximately 29,800, the highest level of net inward migration since 2008.

Figure 1.1: Immigration into Ireland in 2018 by Economic Status



Source: CSO Population and Migration Trends 2018 Table 8

³ CSO, Population and Migration Estimates, 2018

1.2 International Protection Applicants

It is important to differentiate between migrants, international protection applicants and refugees. An international protection applicant is a person who seeks recognition as a refugee in accordance with the terms of the 1951 Geneva Convention Relating to the Status of Refugees and the related 1967 Protocol, which provide the foundation for the system of protection for refugees generally⁴. A refugee is defined as per section 2 of the International Protection Act 2015 as "*a person who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his or her nationality and is unable or, owing to such fear, is unwilling to avail himself or herself of the protection of that country; or who, not having a nationality and being outside the country of his or her former habitual residence, is unable or, owing to such fear, is unwilling to return to it*"⁵.

The State has a legal obligation to provide accommodation and reception services to international protection applicants as Ireland opted into the EU (recast) Reception Conditions Directive⁶. Material reception conditions (accommodation and related services) are provided in line with the above statutory instrument (SI), whereas before this was done on an administrative basis. People seeking international protection can arrive in the State in different ways: in a planned or managed way; under UN resettlement programmes and under EU relocation and resettlement programmes; or arrive in an unplanned way, independently of any formal programme, and seek international protection on arrival. The first two groups mentioned above will usually be accommodated in a number of Emergency Reception and Orientation Centres (EROCs), while the latter are offered accommodation in Accommodation Centres (or more recently in emergency accommodation).

The DOJE has responsibility for all of the pathways involving international protection applicants in Ireland. Once a person has submitted an application for international protection, the International Protection Office⁷ (IPO) reviews the applicant's case. The IPO is an office with independent functions set down in law within the Irish Naturalisation and Immigration Service (INIS) responsible for processing applications for international protection under the International Protection Act 2015. It

⁴ Reception and Integration Agency FAQ

⁵ Irish Statute Book, 2015

⁶ European Communities (Reception Conditions) Regulations 2018

⁷ International Protection Office

also considers, as part of a single procedure process, whether applicants should be given permission to remain – a discretionary power of the Minister. The Chief International Protection Officer of the IPO and international protection officers are independent in the performance of their international protection functions. Any negative recommendation by the IPO can be appealed to the International Protection Applications Tribunal⁸ (IPAT). Positive recommendations are made to the Minister for Justice and Equality who will decide to make a declaration as to whether the applicant is entitled to protection or not. More information on the process is given in section 3.3.

1.3 Overview of Direct Provision

A dramatic rise in the number of international protection applications was seen in Ireland in the late 1990s, this led to the establishment of the Reception and Integration Agency (RIA) in 2000 under the aegis of the Department of Justice and Equality. In Ireland once a person makes an application to the IPO, they must be offered accommodation and access to certain services under the current regulations.

RIA provides applicants with full board accommodation in reception centres and certain ancillary services while their applications for international protection are being processed⁹. It is a way of meeting the basic needs of food and shelter for international protection applicants directly while their applications are being decided upon. All international protection applicants are offered accommodation following the making of their application but there is no legal requirement to accept it. A person who does not avail of accommodation in one of the centres is ineligible for the daily expense allowance. An international protection applicant who avails of accommodation may leave it at any time and a person who does not accept the initial offer may change their mind subsequently. Accommodation centres are located around Ireland, including former hotels, guest-houses, hostels, and apartments. Each centre is safe and secure while regular meals are provided along with other services such as laundry etc.¹⁰

International protection applicants in accommodation centres are also entitled to supports in education, legal support and social welfare while access is provided to the same basic health services

⁸ International Protection Appeals Tribunal

⁹ Reception and Integration Agency (RIA)

¹⁰ Irish Naturalisation and Immigration Service, Asylum Support

as an Irish citizen. This includes medical prescriptions, dental care, optician care, pregnancy services and children's health. If an international protection applicant has children between the ages of 6 and 16, they must attend school. Second level education is free although some payments may be needed from time-to-time. Third level¹¹ education supports are also in place under the Pilot Student Support Scheme. The scheme, which was introduced in 2015 with eligibility rules amended in 2019, provides supports in line with the current Student Grant Scheme to eligible school leavers who are in the protection system (other than those at the deportation order stage). Language support where possible is also provided. Once in accommodation, international protection applicants are given a small payment each week. As of March 2019, each adult receives €38.80 per week while each child receives €29.80 per week, which increased from €21.60 per week for both adults and children as part of the recommendations from the McMahon report¹². Some other key recommendations in that report include access to the labour market and independent living accommodation centres.

The Department of Employment Affairs and Social Protection is responsible for paying the travel costs of residents to events such as medical or legal appointments under the Exceptional Needs Payments (ENP) scheme¹³. International protection applicants can get legal assistance from the Legal Aid Board (LAB) to help with their application or appeals and may be given other services based on their needs. Some examples of services are; translation, exceptional needs payments, language classes for adults and support in the transition to independent living.

1.4 Rationale for Topic Selection

This spending review focuses only on expenditure under the control of the DOJE, however it must be noted that demands on the Direct Provision programme can result in activity for other departments. The provision of accommodation and ancillary services represented a budgetary cost of approximately €78 million in 2018¹⁴, which was over 3% of the total Justice and Equality Vote Group allocation of €2.7 billion in Budget 2018¹⁵. This expenditure is increasing significantly and in 2018,

¹¹ Department of Education and Skills, Press Release, September 7th 2018

¹² Working Group to Report to Government on Improvements to the Protection Process, including Direct Provision and Supports to Asylum Seekers, Final Report, June 2015

¹³ Ombudsman Direct Provision

¹⁴ Department of Public Expenditure and Reform

¹⁵ Irish Government's Expenditure Data

Direct Provision expenditure was up 16% from €67 million in 2017 and up 17% on its original estimate. Indications for 2019 are showing expenditure on accommodation centres is expected to reach and potentially exceed €120 million¹⁶.

Direct Provision has been subject to a number of reviews in recent years. The most significant of these reviews was the report to government on Improvements to the Protection Process, including Direct Provision and Supports to Asylum Seekers which was undertaken by a multi-agency group chaired by Dr Bryan McMahon¹⁷. That study focused on a number of themes in relation to the centres, supports and the processing of applications, which led to a number of recommendations. A similar review is outside the scope of this study with the principal focus of this paper on accommodation centre expenditure.

1.5 Objectives of the review

This spending review paper will examine the following areas:

- Expenditure trends – Measure expenditure currently and compare versus expenditure over time;
- Spending pressures – Identify what is causing spending pressures in each area;
- International Practice – Compare and contrast against similar systems in the European Union;
- Alternative to Direct Provision Option – Review some alternative options.

Please note that this paper does not focus on the total costs of international protection applications in Ireland. It only focuses on DOJE expenditure in relation to direct provision accommodation and not expenditure to other departments involved in direct provision in areas such as education, health and social welfare. Therefore, the true cost of direct provision is relatively unknown. Although there are a number of departments involved in the process, due to time constraints, it was not possible to review the overall expenditure.

1.6 Methodology

The approach to the review is desk based making use of data collected by the relevant agencies. These agencies and sources include:

¹⁶ Information received from RIA

¹⁷ McMahon Report, 2015

- CSO, DOJE, INIS and RIA data on expenditure & spending;
- Published policy documents on previous reform initiatives of the Direct Provision programme in Ireland; and
- Publically available information on Direct Provision.

As part of the quality assurance process, there was also significant engagement with INIS and RIA of the DOJE and the Justice Vote section of the Department of Public Expenditure and Reform. Given the limited nature of the report and short time frame wider stakeholder consultation was not undertaken on this review.

2 Spending on Accommodation Centres

2.1 Trends of Estimated and Actual expenditure

In Table 2.1 below, taken from the appropriation accounts published in the Comptroller & Auditor General Annual Report¹⁸, the breakdown of spending estimates and the outturn on accommodation and related services from 2004 to 2018 is shown. The appropriation account also compares the outturn and the total estimate (original estimate plus any supplementary estimate) along with the outturn and the original estimate. Estimated expenditure over this time period was on average €70 million with outturn expenditure almost 6% higher on average at €74 million. In 2018, the outturn expenditure was just over €78 million, which was at its highest level since 2010 and 5% higher than the average expenditure over the fifteen years. Comparing 2018 to 2017, the outturn was 16% higher and a supplementary estimate was required in 2018 unlike the previous year.

¹⁸ Comptroller & Auditor General Annual Report

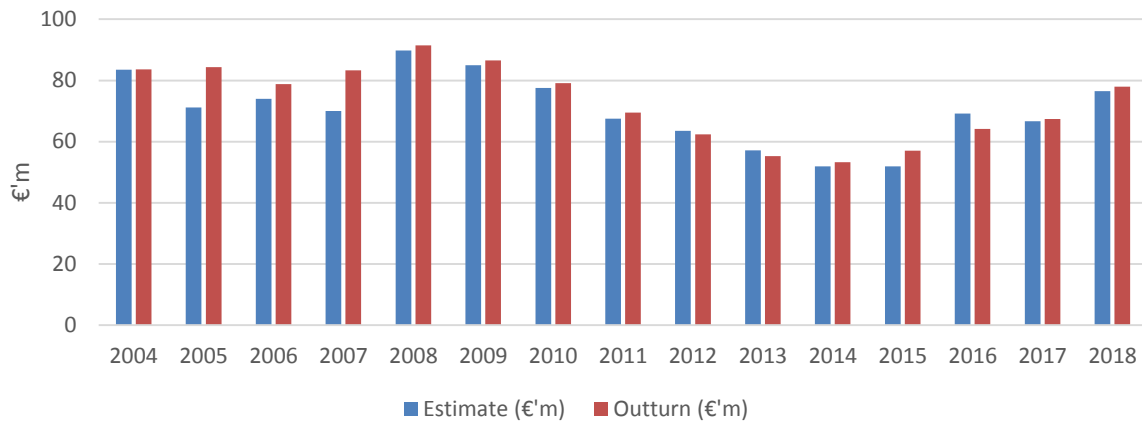
Table 2.1: Breakdown of Accommodation Centre Spending Estimates (€'m) 2004 to 2018

| Year | Original Estimate | Supplementary Estimate | Total Estimate | Outturn | Outturn v Total Estimate | Outturn v Original Estimate |
|------|-------------------|------------------------|----------------|---------|--------------------------|-----------------------------|
| 2004 | 69,254 | 14,246 | 83,500 | 83,634 | 0% | 21% |
| 2005 | 71,130 | | 71,130 | 84,382 | 19% | 19% |
| 2006 | 74,011 | | 74,011 | 78,811 | 6% | 6% |
| 2007 | 70,020 | | 70,020 | 83,262 | 19% | 19% |
| 2008 | 74,310 | 15,500 | 89,810 | 91,472 | 2% | 23% |
| 2009 | 67,392 | 17,600 | 84,992 | 86,510 | 2% | 28% |
| 2010 | 77,492 | | 77,492 | 79,074 | 2% | 2% |
| 2011 | 67,492 | | 67,492 | 69,460 | 3% | 3% |
| 2012 | 63,497 | | 63,497 | 62,330 | -2% | -2% |
| 2013 | 57,186 | | 57,186 | 55,228 | -3% | -3% |
| 2014 | 51,936 | | 51,936 | 53,217 | 2% | 2% |
| 2015 | 51,936 | | 51,936 | 57,025 | 10% | 10% |
| 2016 | 69,120 | | 69,120 | 64,137 | -7% | -7% |
| 2017 | 66,620 | | 66,620 | 67,359 | 1% | 1% |
| 2018 | 66,620 | 9,880 | 76,500 | 78,009 | 2% | 17% |

Source: IGEE unit DOJE (based on Office of the Comptroller & Auditor General)

As per Figure 2.1 below, with the exception of three years out of the fifteen years, the outturn has been greater than the total estimate. This indicates that it is very difficult to predict the levels of expenditure in this area, so any efficiencies that can be made are of vital importance. The largest expenditure over runs occurred between 2005 and 2007 where actual expenditure was 19% higher than the original estimate. Over the 15 years in question, the outturn was on average approximately 4% greater than the total estimate figure and 9% higher than the original estimate. In 2018, the outturn was 2% higher than the estimated expenditure in the appropriation account and 17% higher than the original estimate. Current indications for 2019 are that expenditure could increase to, or even exceed €120 million which would represent an increase of over 50% compared to the 2018 outturn. Furthermore, the outcome of the Brexit process has the potential to further increase the pressures and costs on Direct Provision but these are not quantifiable at this point.

