

Report to: Communities Committee, 13th March 2024

Report of: Corporate Director – Operations, Homes and Communities

Subject: UPDATE ON THE HOMES FOR UKRAINE (H4U) SUPPORT SCHEME AND LOCAL AUTHORITY HOUSING FUND (LAHF)

1. Recommendation

That the Committee:

- 1.1 Note the contents of this report and in particular the ongoing support and activity being delivered through the Homes for Ukraine Support Scheme; and**
- 1.2 Note the current position in respect of delivery of the Local Authority Housing Fund outlined in section 5 of this report**

2. Background

- 2.1 The Homes for Ukraine (H4U) scheme was launched by the United Kingdom Government on 14th March 2022 and allowed people in the UK to sponsor Ukrainian households to live in the UK providing that they had suitable accommodation to offer.
- 2.2 Currently sponsor households are requested to make a minimum commitment to host households for 6 months and up to 36 months and in return would receive a 'thank you' payment. The payment consists of £350 per month for the first 6 months of a guest arriving in the UK provided by the government. This monthly payment is topped up to £600 by local authorities, using H4U Government funding to support ongoing hosting arrangements. After 12 months, the Government award for thank you payments increases to £500 and local authorities top up with £100, again using H4U Government funding.
- 2.3 As part of the scheme, the Government announced that Upper Tier Local Authorities would initially receive a £10,500 tariff per individual to provide support and resettlement in line with previous (Syrian & Afghan) resettlement schemes. An agreement between Worcestershire County Council and the 6 Worcestershire District Councils means that 70% is allocated to Districts and 30% retained by the County Council.
- 2.4 A key difference between this and previous resettlement schemes is there being no limit on numbers and a new, temporary sponsorship arrangement. From 1st January 2023, the tariff awarded to Local Authorities by government reduced from £10,500 to £5,900 for each new arrival.

- 2.5 On 19th February 2024, the Government announced the next phase of the H4U Scheme. This included a new Ukraine Permission Extension Scheme (UPE) with applications to be opened in early 2025. This new scheme will provide a route for Ukrainians who are already in the UK (with permission granted under one of the existing H4U schemes) to apply for a further 18 months permission to stay in the UK on expiry of their current visa. The period of extension will offer the same rights and entitlements to work, benefits, healthcare, and education that Ukrainian's currently benefit from.
- 2.6 The H4U Scheme has also been amended with initial visas now only granted for 18 months rather than 36 months. In addition, there has been a change to the sponsor eligibility criteria with those sponsoring new arrivals now being required to be British and have settled status (which means that they have the right to remain in the UK permanently). This means that the majority of Ukrainian's who have arrived in the UK through one of the visa schemes are no longer eligible to host.
- 2.7 Up to the end of March 2023, the Council had received a total of £1,682,880 inclusive of thank you payments, support and resettlement costs.
- 2.8 In Worcestershire, the scheme has been coordinated by Worcestershire County Council with each District leading the operational delivery including home checks to assess suitability of accommodation, the administration and dissemination of guests £200 'welcome' payment and sponsor thank you payments, welfare and safeguarding visits, and ongoing resettlement support.

3. Worcester City Numbers

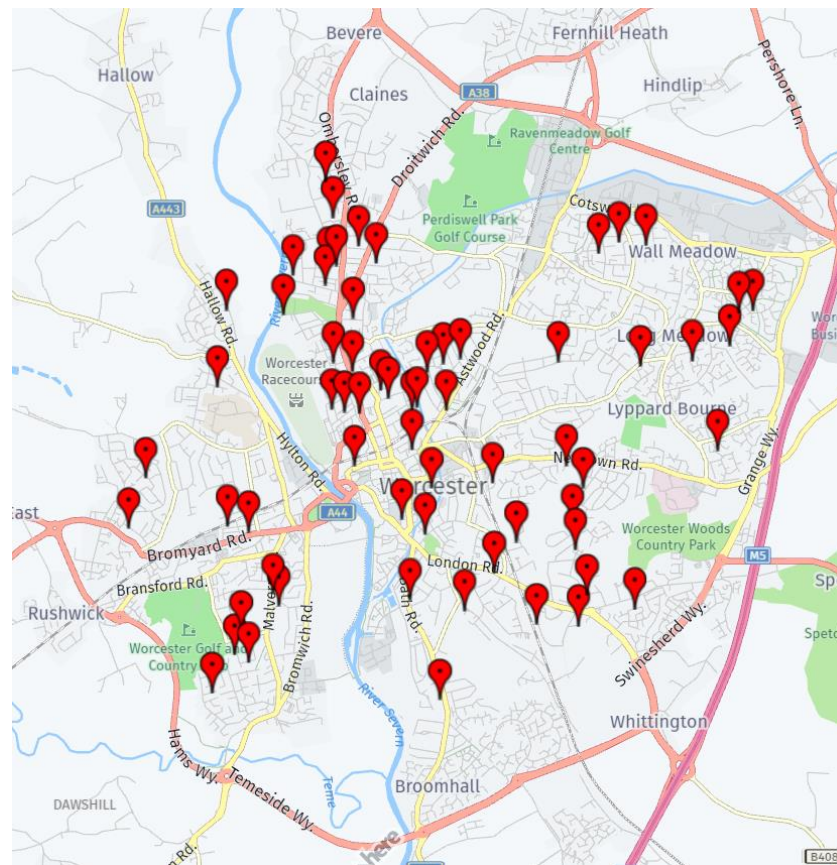
- 3.1 The first Ukrainian guests arrived in Worcester on the 7th April 2022 with further guests following by the end of that month.
- 3.2 As of 2nd February 2024, 266 guests sponsored by hosts in Worcester had arrived since the scheme began with a total of 148 still residing in the city. 118 individuals have left the city, of which 47 have moved to larger cities in the UK, 64 having returned to Ukraine and 7 having moved to a country outside the UK. There are currently 67 Guests from 47 groups being hosted across Worcester in sponsor households.
- 3.3 In addition to those being hosted, 42 guests are currently in independent private rented accommodation and 39 in social accommodation.
- 3.4 Of the 148 Ukrainians still residing in Worcester, they can be broken down by the following demographics:

Age group	Number	Percentage
Under 18	44	30%
18-30	39	26%
31-64	53	36%
65+	12	8%

Gender	Number	Percentage
Male	67	45%

Female	81	55%
--------	----	-----

- 3.5 There are a further 90 guests registered as due to arrive in Worcester, however this number is likely to be lower (55 have Visas issued). Numbers of actual arrivals have remained stable in recent months, however we may see an increase as guests move into private accommodation and look to sponsor family members themselves.
- 3.6 We have been aware of 2 unaccompanied minors during the scheme. One has returned to their family in Ukraine and the other is currently in the city living with a host family.
- 3.7 There are 47 sponsor households across the City dispersed as per the map below.



4. Summary of Activity

- 4.1 To provide dedicated support, guidance, help and advice to guests and sponsors, the Council has employed 3 members of support staff who are bi-lingual in English and Ukrainian to aid communication. Funding for these posts has been taken from the Government funding referred to in para 2.7.
- 4.2 Support has been provided in group sessions and individually around a range of topics including accessing healthcare, education, employment and housing options. Support has been tailored to the needs of individual households as well as feedback and intelligence from common requirements across guests.

- 4.3 Regular liaison and support has been put in place between H4U support officers from across Worcestershire Council's to enable the sharing of best practice and to resolve cross boundary and countywide queries such as access to mental health support.
- 4.4 A range of events and activities have been facilitated and supported during the scheme including family workshops at the Commandery, a welcome event at the Mayors Parlour, a Christmas event at the Guildhall, engagement and attendance at the Worcester Show, a memorial evening, and visits to English heritage sites. These events have been important means of community engagement and integration as well as providing opportunities to socialise within the Ukrainian community in Worcester. The programme of activities and events are well supported by the Ukrainian residents with each attended by more than 100 people.
- 4.5 Guests have been supported with relocation and resettlement both practically through identifying housing options, undertaking accompanied viewings, and facilitation of tenancy sign ups. In addition, the grant funding awarded to the Council is being used through grants to support with up-front costs to secure accommodation as well as personalisation costs to provide the necessary amenities in setting up a new home where required.
- 4.6 Providing support to access training, education and employment to guests has been a key focus during the past 12 months, driven by a desire by guests to become self-sufficient. Excluding the people of pension age and children, all adults (except five households) are either employed or self-employed.
- 4.7 In addition to support offered to guests, the H4U team offer help and advice to sponsor households to ensure that they are kept informed and have support available to them whilst they host Ukrainian guests.

5. Next Steps

- 5.1 A key priority for sponsors and guests is around move on accommodation largely driven by:
- Increased pressures/ dynamics between sponsors and guests with both sponsors and guests leading to household breakdowns
 - Sponsors and guests wishing to have their own space and independent accommodation
 - Guests wishing to be able to sponsor family members fleeing Ukraine to move to the UK
 - Cost of living pressures on host households through increased energy costs, loss of income where the accommodation occupied by Ukrainians is self-contained.
- 5.2 Support has been provided in group sessions and individually around housing options, managing expectations and practical support such as registering for social housing, identifying private rented accommodation etc. This will be continued with regular liaison and support to guests and sponsor households focussed on individual household need as well as wider community engagement and integration.
- 5.3 Access to accommodation is a significant pressure with demand for affordable housing far outweighing supply in the city particularly for family accommodation (which is the greatest need for Ukrainian households). Furthermore, in the private sector, there are financial challenges (affordability, rent in advance, deposits etc.) as well as practical

challenges such as the need for a guarantor and the demand for each property. This is being supported and mitigated through the ringfenced grant funding attributed to the H4U scheme.

- 5.4 The council is using H4U Government funding to support Ukraine residents into their own accommodation through a welfare assistance payment. Eligible applicants can receive support with the first month's rent, landlord deposit, and a settlement grant covering carpets, white goods and furnishing needs.
- 5.5 Guests that have arrived in Worcester have become well integrated into communities across the city as well as retaining and building strong connections within the Ukrainian community in Worcester.
- 5.6 Community building and integration through the council's Asset Based Community Development approach remains a key area of focus and the engagement of individuals with lived experience of resettlement through the scheme will play an important role of the Council's ambition to become a Council of Sanctuary following the recommendation adopted by this committee on 31st January 2024.
- 5.7 Ongoing support surrounding access to education, training and employment will remain a priority to promote independence to guests.
- 5.8 The special Ukraine visa schemes offered a maximum stay of three years in the UK which has changed for new arrivals from 19th February 2024 to 18 months. The Ukraine Permission Extension Scheme now provides an opportunity to apply for a further 18 months extension though there has yet to be any further announcements beyond that, nor that there will be a pathway to permanent residency.
- 5.9 The visas belonging to the first arrivals under the schemes will begin to expire in February/March 2025.
- 5.10 The Council will therefore be monitoring this and considering the potential implications and will continue to provide help, advice and share