Figure 2.1: Profile of Estimated & Actual Expenditure (2004 to 2018)



Source: IGEES unit DOJE (based on data from the Office of the Comptroller & Auditor General)

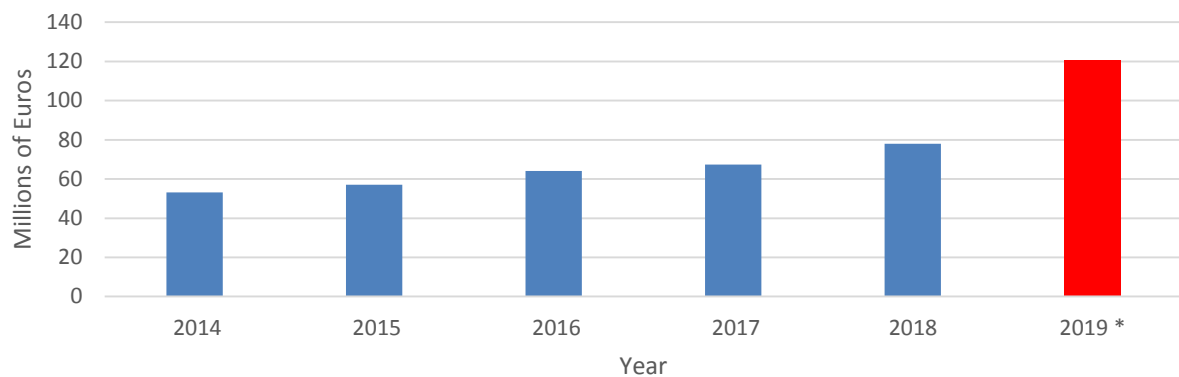
In 2015 the Comptroller and Auditor General carried out a report into the procurement and management of contracts for accommodation centres. One of the recommendations was that the procurement process needed to be changed from advertising for expressions of interest to using the evaluation methodology used by commercial suppliers of accommodation with negotiated procedure provided for in EU procurement rules¹⁹. This, coupled with the higher standards included within the requirements for tender has been noted by RIA as reasons for increased expenditure in accommodation centres. It was also noted by RIA that the contracts have increased from 2 years to 4 years (2 years with 2 mutually agreeable 12 month extensions), giving greater stability in reducing the potential churn in accommodation centres.

Figure 2.2 below shows the trend in outturn expenditure for accommodation centres from 2014 up to the end of 2019 (projected). Expenditure in 2014 was just over €53 million, this has risen steadily up until 2018 where it reached approximately €78 million. Projected expenditure figures supplied by RIA indicate that the expenditure could reach, even exceed €120 million in 2019, an increase of around 55% year on year. A major contributing factor to this figure is that RIA is currently spending approximately €500,000²⁰ per week on emergency accommodation, with approximately €8 million being spent on emergency accommodation in 2019 up until the end of June.

¹⁹ Comptroller and Auditor General, Procurement and Management of Contracts for Direct Provision, 2015

²⁰ Estimated figure provided by RIA, June 2019

Figure 2.2: Profile of Accommodation Centres Expenditure 2014 to 2019



Note: * Projected 2019 expenditure figure from RIA

Source: IGEES unit DOJE based on information from RIA

2.2 Breakdown of Accommodation Centre costs

Table 2.2 below shows a breakdown of direct provision expenditure. As can be seen around 97% of the total costs are spent on accommodation. Other costs include contributions to pre-school, operational expenses and transport. The 2018 expenditure was the highest recorded between 2012 and 2018 at 20% higher than the average costs over the time period. Compared to 2017 there was a 16% rise in the overall budget. Aside from the significant jump in accommodation costs, there were also increases in transport, pre-school and miscellaneous costs.

Table 2.2: Breakdown of Direct Provision costs (€'m) 2012 to 2018

| Expenditure Type | 2012 | 2013 | 2014 | 2015 | 2016 | 2017* | 2018* |
|---|--------|--------|--------|--------|--------|--------|--------|
| Accommodation | 59.971 | 53.307 | 51.071 | 54.895 | 60.327 | 65.407 | 75.170 |
| Pre-school (contributions towards some costs) | 0.114 | 0.112 | 0.101 | 0.127 | 0.112 | 0.095 | 0.107 |
| Additional costs at State-owned centres (incl. gas, oil, water, sewage, etc.) | 2.109 | 1.746 | 1.972 | 1.879 | 3.558 | 1.742 | 1.512 |
| Transport costs (under dispersal policy) ** | 0.071 | 0.036 | 0.046 | 0.103 | 0.129 | 0.093 | 0.182 |
| Miscellaneous | 0.065 | 0.027 | 0.027 | 0.021 | 0.011 | 0.022 | 1.038 |
| Total Expenditure | 62.330 | 55.228 | 53.217 | 57.025 | 64.137 | 67.359 | 78.009 |

Notes:

* This figure also includes an amount for EROC centres.

**This represents direct spending by RIA on costs in relation to transport to reception centres and to accommodation centres located throughout the State under the dispersal policy. Individual centres may also provide transport (e.g. into local town or city) for residents but this cost is subsumed into the overall contract price.

Source: IGEES unit DOJE based on information from RIA

2.3 Factors Impacting Expenditure

The following section looks at some of the controllable and uncontrollable factors impacting expenditure such as demand, rising centre costs (through revised procurement), the cost of emergency beds and labour access.

2.3.1 Number of Applicants

RIA has a statutory responsibility to provide accommodation to all persons seeking international protection. The demand for this is unpredictable. From a cost perspective, the greater the volume of persons requiring accommodation, while seeking protection, the greater the costs involved and this is an uncontrollable factor. Between January 2017 and 30th June 2019 RIA has seen an increase of 59% in the total numbers requiring its services (from 4,425 persons in January 2017 to 7,016 persons on the 30th June 2019). More information is given on trends in applicants in section 3.1.

2.3.2 Length of Application Time

The total number of applicants requiring accommodation is related to the length of time taken to reach a final consideration of each application. Reductions in processing times is a factor which is within the Department's control and remains an active target. More information on the processing time is given in section 3.3 below.

2.3.3 Procurement

At present, procuring accommodation centres is proving difficult for RIA. There would appear to be fewer suitable premises available on the market, the purchase and conversion costs have significantly increased for potential contractors, and recent fire setting incidents in proposed new centres has possibly affected the market interest in service provision and increased insurance costs within the sector. As RIA is operating above capacity it has had to procure emergency accommodation from the hotel/guest house sector. This is significantly more expensive than RIA accommodation centre costs. Costs have further increased due to higher season pricing for the summer period. Based on the Comptroller and Auditor General Report²¹, RIA has revised its procurement process, which is now mainly processed through open competition on eTenders. A regional procurement process utilising that model is currently underway. A further difficulty is the timeline from

²¹ Comptroller and Auditor General, *Procurement and Management of Contracts for Direct Provision*, 2015

the publication of the tender through to award of contract, which at present is between 6-8 months, less than optimal in order for RIA to increase capacity in responding to increased demand. The need for emergency accommodation is further compounded by the impacts of the housing crisis whereby applicants who receive positive decisions to remain cannot access housing in the community. RIA is currently housing in excess of 780 such persons or just over 12% of all persons accommodated in centres who have status but cannot access housing in the community.

2.3.4 Daily Rates

The current procurement model generally uses contracts based on capacity. An advantage of contracting for capacity instead of occupancy is that by offering the supplier a guaranteed income the supplier can quote a cheaper daily rate. This rate is the cost per person per day and can have a significant bearing on the overall cost of accommodation provided. The average daily rate across all commercial accommodation centres was €35.50 per day in 2018, which was a rise of almost 7% compared to 2017 levels.

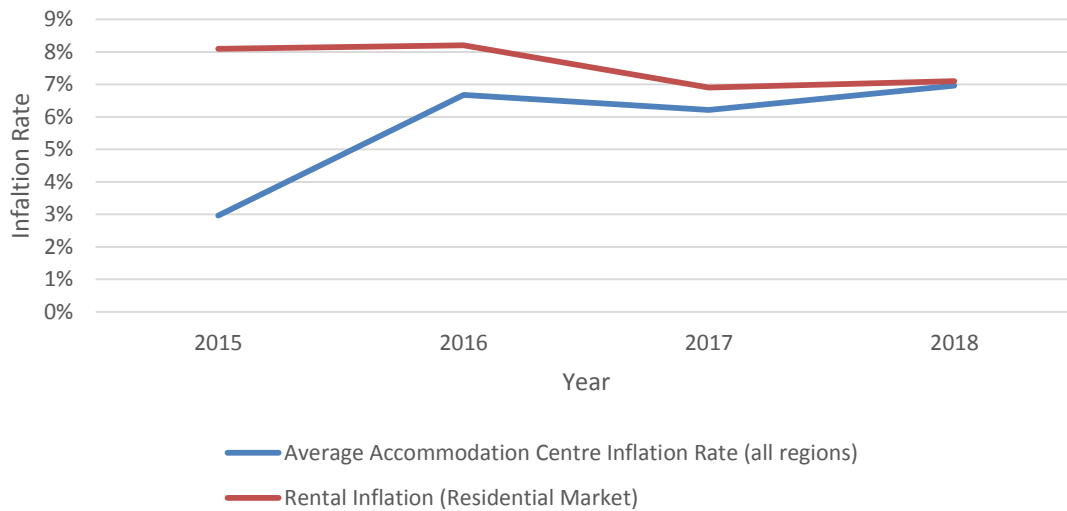
Any swing in the average daily rates can have a large impact on overall expenditure. A Value for Money²² study carried out in 2010 found that for every €1 increase in the daily rate could lead to an additional spend of €50,000 on an average commercial contract. On an annual basis, this was estimated to cost almost €3 million based on an overall capacity of over 7,000 places, as was the case in 2010. Estimating a €1 increase in the average daily rate for 2018 based on 39 centres with a capacity of approximately 6,148 as was the case in 2018, would equate to an increase of almost €2.3 million per annum. Daily rates will need to be re-examined as more accommodation centres provide independent living in 2019, it remains a target that all centres by the end of 2020 will be independent living centres which together with additional factors will add significantly to expenditure.

To get a comparative picture, it is important to compare the average daily rate of inflation across all regions in each year and to compare it with the residential rental inflation over the same time period. Figure 2.3 below is a comparison of inflation rates between the daily rate for accommodation centres and the inflation rate for rent in the residential market. The average inflation rate for the daily rate for accommodation centres across all regions was 6% while the average inflation

²² Report on Asylum Seeker Accommodation Programme, RIA, 2010

rate for residential renting was 8% between 2015 and 2018. On average, the accommodation centre inflation rate was below the residential rental inflation rate but they almost converged in 2018.

Figure 2.3: Comparison between Accommodation Centres Daily Rate and Residential Rental Inflation Rate (2015 to 2018)



Note: The inflation rate for accommodation centres only takes into account commercially owned centres and not state owned or independent living centres.

Source: IGEEES unit DOJE

2.3.5 Independent Living

Independent living in accommodation centres was one of the main recommendations in the McMahon Report. This model is where residents can obtain food and other products for personal use from a dedicated food hall in a centre using a cashless points system. Independent living commenced in 2017 and by the end of that year, 955 residents across three centres were using this model based on information received from RIA. In August 2018, RIA in conjunction with the Office of Government Procurement (OGP) published the first of a series of regional tenders for accommodation centres. The Request for Tender (RFT) specifies that the award of a contract is conditional on the implementation of independent living. RIA anticipates a significant increase in the number of centres moving to the independent living model during 2019 and that all commercial centres will have moved to operating using that model in 2020. Three further centres moved to independent living during the first part of 2019, bringing the total number of residents with access to independent living to 2,422²³.

²³ Information received from RIA

Comparing the average daily rate for independent living centres to non-independent living, it is estimated that the current average daily cost is €44.15 for independent centres, which is 24% higher than the cost estimated for non-independent living commercial centres. Meeting these higher standards of accommodation is therefore adding to the higher daily rates in 2019 and ultimately increased expenditure. Furthermore, as there is a target to have all centres operating under this model by the end of 2020, this is likely to result in further increases in expenditure.

2.3.6 Emergency Accommodation

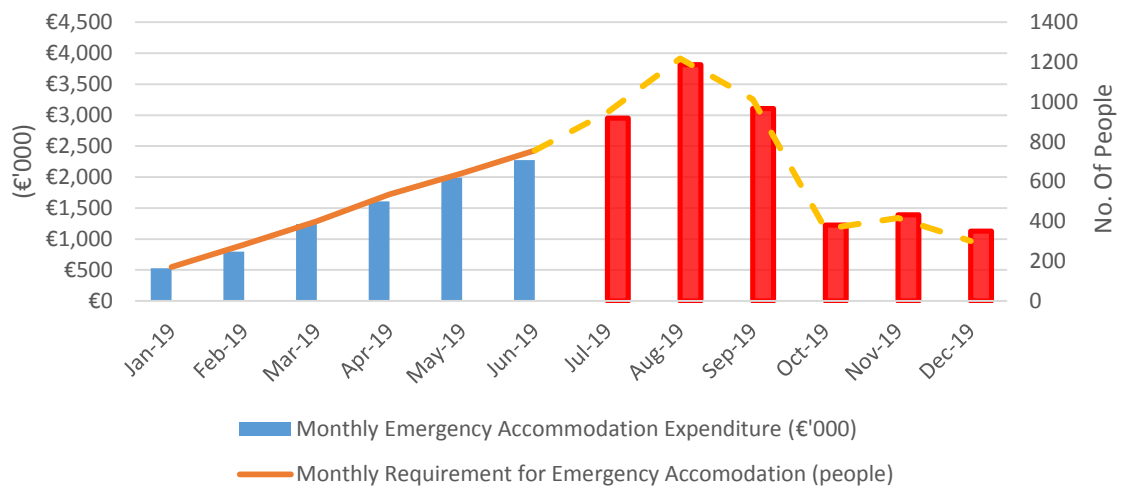
As mentioned above in section 2.3.3, RIA has been encountering significant upward pressure on its accommodation portfolio. This pressure has increased further in recent months with an increase in the number of persons claiming international protection and a growth in the percentage of international protection applicants who require assistance with accommodation. A consequence of this is that RIA no longer has a buffer of spaces available in centres. In order to ensure that the state can continue to provide material reception conditions for all protection applicants and continue to comply with the EU Reception Directive, RIA has since September 2018, arranged for the provision of emergency beds where mainstream accommodation centres were at capacity.

In most cases, RIA does not have exclusive use of any of these emergency hotels and they continue to operate as commercial entities. Applicants are accommodated there for a short period before they are moved into the mainstream accommodation system where they will have full access to all the services provided by the state to protection applicants²⁴. In 2018, the requirement for emergency accommodation did not emerge until September and at the end of the year there were 219 people accommodated in such accommodation. As of June 30th 2019 there are 936 applicants accommodated in emergency accommodation which represents in excess of a fourfold increase since the beginning of the year. In terms of costs, it is estimated emergency accommodation is costing approximately €500,000 per week.

Figure 2.4 below is an analysis of monthly requirement for emergency accommodation from RIA and expenditure with indicative estimates for the remainder of the year.

²⁴ Information received from RIA

Figure 2.4: Emergency Accommodation Analysis 2019



Source: DOJE Estimates. Note figures from July to December are indicative estimates.

Overall, the increase in the requirement to use emergency accommodation is estimated to cost in the region of €22 million for the full year 2019. Additional costs of approximately €15 million will arise in relation to existing commercial centres and approximately €7.5 million will arise from new commercial centres expected to be open before the end of 2019. These factors, coupled with around €1 million additional support to NGOs to help those with status exiting accommodation centres would lead to an additional estimated expenditure at the end of 2019 of around €46 million, compared with the 2018 outturn.

2.3.7 Labour Market Access

Labour market access is one of a series of reforming measures that were introduced as recommended in the McMahon report. International protection applicants can apply for a labour market access permission from the Minister for Justice and Equality nine months from the date when their protection application was lodged, if they have yet to receive a first instance recommendation from the IPO, and if they have cooperated with the process. The costs to the DOJE associated with granting international protection applicants permission to work are largely limited to the administration of labour market access i.e. the staffing of the Labour Market Access Unit (LMAU) in the DOJE. It is important to note that the policy of allowing labour market access could bring financial benefits to the exchequer of potentially €2.5 million per annum in savings. This figure is based on

an estimate of 1,229 employers/applicants who have indicated they have commenced employment or self-employment²⁵ who would no longer be in receipt of the weekly allowance of €38.80 a week once recoupment mechanisms are in place. Labour market access is described in more detail in section 5.1.3 which examines the potential contribution of employed international protection applicants to the accommodation costs.

3 Analysis of Trends in the Direct Provision system

3.1 Migration Trends

Eurostat²⁶ defines immigration as “the action by which a person establishes his or her usual residence in the territory of a Member State for a period that is, or is expected to be, of at least 12 months, having previously been usually resident in another Member State or a third country”. According to Eurostat figures, some 4.4 million people immigrated to EU-28 Member States during 2017 with an estimated 2 million citizens of non-EU countries²⁷.

Figure 3.1 below looks at the number of applications made between 1991 and 2018. As can be seen, the number of applications peaked in 2002 at nearly 12,000 with the highest number of applications between the years 2000 and 2002 shortly after the establishment of Direct Provision. During the recession years, this number dropped to under 2,000. In 2018, the number of applications reached 3,673, which was the largest number of applications received since 2008. This number is also higher than the 10-year average between 2009 and 2018, which was 2,139 applications. Indications for 2019 are for a higher number of international protection applications again which would add to the pressures already experienced in terms of accommodation supply and costs. Applications for the year to the end of June 2019 were standing at 2,234 applications, which represents a rise of 62% compared to the 1,381²⁸ applications in the same period in 2018. As previously noted the number of applications is an uncontrollable factor impacting expenditure.

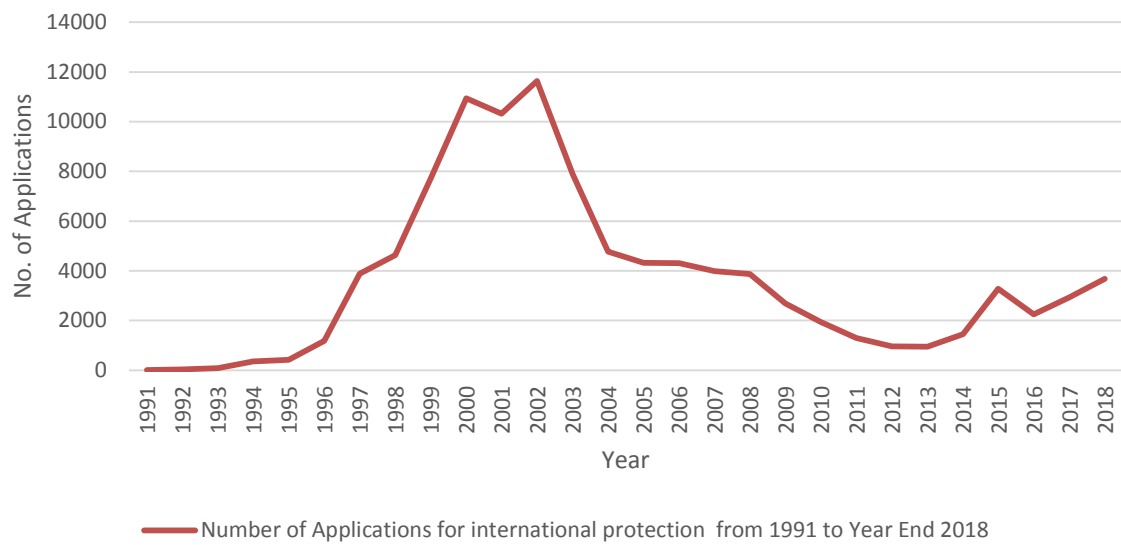
²⁵ DOJE Press Release, June 30th 2019

²⁶ Eurostat Glossary

²⁷ Eurostat Migration and migrant population statistics

²⁸ Figures received from INIS in July 2019. 2018 figures exclude applications under the EU relocation programme

Figure 3.1: Number of applications for international protection from 1991 to end of 2018



Source: IGEEES unit DOJE

3.2 Number in Accommodation Centres

There was a rise in the number of people in accommodation centres in 2018 with the 6,139 accommodated by RIA the highest since 2010 as shown in Table 3.1 below. There was a 20% rise in numbers accommodated by RIA in accommodation centres in 2018 compared to 2017 while compared to the 10-year average there was an 18% increase. It should also be noted that there has been a rise in the number of accommodation centres with 39 in 2018, the highest number of centres since 2011. As of June 30th 2019 there were 7,018²⁹ occupants in accommodation provided by RIA, including 6,082 in accommodation centres and 936 in emergency accommodation, while for the full year 2019 this figure is forecast to increase to approximately 7,700 people.

²⁹ Information received from RIA

Table 3.1: Numbers accommodated by RIA 2009 to 2018

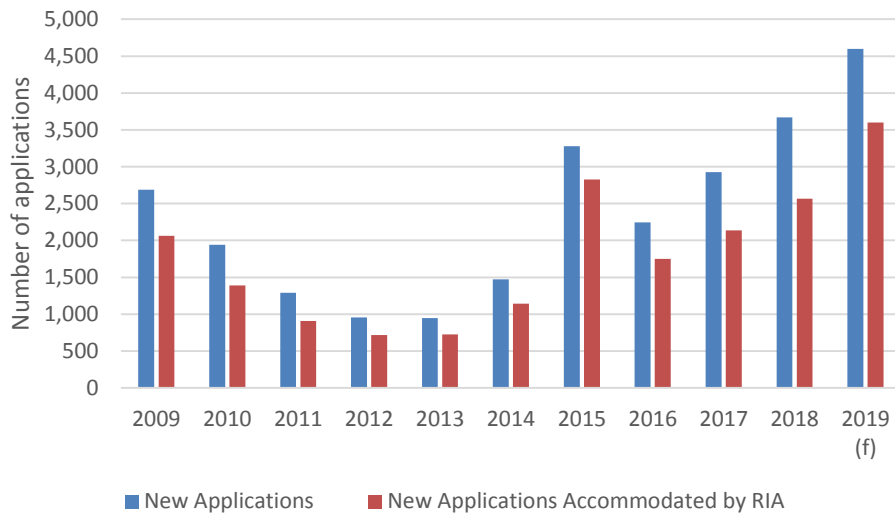
| Year | Centres | RIA Capacity | RIA Occupancy |
|------|---------|--------------|---------------|
| 2009 | 54 | 7,779 | 6,494 |
| 2010 | 46 | 7,040 | 6,107 |
| 2011 | 39 | 5,984 | 5,423 |
| 2012 | 35 | 5,458 | 4,841 |
| 2013 | 34 | 5,047 | 4,360 |
| 2014 | 34 | 5,084 | 4,364 |
| 2015 | 35 | 5,449 | 4,696 |
| 2016 | 33 | 5,230 | 4,425 |
| 2017 | 34 | 5,503 | 5,096 |
| 2018 | 39 | 6,148 | 6,139 |

Source: IGEES unit DOJE based on RIA year end figures

3.2.1 New International Protection Applicants

Figure 3.2 below shows the number of new international protection applicants accommodated in centres by RIA. As stated previously there is no requirement for an international protection applicant to avail of accommodation services if they do not wish to. This is one reason that new international protection applicants overall and new international protection applicants accommodated by RIA are not the same. Another reason is that RIA tries to ensure there is a ‘buffer’ of extra bed spaces to match the need for accommodation and to account for unusable spaces due to family configuration. In the context of pressures in 2019, it has not always been possible to maintain a buffer, meaning accommodation centres are operating at full capacity, which has consequently put pressure on the ability to do normal maintenance work in the centres. It should also be noted that there are no indications of any change in the upward trend in international protection applications, which suggests pressures will continue for the remainder of 2019 and into 2020.

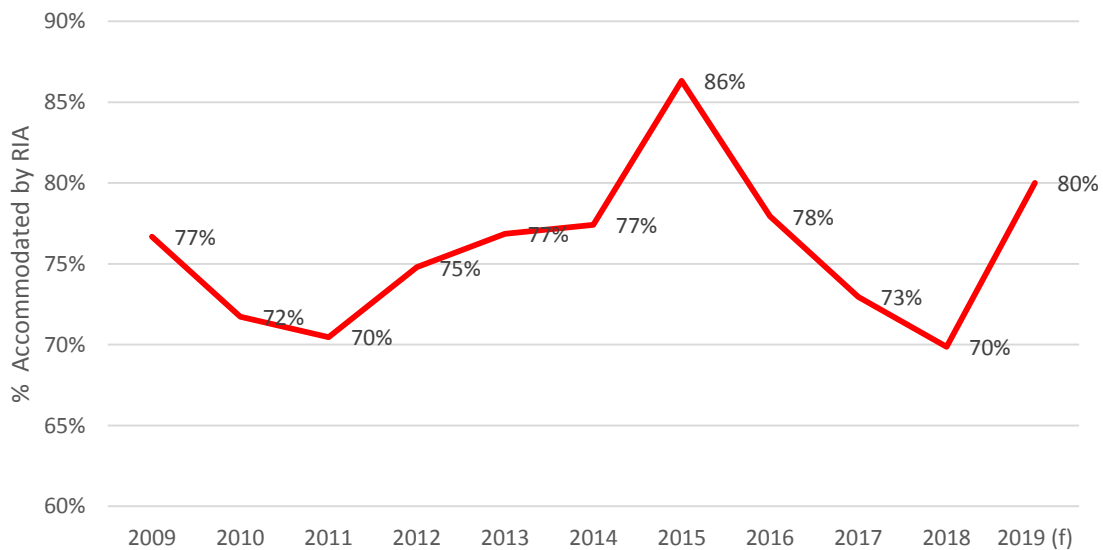
Figure 3.2: New applications accommodated by RIA



Source: INIS and RIA. Note 2019 are forecast figures

As can be seen from Figure 3.3 below, at least 70% of international protection applicants were accommodated by RIA in 2018, which was the lowest level since 2011. The highest proportion of international protection applicants accommodated by RIA was 86% in 2015, and on average over the 10-year period between 2009 and 2018, this figure was 76%. Indications for 2019 are already pointing to an upward trend in applications and the proportion accommodated by RIA.

Figure 3.3: Proportion Accommodated by RIA 2009 to 2019 (f)



Source: IGEES unit DOJE based on RIA data. Note 2019 is a forecast figure

3.2.2 Arrivals and Outgoings

Table 3.2 below looks at the churn figures for RIA per month from January 2017 to December 2018, which gives the number of new arrivals and outgoings from accommodation centres. In total in 2018, there were 2,564 new arrivals into RIA accommodation centres, which was up 13% compared to 2017. In contrast, outgoings from accommodation centres were down 3% in 2018 compared to 2017. On average in 2017 and 2018, the number of arrivals has been more than 1.5 times the number of outgoings. In 2018, new arrivals accounted for 42% of the capacity while leavers made up 25% of the capacity.

Table 3.2: Arrivals and Outgoings from Accommodation Centres

| Month | Arrivals 2017 | Arrivals 2018 | % ch | Outgoings 2017 | Outgoings 2018 | % ch |
|--------------|---------------|---------------|-----------|----------------|----------------|-----------|
| January | 129 | 257 | 99 | 127 | 171 | 35 |
| February | 173 | 167 | -3 | 68 | 126 | 85 |
| March | 84 | 171 | 104 | 97 | 71 | -27 |
| April | 229 | 170 | -26 | 131 | 147 | 12 |
| May | 205 | 144 | -30 | 170 | 115 | -32 |
| June | 171 | 169 | -1 | 132 | 128 | -3 |
| July | 174 | 230 | 32 | 185 | 149 | -19 |
| August | 141 | 267 | 89 | 94 | 118 | 26 |
| September | 244 | 251 | 3 | 98 | 153 | 56 |
| October | 301 | 253 | -16 | 336 | 149 | -56 |
| November | 210 | 212 | 1 | 128 | 131 | 2 |
| December | 204 | 273 | 34 | 28 | 87 | 211 |
| Total | 2,265 | 2,564 | 13 | 1,594 | 1,545 | -3 |

Source: IGEEES unit DOJE based on information from RIA

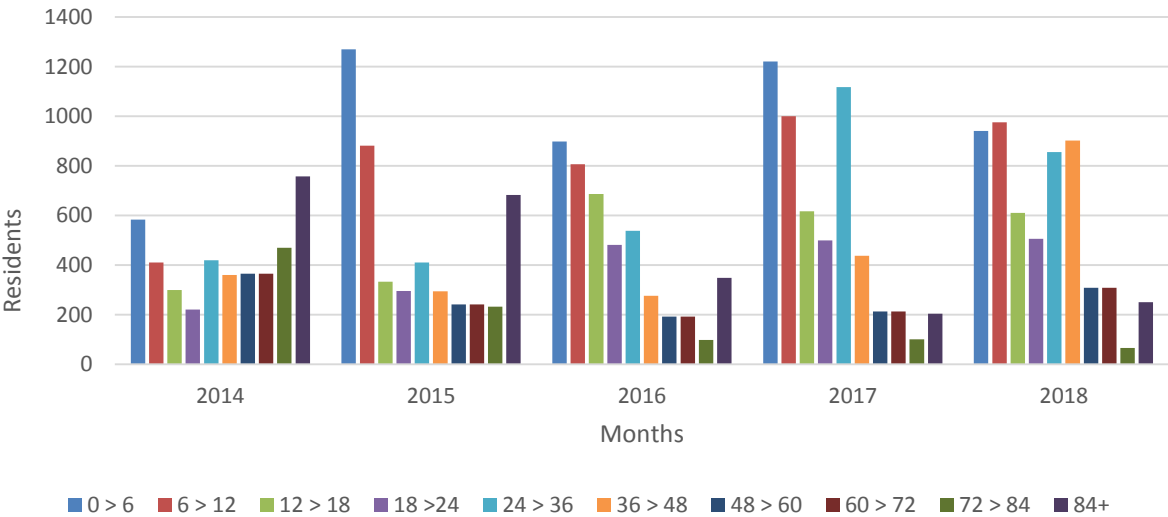
3.2.3 Length of Stay

Figure 3.4 below outlines the length of stay of occupants in accommodation centres from 2014 to 2018. Around 60% of all occupants were in accommodation centres between 18 and 45 months. Efforts have been made to reduce the length of time by streamlining the application process and the restructuring of agencies such as the IPO taking over applications from the ORAC unit. On the

other hand unless Ireland’s housing problem eases in the future, finding accommodation for residents of accommodation centres whose application is successful will prove extremely difficult thus increasing the length of time an individual or families remain in accommodation centres.

Residents who have been granted refugee status or a permission to remain have the same access to housing supports and services as Irish and European Economic Area (EEA) nationals. Work is being undertaken by RIA to support these residents to move out of accommodation centres and into secure permanent accommodation. Their work is enhanced through the funded transitional support work provided by DePaul Ireland and the Peter McVerry Trust. A number of Non-Governmental Organisations (NGO) have also been awarded monies under the EU Asylum, Migration and Integration Fund (AMIF). These include the PATHS project and South Dublin County Partnership. Additionally, RIA is liaising with officials in the Department of Housing, Planning and Local Government, and the City and County Managers Association collectively to support residents with permission to remain to access housing options.

Figure 3.4: Duration of stay by applicants in State Provided Accommodation 2014 to 2018



Source: IGEEES Unit DOJE

Table 3.3 below shows the percentage of international protection applicants residing in RIA accommodation at different time lengths as at the end of Q1 2019 compared to figures published in the McMahon Report in 2015. It is clear that there has been reduction in the length of time residents spend in accommodation centres. As can be seen there has been an increase in the proportion of residents who spend two years or less in accommodation centres, from 32% in 2015 to 68%

at the end of Q1 2019. Furthermore, there has been a reduction of 42% in the proportion of people who are spending 3 years or more in Direct Provision accommodation centres between 2015 and Q1 2019.

Table 3.3: Proportion at different time lengths in centres (2015 v2019)

| Length of Time | McMahon Report 2015 | 2019 (Q1) |
|------------------|---------------------|-----------|
| Less than 1 year | 23% | 44% |
| 1-2 years | 9% | 24% |
| 2-3 years | 7% | 13% |
| 3-4 years | 8% | 13% |
| 4-5 years | 9.5% | 4% |
| 5 years or more | 43.5% | 2% |

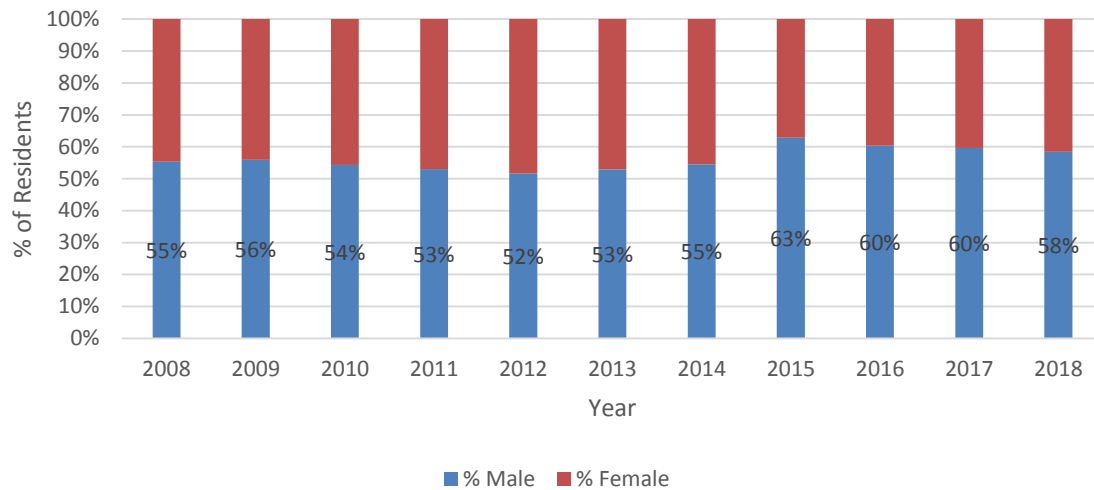
Source: [INIS](#)

Of the international protection applicants who spend five years or more in accommodation provided by RIA, 33% have 'Leave to Remain' status (which means a person has been granted refugee status, subsidiary protection or permission to remain in the state) while 26% have Deportation Orders (which means they are required to leave the State. Some of this cohort may be appealing against the decision of the Minister to issue a Deportation Order). Furthermore 25% have 'Protection Process' status (which means that an application for international protection is currently being processed) with the status of the remaining 16% unknown.

3.2.4 Demographics

Figure 3.5 shows the breakdown of residents by gender. Males make up between 52% and 63% of all the residents in accommodation centres provided by RIA from 2008 to 2018. In 2018, 58% of all residents were male while 42% were female.

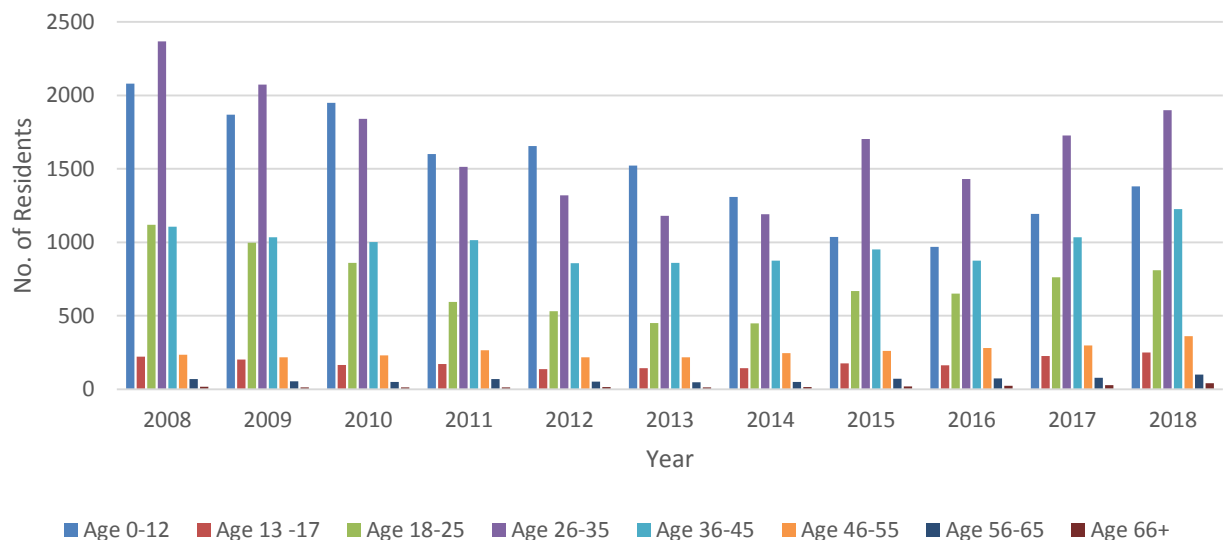
Figure 3.5: Breakdown of Residents (2008 to 2018) by Gender



Source: IGEES Unit DOJE

Figure 3.6 below outlines the age profile of applicants in accommodation provided by RIA from 2008 to 2018. Between 40% and 50% of all applicants are between 18 and 45 years of age in accommodation. Age profiling may be helpful, as this will give an indication of potential pressure points in other parts of the economy such as housing, health, education requirements and social welfare. In 2018, the largest number of residents were aged between 26 and 35 years old with 31% of all residents in this age category.

Figure 3.6: Age Profile of Residents 2008 to 2018



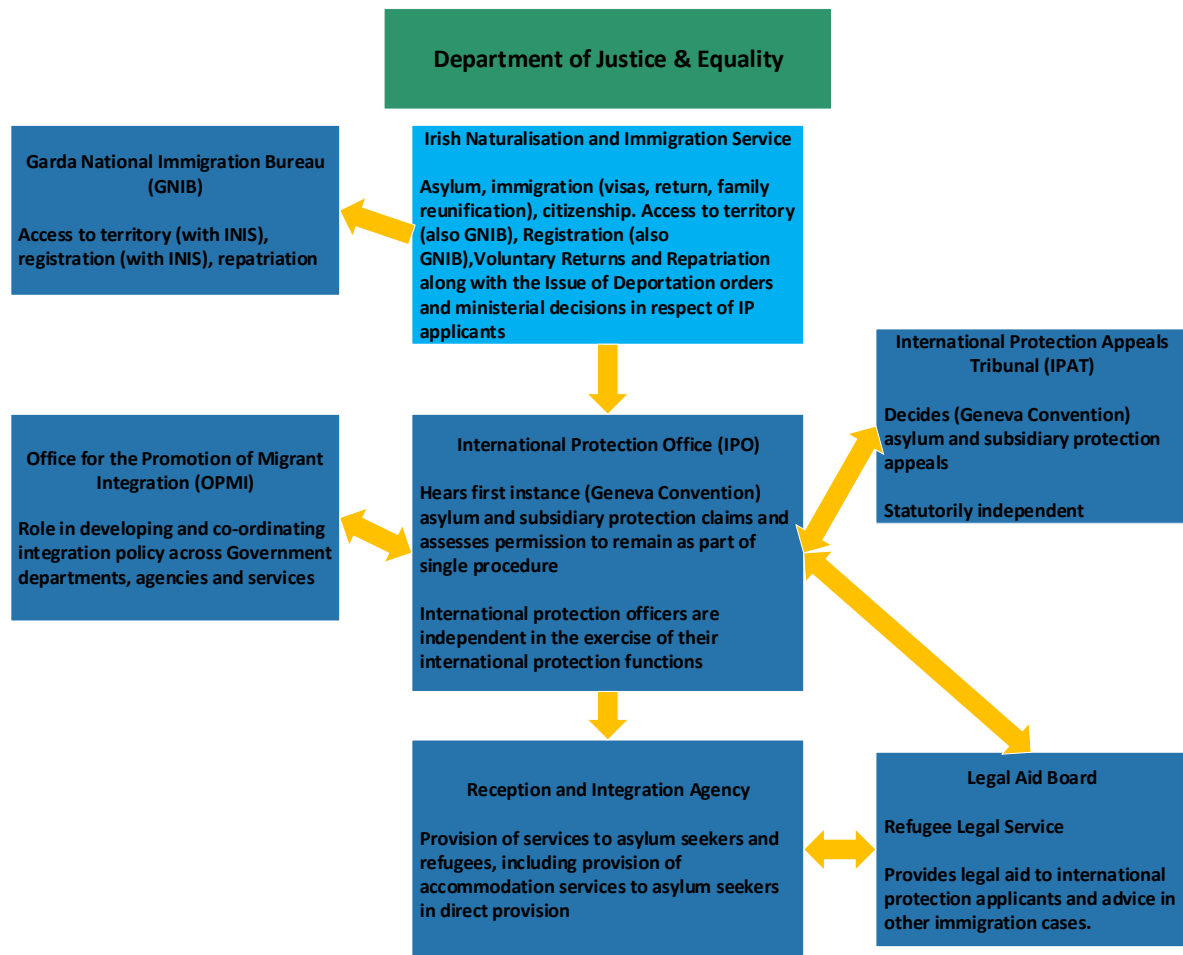
Source: IGEES Unit DOJE

3.3 International Protection Application Process Ireland

The international protection application process in Ireland falls under the administration of the DOJE. Figure 3.7 below gives an overview of the institutions within the DOJE associated with the international protection application process in Ireland. A report carried out by a government working group on improvements to the Protection Process, which included the Direct Provision system and supports to international protection applicants, was published in June 2015. This report was known as the Justice McMahon report. Its recommendations had implications for a number of Government Departments and services. A subsequent working paper published in 2017 into monitoring the implementation of the McMahon recommendations³⁰ outlined that significant progress had been made, and highlighted the introduction of the single application procedure in the International Protection Act, 2015. This change provided a single application procedure for international protection with all three aspects of a claim (refugee status, subsidiary protection and Leave to Remain) being considered at the same time. This replaced the earlier system, under which each aspect of the claim was considered sequentially with resultant multiple decisions and appeals.

³⁰ McMahon Report, 2015

Figure 3.7: Institutions associated with international protection applicants (DOJE)



Source: IGEE Unit DOJE

3.3.1 Single Procedure

The International Protection Act 2015, commenced on 31 December 2016 and introduced a single application procedure in Ireland's protection process. Under the single application procedure, an applicant makes one application and has all grounds for seeking international protection (refugee and subsidiary protection status) and permission to remain in the State for any other reasons examined and determined in one process. This procedure brought Ireland into line with protection processing arrangements in all other EU Member States and replaced the previous multi-layered process with multiple bodies involved.

Single procedure case processing at first instance is now undertaken in the IPO of the Irish Naturalisation and Immigration Service. The staff of the IPO (the Chief International Protection Officer and

the International Protection Officers) are independent in the performance of their protection functions. Appeals in respect of the protection recommendation of the IPO are processed by the independent International Protection Appeals Tribunal (IPAT). Application recommendations are made to the Minister for Justice and Equality who will make a declaration that you are entitled to protection or issue a Deportation Order as appropriate. The process may take weeks, months or years depending on the application itself, appeal and/or judicial review. Accommodation with basic services is provided during this time in line with the EU (recast) Reception Conditions Directive and the European Communities (Reception Conditions) Regulations 2018.

3.3.2 Application Process

Once a person seeking international protection comes to Ireland, they will submit their application to the IPO³¹ and RIA will arrange for the applicant/applicants to go to a reception/accommodation centre if they have indicated they require accommodation. Following this stage a questionnaire and a number of interviews must be completed before international protection is issued. First instance processing of applications is administered by the IPO. At the end of June 2019, provisional figures from the IPO show there were 5,727 cases awaiting processing including those who have interviews scheduled and questionnaires to return. Approximately 20% of these cases are ready to be interviewed while around 30% have not returned their international protection questionnaire and another 30% are awaiting a recommendation/decision. The median processing time for applications received under the International Protection Act 2015 at the end of 2018 was 14.3 months.

Since³² the IPO Act was commenced, 4,774 recommendations were made and out of this 34% were granted refugee status or subsidiary protection, 6% permission to remain and 60% were refused. Out of the proportion who had their applications refused or granted permission to remain, 91% made an appeal to IPAT out of which 13% were successful, 34% unsuccessful and the remainder had yet to receive a decision by the end of 2018. Of those 34% whose original applications were refused and whose appeals were unsuccessful, 25% initiated judicial review proceedings. In terms of deportation orders, in 2018, 224 orders were issued under the International Protection Act, while for 2019, to the end of June 214 such Deportation Orders have been issued.

³¹ [IPO Application Process](#)

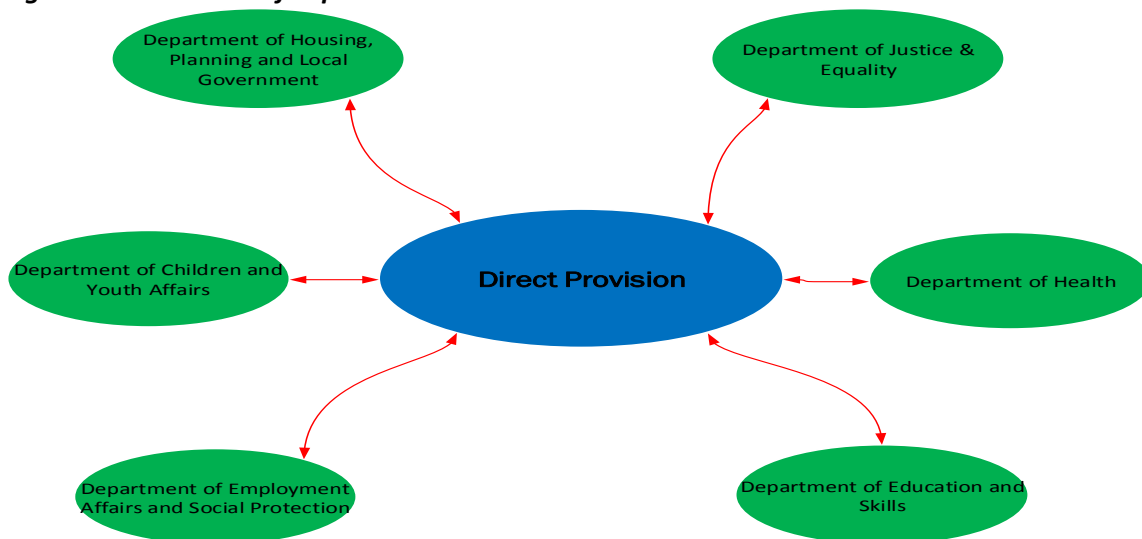
³² Following information provided by INIS

3.3.3 Departments Involved in Process

Although the DOJE holds responsibility for accommodating persons seeking international protection in Ireland it must be noted that in the overall Direct Provision system, significant service delivery aspects rest with a number of departments. Figure 3.8 below gives an overview of the Government Departments associated with Direct Provision. The Direct Provision system is a whole of Government approach to the provision of supports and services to persons seeking international protection. These supports and services are delivered directly to persons in the protection process in the same manner as to other residents in Ireland by the relevant Government Department or Agency.

The DOJE, through RIA, is responsible for the provision of accommodation and related services to protection applicants while they await a decision on their claim for international protection. Responsibility for all medical needs rests with the Department of Health while the Department of Employment Affairs and Social Protection is responsible for the daily expenses allowance. The Department of Education and Skills is responsible for primary and post-primary education while the Department of Housing, Planning and Local Government is responsible in helping to house applicants whose applications are successful. The Child and Family Agency (TUSLA) as part of the Department of Children and Youth Affairs is statutorily responsible for Separated Children Seeking International Protection/Unaccompanied Minors.

Figure 3.8: Overview of departments associated with Direct Provision



Source: IGEE Unit DOJE

3.4 Demand pressures

The accommodation programme is demand led and largely unpredictable and the exact number of new applicants applying per month is not known in advance. At best, an estimation of these numbers can be made from previous application trends. All newly arrived international protection applicants are potential RIA clients.

The length of time persons reside in RIA accommodation is determined by end to end processing timescales of applications and the rate of case resolution at the end stages of the process. This includes grants of refugee status, deportations, Dublin III³³ transfers (to other EU Member States) and removals from the State. The rate of resolution of cases affects the duration of stay in the State, which impacts on demand for bed spaces within the accommodation programme.

RIA purchases a fixed quantity of accommodation days from its contractors. The contracts are “contracts for capacity” not “contracts for use”. RIA needs to have excess capacity because the demand for their services is not predictable and they need to guarantee that it will meet its objective of providing accommodation to all those who require it. There are also other factors, which make the precise matching of demand and supply virtually impossible. These include:

- Nationality and ethnicity of new international protection applicants
- Family status
- Maternity
- Family size
- Rates of departure from and return to Direct Provision
- Special Needs.

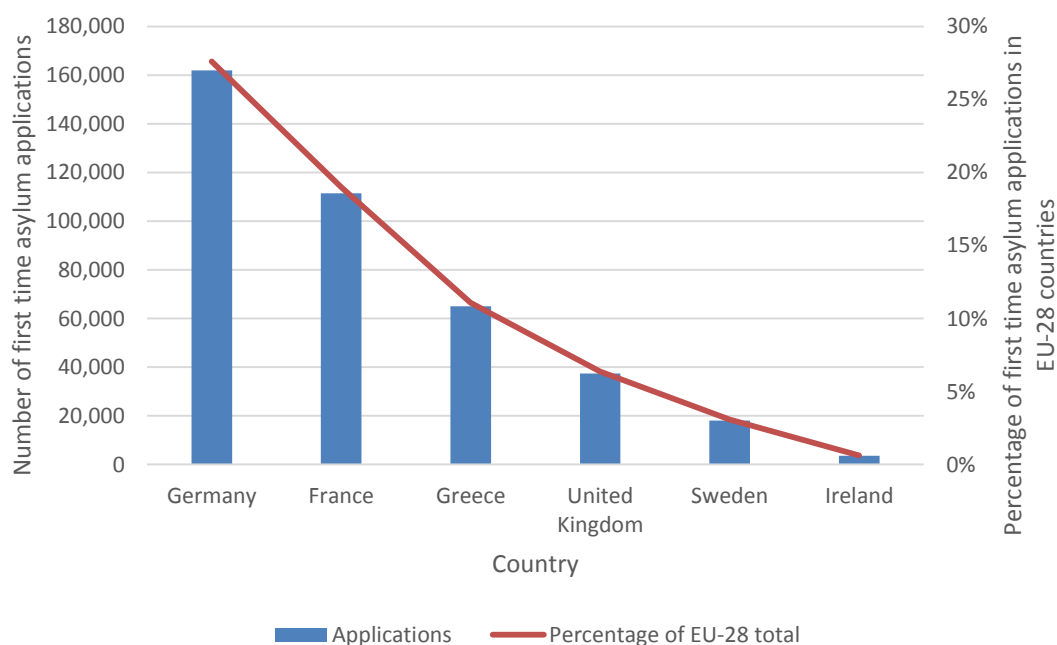
³³ EUR-Lex

4 International review of Direct Provision Programmes

4.1 Choice of comparator countries

This section of the paper provides a review of programmes for accommodating international protection applicants from a selection of countries within the EU. Many of the reports and data examined for this section referred to international protection applicants as asylum seekers so this term has been used in this section of the report. The countries chosen were the UK (because of its proximity to Ireland), Sweden (as a Nordic country for comparison) and the three countries which had the largest number of first time asylum applications within the 28 EU countries in 2018³⁴; Germany, France and Greece. As shown in Figure 4.1 below, the breakdown of first time applications in each of these countries in 2018 was Germany (28%; 161,930), France (19%; 111,415), Greece (11%; 64,985), UK (6%; 37,365) and Sweden (3%; 18,110). In 2018 Ireland received less than 1% of first time asylum applications in the EU-28 (3,655 of 586,335 applicants).

Figure 4.1: Proportions of EU-28 first time asylum applications per country 2018

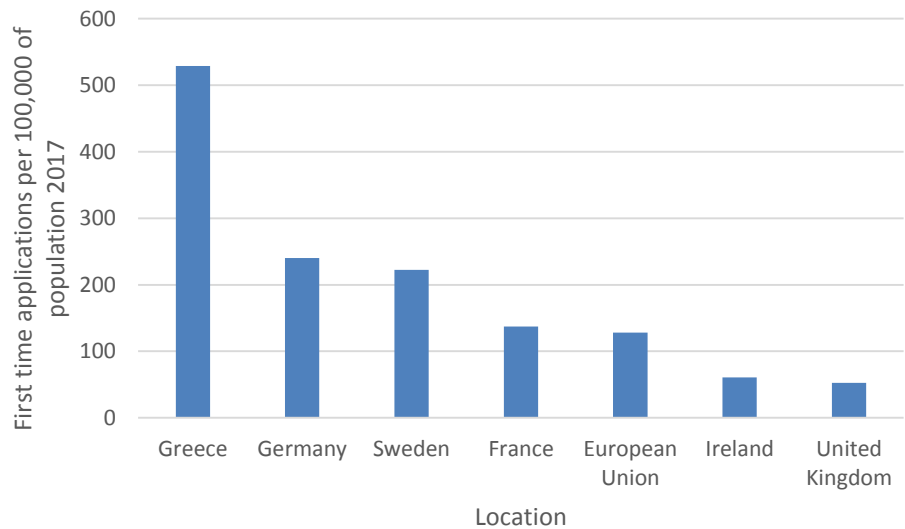


Source: IGEES Unit DOJE based on Eurostat 2018 Asylum Applications

³⁴ Eurostat Asylum Applications

Ireland received a smaller number of first time asylum applications than EU countries with larger populations. As shown in Figure 4.2 below, the number of first time applications in 2017 per 100,000 of the country’s population was also lower in Ireland in comparison to each of the other countries examined as well, aside from the UK.

Figure 4.2: First time asylum applications per 100,000 of population 2017



Source: [IGEES Unit DOJE based on Eurostat](#)

Since 2011 in the EU, the number of first time asylum applications (both from EU and non-EU countries) was at its highest in 2015 and has been reducing annually since then (from over 1.2 million first time applications in 2015 to just over half a million in 2018). As shown in section 4.3, this reduction has not been evenly spread throughout the EU, with some countries such as Greece and France continuing to see increases in numbers each year. Other countries such as Sweden and Germany have seen sharp decreases in the number of first time applications, though Germany still receives the largest proportion of first time applications in the EU (28% in 2018). These trends are impacted by the increased difficulty of travelling on certain routes to Europe and changes to border controls.

4.2 Overview of chosen different systems

The support provided to international protection applicants and how it is provided to them, varies considerably between countries. This makes it difficult to accurately compare them, for example,

depending on the country and accommodation, international protection applicants can receive cash and/or vouchers. Another factor which makes comparing member states problematic is the varying costs of living in different EU states. Much of the information in the sections below was based on the 2018 updates to the Asylum Information Database (AIDA) country reports³⁵.

In practice, not every country requires proof that international protection applicants lack resources in order to be entitled to aid, for example in Ireland or Germany. However, this requirement can be strictly applied elsewhere such as in the UK. Access to healthcare is legally guaranteed but the level of access to it again varies in different countries. Some countries such as Ireland and Greece offer full access to healthcare while others offer limited access. Education for minors is offered in all of the countries examined as well, though the upper age limit varies across countries from 15 to 17 years old. Whether or not school attendance is mandatory or optional for minors also differs.

All of these differences again make calculating average costs for international protection applicants difficult. According to the Organisation for Economic Co-operation and Development's (OECD) January 2017 edition of Migration Policy Debates, the "cost for processing and accommodating asylum seekers is estimated around €10,000 per application for the first year". Costs vary between countries and decline considerably in subsequent years³⁶. The differences between countries is highlighted further with a response by a number of countries to a European Migration Network Ad-Hoc Query in 2017³⁷ on the average cost of reception for asylum seekers. For Sweden, the average cost per year in 2016 is estimated to have been €27,010 but the reason for this high cost is that a variety of reception types were accounted for with very different costs such as detention. For example, their average cost for those accommodated by the Swedish Migration Agency was €14,600 while the average cost for those arranging their own accommodation was €7,300. This again illustrates the difficulty in comparing average costs between countries. It is not always completely clear how each country is calculating their costs and methods likely differ.

A comparison of application processing times between countries was not undertaken due to the variations in how countries record this. For example, the average time spent in accommodation provided by RIA is not necessarily the average time for processing an application. This figure would

³⁵ AIDA

³⁶ OECD Migration Policy Debates

³⁷ European Migration Network: Estimated costs calculated by multiplying the cost per day by 365.

exclude those who are not in RIA accommodation and would include those who are still availing of RIA accommodation after their application has been successful.

The approximate standard allowance provided to international protection applicants and what the allowance is expected to cover varies per country as shown in Table 4.1 below. Along with these allowances, international protection applicants can apply for certain additional allowances, for example there is an allowance for winter clothes in Sweden.

Table 4.1: Approximate standard allowance provided per country per person per week in 2018

| Country | Allowance per week | Accommodation Type |
|---------|--------------------|---------------------------|
| Sweden | €16.10 | Residing at a centre |
| Sweden | €47.74 | Residing outside a centre |
| Greece | €20.71 | Residing at a centre |
| Germany | €31.07 | Residing at a centre |
| Germany | €81.47 | Residing outside a centre |
| Ireland | €38.80 | Residing at a centre |
| UK | €42.60 | Residing outside a centre |
| France | €46.95 | Residing at a centre |
| France | €98.04 | Residing outside a centre |

Source: IGEES Unit DOJE based on AIDA Country Reports, 2018

All figures are based on information in 2018 reports, though Sweden's report states that these are figures for 2019.

Another example of the differences between countries is how soon an international protection applicant is allowed access to the labour market and what sectors they can apply for work in, as shown in Table 4.2 below. Further analysis would need to be carried out on labour market access. For example, in some Member States (or in different regions within Member States) different approaches are taken to different applicant countries such as countries declared as safe countries of origin.

Table 4.2: Overview of right to employment in different countries in 2018

| Country | Maximum time limit before labour market access | Sector Limitation? |
|---------|--|---|
| Sweden | 1 day | Yes: access only to unskilled sectors |
| Greece | Once asylum application is lodged | No |
| Germany | 3 months | Yes: no self-employment |
| France | 6 months | Yes: defined by prefectures |
| Ireland | 9 months | Yes: no access to civil/public service |
| UK | 12 months | Yes: access only to listed shortage occupations |

Source: IGEES Unit DOJE based on AIDA Country Reports, 2018

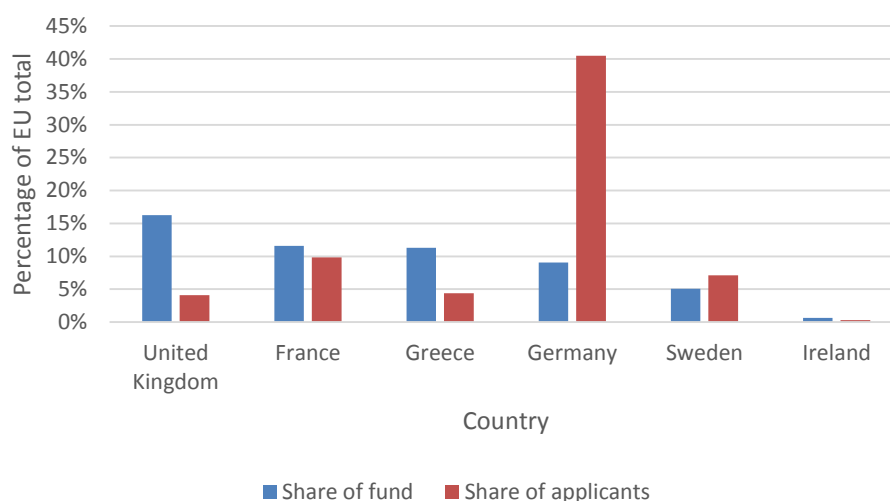
The breakdown of the AMIF for 2014-2020 per country was examined as well. This fund is to “promote the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration”³⁸. Initially the fund was €3.14 billion but this was increased to €6.89 billion following the increase in migration in 2015 and 2016³⁹. According to the report “Follow the money - *Assessing the use of EU Asylum, Migration and Integration Fund (AMIF) funding at the national level*”, the allocation of the fund to different countries was based on the situation in 2011/2012⁴⁰. This is one of the reasons for what appears to be an uneven distribution of funding in comparison to the percentage of EU asylum applicants per country, as shown in Figure 4.3 below. Of the countries who are allocated the AMIF, Germany has received 40% of asylum applications from 2014 to 2018 and is estimated to have 9% of the funds for 2014 to 2020, while the UK for example has received 4% of asylum applications from 2014 to 2018 and is estimated to have 16% of the funds for 2014 to 2020. Ireland appears more balanced in this regard, having received less than 1% of applications in this time period and is estimated to have 1% of the funds.

³⁸ European Commission, AMIF

³⁹ European Parliamentary Research Service, Migration and Asylum

⁴⁰ Follow the money - Assessing the use of EU AMIF funding at the national level

Figure 4.3: Average allocation of AMIF 2014 – 2020 and percentage of asylum applications per country from 2014 to 2018



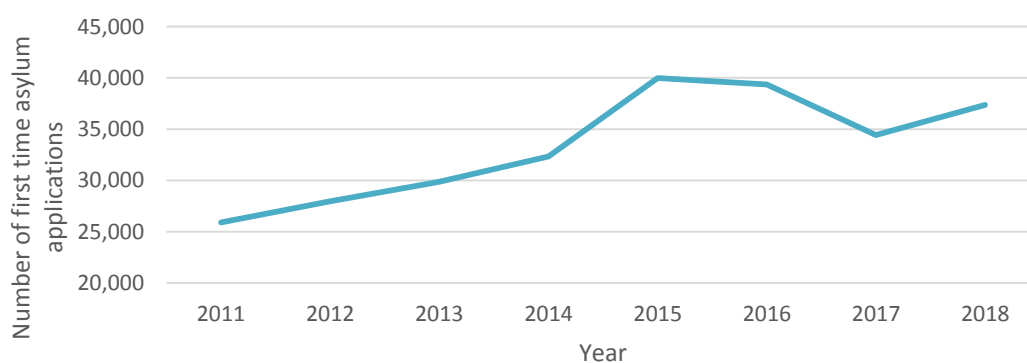
Source: IGEES UNIT DOJE based on Share of fund; AMIF March 2015 briefing, Share of applicants; Eurostat

4.3 Summary of comparable countries

4.3.1 UK

There were over 37,000 first time asylum applications in the UK in 2018. In the period examined from 2011, the only years with more first time applications than this were 2015 and 2016, when counts came close to 40,000, as shown in Figure 4.4 below.

Figure 4.4: First time asylum applications in the UK



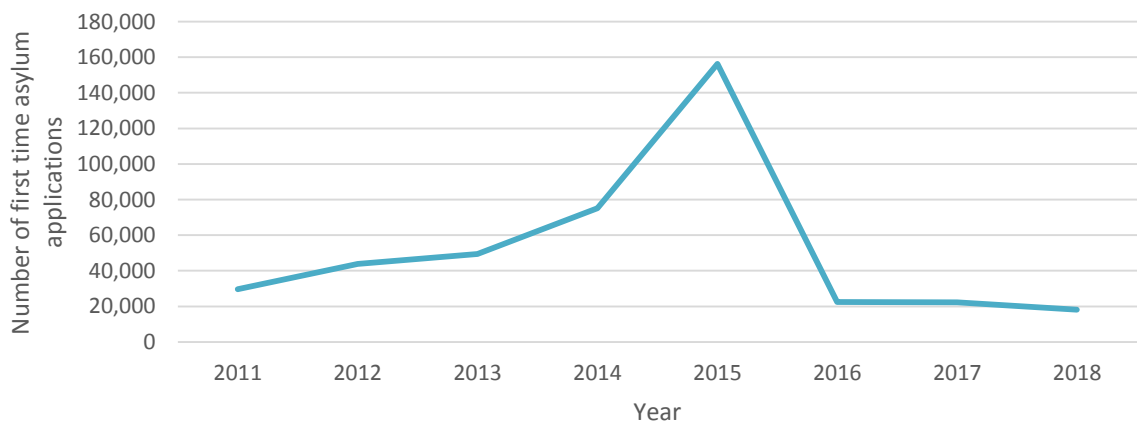
Source: Eurostat

International protection applicants in the UK can apply for accommodation and/or a cash allowance once they prove they are destitute⁴¹. When they first arrive, international protection applicants can be accommodated in initial accommodation centres where normally no cash is provided as they are full board. There is at least one initial centre which is self-catered and provides vouchers for a supermarket. Accommodation allocated to individuals initially could be a hostel or bed and breakfast but is then normally in a flat or housing area. As mentioned in the AIDA Country Report: UK 2018, the “short-term use of bed and breakfast accommodation has tended to rise in times of an increase in applications”. The cash allowance is £163.58/€185.12 per person per month regardless of age or household composition. There are a number of additional supports which may also be claimed such as travel fare and additional payments for new mothers.

4.3.2 Sweden

In 2016 there was a sharp decrease in the number of first time asylum applications in Sweden following increases each year since 2012, as shown in Figure 4.5 below. Figures have continued to decrease since then with 2018 figures (18,110 first time asylum applications) the lowest in the period examined from 2011. These reductions have led to the closure of receptions centres and the cancellation of rental contracts. As a result of this, some international protection applicants have been transferred to different locations but according to the AIDA Country Report: Sweden 2018, “no one who has access to the asylum procedure has been left destitute”⁴².

Figure 4.5: First time asylum applications in Sweden



Source: Eurostat

⁴¹ AIDA Country Report: UK 2018

⁴² AIDA Country Report: Sweden 2018

The accommodation offered to international protection applicants in Sweden can be housing, apartments or a reception centre. International protection applicants can choose to live in a reception centre where they will receive less of an allowance as food is provided. This allowance is expected to cover clothing, health care, toiletries and other requirements. Table 4.3 below shows the approximate allowance that international protection applicants in different forms of accommodation receive⁴³ while the allowance for children reduces by 50% from the third child onwards. It is also possible to apply for additional allowances for items such as glasses or winter clothes.

Table 4.3: The approximate levels of financial allowance per week for 2019 in Sweden

| Category of applicant | Allowance in accommodation centres with food provided | Allowance in private accommodation |
|---|---|------------------------------------|
| Single adult | €16.10 | €47.74 |
| Adults sharing accommodation (per person) | €12.74 | €41.02 |
| Child aged 0-3 | €8.05 | €24.85 |
| Child aged 4-10 | €8.05 | €28.91 |
| Child aged 11-17 | €8.05 | €33.60 |

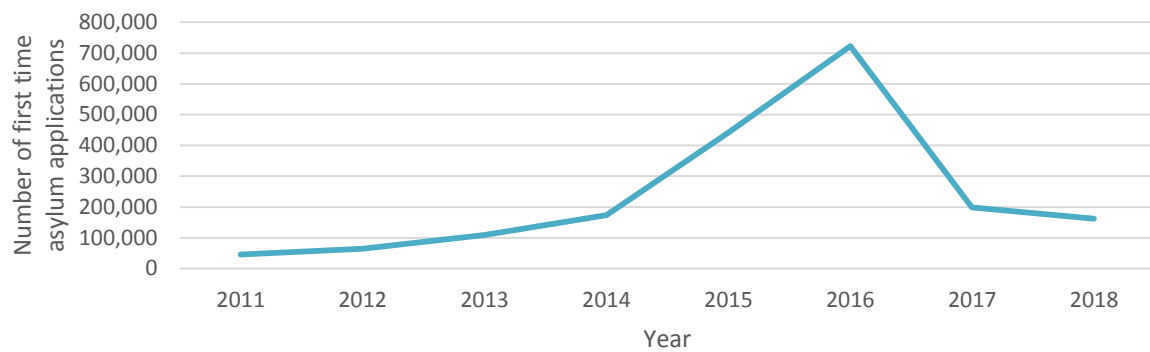
Source: IGEEES Unit DOJE based on AIDA Country Report: Sweden 2018

4.3.3 Germany

In 2017 and 2018 there was a decrease in the number of first time asylum applications in Germany, with 161,930 first time asylum applications in 2018. This is the lowest figure recorded in the last five years as shown in Figure 4.6 below. As mentioned in the AIDA Country Report: Germany 2018, emergency shelters “were used in particular in 2015 and 2016 but have mostly been closed down in 2017.”

⁴³ AIDA Country Report: Sweden 2018

Figure 4.6: First time asylum applications in Germany



Source: Eurostat

Upon arrival, international protection applicants generally stay in an initial reception centre for up to six months. After this they are relocated to collective accommodation centres or private accommodation. The proportion of international protection applicants in different forms of accommodation varies in Federal States. International protection applicants considered to be from safe countries of origin must stay in the initial reception centres for the duration of their stay and do not have access to the labour market. According to the AIDA Country Report: Germany 2018, a safe country of origin is “in which, on the basis of their laws, enforcement practices and general political conditions, it can be safely concluded that neither political persecution nor inhuman or degrading punishment or treatment exists”⁴⁴. International protection applicants staying in centres receive a smaller allowance than those in private accommodation as shown in Table 4.4 below. Additional costs can be provided such as the costs for accommodation, heating and household goods.

Table 4.4: Approximate allowance per week in Germany 2018

| Accommodation | Single Adult | Adult partners (each) | Member of household (over 18) | Member of household (14 to 17) | Member of household (6 to 14) | Member of household (under 6) |
|------------------------------|--------------|-----------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|
| In accommodation centre | €31.07 | €28.08 | €24.85 | €17.49 | €19.10 | €18.18 |
| Outside accommodation centre | €81.47 | €73.18 | €65.36 | €63.52 | €55.69 | €49.25 |

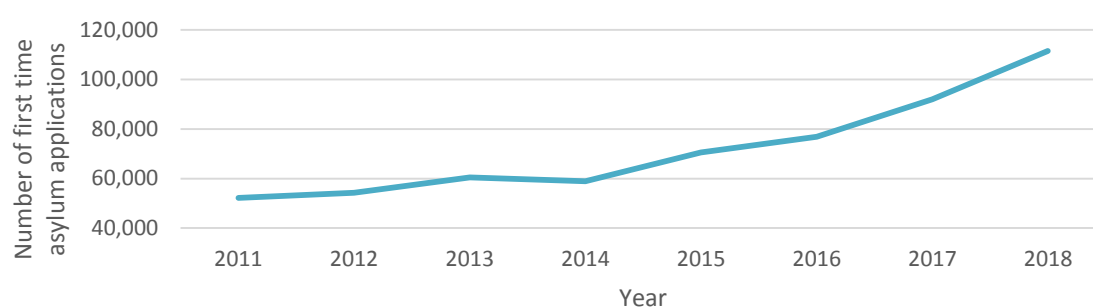
Source: IGEE Unit DOJE based on AIDA Country Report: Germany 2018

⁴⁴ AIDA Country Report: Germany 2018

4.3.4 France

The number of first time asylum applications in France has been increasing annually since 2015, with figures of 111,415 in 2018 the highest in the period examined from 2011, as shown in Figure 4.7 below. In 2017 the average length of stay in reception centres known as Centre d'accueil de demandeurs d'asile was 424 days. Accommodation in centres is not available for all international protection applicants in France with some staying in camps, night shelters or homeless. The AIDA Country Report: France 2018 mentions that the "implementation of the national reception scheme intends to avoid as much as possible cases where international protection applicants are homeless or have to resort to emergency accommodation in the long run, yet gaps in capacity persist"⁴⁵.

Figure 4.7: First time asylum applications in France



Source: [Eurostat](#)

International protection applicants are usually able to prepare their own food in shared kitchens in the centres. International protection applicants staying in centres receive a certification of address which allows them to open a bank account and receive mail. The approximate allowance provided to international protection applicants is shown in Table 4.5 below. For adults who agree to stay in centres but cannot be accommodated in one due to the capacity, an additional €7.40 per day is provided.

⁴⁵ AIDA Country Report: France 2018

Table 4.5: Approximate allowance per week per household composition in France in 2018

| Persons | Weekly rate |
|----------------|--------------------|
| 1 | €47.60 |
| 2 | €71.40 |
| 3 | €95.20 |
| 4 | €119.00 |
| 5 | €142.80 |
| 6 | €166.60 |
| 7 | €190.40 |
| 8 | €214.20 |
| 9 | €238.00 |
| 10 | €261.80 |

Source: IGEES Unit DOJE based on AIDA Country Report: France 2018

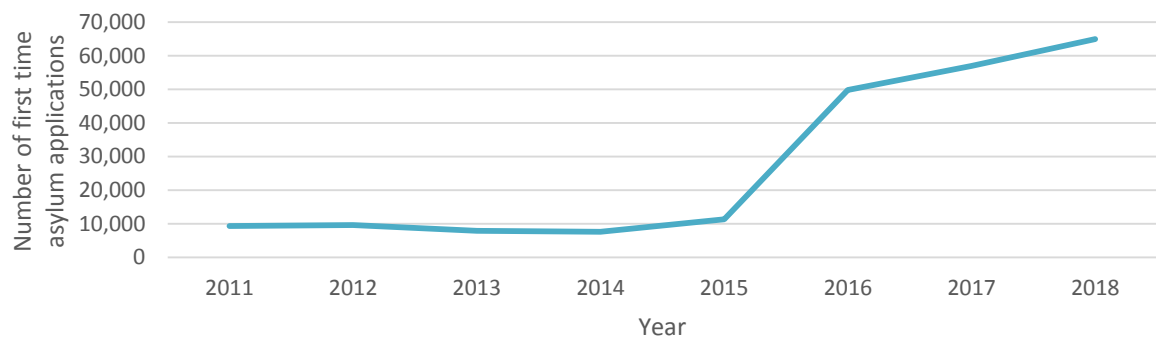
4.3.5 Greece

The number of first time asylum applications in Greece has been increasing annually since 2015 with figures of 64,985 in 2018 the highest in the period examined from 2011, as shown in Figure 4.8 below. According to the AIDA Country Report: Greece 2018, the “number of reception places has increased mainly through temporary camps and the UNHCR accommodation scheme. Despite this increase, destitution and homelessness remain a risk”⁴⁶. The United Nations High Commissioner for Refugees (UNHCR) accommodation scheme “works with the Greek Government, local authorities and NGOs to provide urban accommodation and cash assistance to refugees and asylum-seekers in Greece through ESTIA, the Emergency Support to Integration and Accommodation programme, funded by the Asylum, Migration and Integration Fund of the European Union”⁴⁷.

⁴⁶ AIDA Country Report: Greece 2018

⁴⁷ ESTIA – UNHCR

Figure 4.8: First time asylum applications in Greece



Source: [Eurostat](#)

The accommodation for international protection applicants in Greece and nearby islands varies considerably from temporary camps to hotels and apartments. There is both catered and self-catered accommodation. The monthly allowance provided ranges from €90 for a single person in catered accommodation, up to €550 for a family of seven in self-catered accommodation⁴⁸.

5 Alternatives to Management of Direct Provision

5.1 Alternatives to Direct Provision accommodation

Direct Provision is entering a new phase in its history. In September 2018, for the first time, RIA did not have sufficient capacity to meet the demands for accommodation presenting from new applicants and has been steadily increasing its use of emergency bed accommodation. Additionally, RIA changed its process of procurement to an EU compliant eTender process which ensured transparency and objectivity in award of contracts. Also, in implementing the recommendations of the McMahon report, RIA is raising the standard of its accommodation portfolio to include developments such as independent living and separate living areas for families. This raised standard of accommodation will shortly be followed by the introduction of national standards covering all aspects of life for those living in direct provision. Given the cost implications of the above, as already witnessed in the first period of 2019, it is timely to consider alternatives to the current system from a cost perspective.

Costs could potentially be reduced by focusing on the following:

1. Reduce the length of time for decisions/appeals (reduce the size of the system);

⁴⁸ AIDA Country Report: Greece 2018

2. Establish effective mechanisms to support persons granted status move from RIA accommodation into community living (maintaining the flow);
3. Increase capacity to resolve the need for emergency bed usage;
4. Use different types of managers for centres (e.g. not for profit);
5. Move away from offering accommodation.

It is likely that any future model will involve a combination of these measures/initiatives.

A number of potential alternatives to the current system of Direct Provision accommodation were examined from a cost perspective and are discussed below.

5.1.1 Cost differences between centre types

The differences in costs between State and commercially owned centres was examined. In 2018 there were seven State owned catered facilities and 32 commercially owned catered facilities. State owned facilities are managed by commercial contractors. The average operational cost per person per day was cheaper in state owned centres (€24.69)⁴⁹ than commercially owned centres (€35.50). Commercially owned centres' operational costs are approximately 44% more per person per day than State owned centres. However there are additional costs for State owned centres which need to be considered here, in particular the initial capital costs of locating and buying or building the centre. This would be a substantial cost and if demand for centres reduced there would also be the cost of having to close centres. A potential option would be to acquire enough State owned accommodation to handle a pre-determined minimum number of international protection applicants while continuing to also use commercial centres to manage increases or reductions in demand. This is an area that would require further research. While completely moving to State owned accommodation may not be feasible, increasing the number of these types of centres could lead to a reduction in current operational costs.

As mentioned in section 2.3.5 it is expected that more centres will be independent living centres in the remainder of 2019 and there is a target to have all centres operating this model by the end of 2020. This will add further pressure to costs in the short term. The average cost of independent living centres in 2019 is estimated to be €44.15. While more expensive, due largely to upgrading costs, the service provided is considered to be of a higher quality and independent living centres

⁴⁹ Calculation: State owned average cost per person per day = ((Amount paid in 2018 + Additional State Run Costs)/Capacity)/365

were a recommendation in the McMahon report.

Presently, increasing the number of state or commercially owned centres should lead to a reduction in costs as an increase in capacity would reduce the usage of more expensive emergency accommodation. An alternative model would be to contract with specialist not for profit accommodation providers to provide accommodation, potentially with contracted arrangements, which were substantially longer to allow construction costs to be absorbed over a longer timeframe. This may be an appropriate option for groups of applicants who are particularly vulnerable.

5.1.2 Increase capacity in areas with lower accommodation costs

There are potential savings to be made if capacity in cheaper areas could be increased. However it is noted that there may not be any additional accommodation on offer in some areas. This option would also need to be mindful of not increasing capacity beyond the level that local services can accommodate. The additional transport costs incurred by having to transport more people to Dublin for appointments would also need to be considered. Although these costs may be mitigated by conducting more immigration interviews locally, which is currently being trialled.

5.1.3 Savings if allowance reduced for those employed

Savings could be made once arrangements are complete between the DOJE and the Department of Employment Affairs and Social Protection to reduce or withdraw the daily expense allowances from employed international protection applicants. Further savings could be achievable once the arrangement is set up to also require those earning a sufficiently high income to contribute towards the cost of accommodation, with a maximum possible contribution of €238 per person per week⁵⁰.

International protection applicants who have not yet had a response on their application within nine months now have the right to seek employment in any sector other than the public or civil

⁵⁰ [Irish Statute Book](#)

service. According to press release on the 30th of June 2019 by the DOJE⁵¹, 1,229 employers/applicants have indicated they have commenced employment or self-employment. Based on this figure there are potential savings of up to almost €2.5 million⁵² per year if daily expense allowances were reduced or withdrawn for those in employment. However the true figure is likely lower than this as everyone employed may not be earning a high enough income to have the allowance reduced and some of those employed may not be availing of direct provision accommodation.

5.1.4 Time limit on right to work

Reducing the time limit on the right to seek employment could also lead to further savings if international protection applicants are able to work and stop receiving allowances sooner. Without making any changes to the allowance received, if an international protection applicant is employed when their application is successful it may then also be easier for them to move out of accommodation. A possible countervailing argument to expanding the right to work would be that rights to claim asylum or subsidiary protection are based on international law and intended to protect specific persons at risk, and are not intended as a route to freely access the Irish labour market. The employment permit system, which is the responsibility of the Department of Business Enterprise and Innovation, limits employment permits to those with specific skills or in specific areas of labour shortages roles. However, the fact that applicants without an initial decision after 9 months can now access the labour market freely may weaken the force of that argument. In contrast, in a number of EU Member States, processing times are shorter and thus an applicant is given a first instance decision before issuing the right to work.

5.1.5 The cost of providing social welfare instead of accommodation centres

Another potential alternative to Direct Provision accommodation is instead to provide international protection applicants with social welfare allowances. This option was previously examined in a Value for Money & Policy Review published in 2010 and is being revisited here. Table 5.1 below provides a high level estimation with caveats of what it could potentially cost if this option was applied to those in Direct Provision as at the end of 2018 with the allowances for 2018 (allowances have changed for 2019). The annual cost estimated for this option was approximately €66 million,

⁵¹ DOJE Press Release, June 30th 2019

⁵² Figure based on: (€38.80 * 52) * 1,229

which is lower than the €78 million cost of Direct Provision in 2018. However, it must be emphasised again these figures are high level estimates with caveats which warrant further research and discussion with other relevant government departments to determine full costs.

This figure pre-supposes the allowances will be at social welfare rates. The possibility of providing a lower rate, as seen in some other EU countries, was not examined. Allowances vary depending on the age of the adult and the number of children a parent has. This estimate does not break down the differences in these allowances, any adult here is assumed to have the amount for adults aged 26 or over. One fuel allowance per household is offered for 28 weeks of the year⁵³, though in reality this is provided on longer term schemes. Housing Assistance Payments (HAP) vary substantially depending on the size of a family and the location in the country. The estimate used here is the average for the country. Therefore it must be noted again that more in-depth analysis would be required for this alternative option. For example, on average the HAP in Dublin is over twice of that in Ulster. If the HAP estimate for Dublin city is used, the costs change from approximately €66 million to €78 million. An example of an additional cost which is not taken into account in this analysis is health benefits such as the medical card.

Table 5.1: Estimated allowance costs for 2018

| Type | Count | Jobseekers allowance (aged 26 or over) weekly | Fuel (weekly for 28 weeks) | HAP* monthly | Child benefit monthly | Annual cost |
|----------------------------|--------|---|----------------------------|--------------|-----------------------|-------------|
| Single | 2,912 | €198 | €23 | €275 | | €41,426,112 |
| Lone Parents one child | 515 | €198 | €23 | €726 | | €10,113,570 |
| Married no children main | 104 | €198 | €23 | €309 | | €1,521,936 |
| Married no children QA | 104 | €131 | | | | €710,611 |
| Married with children main | 368 | €198 | €23 | €726 | | €7,226,784 |
| Married with children QA | 368 | €131 | | | | €2,514,470 |
| Children | 1,697 | | | | €140 | €2,850,960 |
| Total | 6,068† | | | | | €66,364,444 |

Source: [Department of Employment Affairs and Social Protection, RIA, Citizens Information](#)

*HAP monthly is a high level estimate using the average for the country based on shared accommodation

†This figure is an estimate, e.g. families with 5 or more children are counted as 5 and those with a status of "Not Yet Recorded" are excluded.

QA: Qualified Adult

Calculation: Annual cost = Count x ((Jobseekers allowance x 52) + (Fuel x 28) + (HAP x 12) + (Child Benefit x 12))

⁵³ [Citizens Information](#)

As mentioned previously in the Value for Money & Policy Review May 2010⁵⁴, other costs such as transport and initial reception centres would still be required. That report also suggested that a number of international protection applicants currently not availing of Direct Provision accommodation would likely opt to receive this allowance. If this was the case the total annual cost would be greater than what is shown here. For example in 2018 approximately 30% of new international protection applicants did not avail of the initial offer of RIA accommodation (1,106 of 3,670)⁵⁵.

There could also be additional pressure on services within particular parts of the country as well since international protection applicants would no longer be required to be dispersed across the country in accommodation centres. A potential risk also exists that some applicants would be unable to acquire sufficient accommodation on their own using this method due to the widely documented issues in relation to the supply of housing, which may lead them to homelessness. Current experience is that it is harder to deliver targeted public services to dispersed populations of applicants, rather than into congregated settings. Alternative ways of ensuring applicants could access the services they specifically require, e.g. language supports and to meet the requirements of the Directive could need to be examined. There are other costs which are not taken account of here such as the operational costs of processing these additional claims and allowances for each person as well as the costs of any other additional forms of support that they may be entitled to. For this option to be considered, further analysis on all costs would be required and consideration would need to be given to ensure that all international protection applicants are made aware of and understand what allowances they are entitled to.

5.1.6 Interdepartmental Committee

Given the recent placing of the direct provision on a statutory footing and the current pressures being experienced within the system, the DOJE has established a high level Interdepartmental Committee to reconsider the State's response to managing persons seeking international protection in the context of its obligations under the Directive. This group will include consideration of alternative models of service provision.

⁵⁴ Report on Asylum Seeker Accommodation Programme, RIA, 2010

⁵⁵ Based on data provided by RIA.

6 Summary of findings

6.1 Key findings

Direct Provision accommodation centres and associated services form a significant and increasing expenditure of the budget of the DOJE. It is very difficult to predict with any degree of accuracy, the number of international protection applicants who will arrive at any given time and returns often exceed estimates. This report notes the substantial rise in costs in 2019 and the contributing factors of increasing number of applicants, difficulties in procuring accommodation, the use of emergency beds due to operating at maximum capacity and the revised standard of accommodation with commensurate increases in contract values.

- **Trends in Expenditure**

Expenditure on accommodating international protection applicants has increased in the past number of years and will likely increase further due to rising numbers seeking international protection, which will put more pressure on the application process in turn leading to longer stays for individuals in accommodation centres. In 2018, total expenditure reached €78 million, which was its highest level since 2010. This figure is expected to reach, even exceed, €120 million in 2019 based on the latest trends, which represents a rise of over 50% compared to 2018 outturn. This study has also highlighted potential expenditure pressures in 2020 on the back of rising numbers and higher costs experienced so far in 2019.

- **Factors affecting Expenditure**

Expenditure pressures are impacted by the demand on accommodation driven by arrivals of international protection applicants and accommodation costs. Procurement issues coupled with housing shortages are impacting the supply of accommodation centres. Furthermore this has led to the requirement for the use of emergency accommodation which is putting significant additional pressure on costs this year. Another important aspect impacting expenditure is the move to independent living centres as recommended in the McMahon report and there is a target to have all centres operating a model of independent living by year end 2020. At present daily rates in independent living centres are higher due to the improvement in living standards and are estimated at €44 per person per day compared to €35.50 per person per day in all commercial centres. The difficult accommodation market combined with the introduction of independent living that requires providers to meet these improved standards in accommodation centres will increase the average

daily rate. This highlights the potential of substantial increases in expenditure when procuring centres for the remainder of 2019 and into 2020.

The outcome of the Brexit process also has the potential to increase further the pressures and costs on Direct Provision but these are not quantifiable at this point.

- **International Comparison**

In some other countries such as France and Greece, a number of international protection applicants may have to resort to staying in camps or end up homeless. In contrast, this is not a prevailing issue in Ireland. However, at the same time, the proportion of international protection applicants Ireland receives is much smaller than the proportion countries such as Greece and France receive. Some other countries offer a variety of different forms of support, which Ireland does not. For example, Ireland does not offer private accommodation and an allowance as an option whereas some other countries do.

Access to the workplace varies considerably from country to country. It takes longer to access the workplace in Ireland than in some of the countries examined but there are fewer restrictions on what employment an international protection applicant can apply for than in some countries. Presently the necessary arrangements are not yet in place between the DOJE and the Department of Employment Affairs and Social Protection to commence implementation of the reduction in the daily expenses allowance or the Payment of Contributions to the Costs of Reception Conditions.

Ireland offers a higher standard allowance for those accommodated in a centre than some of the other countries examined but Ireland has a high cost of living as well. The proportion of AMIF funding Ireland receives in comparison to the proportion of international protection applicants seems more balanced than some other countries examined.

- **Alternative options**

- **Specialist not for profit accommodation**

An alternative model would be to contract with specialist not for profit accommodation providers to provide accommodation, potentially with contracted arrangements which were substantially

longer to allow for construction costs to be absorbed over a longer timeframe. This may be an appropriate option for groups of applicants who are particularly vulnerable.

- **Social welfare instead of accommodation centres**

Looking at alternative options, implementing allowance payments, whether at social welfare rates or otherwise, for the current number of international protection applicants in accommodation centres could potentially yield savings. However this is an area that would likely put more pressure on other services and economic areas such as housing would require further study.

No matter what options are used, some form of initial accommodation will be needed, to ensure that Ireland can do the initial processing of international protection claims, including matters such as fingerprinting, and so requirements of the directive such as vulnerability assessments can be carried out. Therefore reception centres such as the one in Baleskin in Dublin will always need to be maintained. It may also be worthwhile pointing out that Ireland must manage EROC type centres for some programme refugees.

- **State owned centres**

The cost differences between centre types including the options around more State owned centres are examined. The report outlines that commercially owned centres' operational costs are approximately 44% more per person per day than State owned centres. However there are additional costs for State owned centres which need to be considered here, in particular the initial capital costs of locating and buying or building the centre.

- **Interdepartmental Group**

A high level interdepartmental group has been established to reconsider the State's response to managing persons seeking international protection in the context of its obligations under the Directive. This group will include consideration of alternative models of service provision.

6.2 Areas for consideration

A list of possible high-level recommendations and areas for further consideration are outlined below:

- Accurate and timely data is fundamental for the assessment of impacts on the accommodation process while an ability to track individuals as they move through the

system would be beneficial. Up to date information regarding daily rates and the length of time applicants are in the system could be used as key indicators.

- Any new legislation should be monitored (by reference to the Regulatory Impact Assessment) so that impacts can be examined at an early stage of implementation.
- As there is currently no formal warning system in place, consideration should be given to a formal early warning system, which can be an effective tool to analyse future budgetary pressures. This could then be used to anticipate possible 'shocks' to accommodation expenditure at an early stage. A Red, Amber, Green (RAG) system should also be created to manage capacity issues in centres.
- It is vitally important that individuals who are granted international protection be moved to permanent accommodation outside Direct Provision as soon as possible to ease the pressure on the system and reduce the backlog in system. This will also free up spaces for future individuals who enter the international protection application process.
- Further examination could be carried out on the costs of increasing the number of State owned centres as the State run centres have cheaper operational costs on average than commercially owned centres. This would require consideration for additional capital expenditure.
- Seeking to base more centres in cheaper locations could also reduce the costs involved in accommodating international protection applicants. This option would require investigation into each new centre to ensure that it does not cause too much demand on other services in the area such as health and education.
- To minimise the use of emergency accommodation, the procurement process response to demand should be developed and implemented.
- If the time limit of nine months before allowing international protection applicants to apply for work was reduced, this could potentially lead to savings in a number of areas. More international protection applicants would have the opportunity to find employment and contribute towards the cost of their accommodation. If an international protection applicant is already employed when their application is successful, it may also be easier to afford to move out of accommodation centres.
- The possibility of moving to an allowance based model should be further considered within the Interdepartmental group and would require further research to examine the implications for other Departments.

- As expenditure is projected to rise further for the remainder of this year and into next year, the completion of further cost analysis or a VFM Review of Direct Provision accommodation centres would be beneficial.
- This study only focused on DOJE expenditure on accommodation centres and did not focus on any other area of spend. As there are a number of departments involved in the overall direct provision process, a knowledge gap exists as to the full cost of direct provision to the government. Therefore, it may be worth investigating the costs of all aspects of the system.

Annex A Glossary of terms

AIDA – Asylum Information Database
AMIF – Asylum Migration And Integration Fund
CSO – Central Statistics Office
DOJE – Department of Justice and Equality
EEA – European Economic Area
ENP - Exceptional Needs Payments
EROC - Emergency Reception and Orientation Centres
EU – European Union
HAP – Housing Assistance Payment
HSE – Health Services Executive
IGEES – Irish Government Economic and Evaluation Service
INIS – Irish Naturalisation and Immigration Service
IPAT – International Protection Appeals Tribunal
IPO – International Protection Office
LAB – Legal Aid Board
LMAU – Labour Market Access Unit
NGO – Non-Governmental Organisations
OECD – Organisation for Economic Co-operation and Development
OGP - Office of Government Procurement
ORAC – Office of Refugee Applications Commissioner
RAG – Red Amber Green
RFT – Request for Tender
RIA – Reception and Integration Agency
SI – Statutory Instrument
UNHCR – United Nations High Commissioner for Refugees
VFM – Value For Money

Annex B Quality Assurance

Quality assurance process

To ensure accuracy and methodological rigour, the author engaged in the following quality assurance process.

- ☐ Internal/Departmental
 - ✓ Line management
 - ✓ Spending Review Steering group
 - ✓ Other divisions/sections
 - ☐ Peer review (IGEES network, seminars, conferences etc.)
- ☐ External
 - ✓ Other Government Department
 - ✓ Steering group
 - ☐ Quality Assurance Group (QAG)
 - ☐ Peer review (IGEES network, seminars, conferences etc.)
 - ☐ External expert(s)
- ☐ Other (relevant details)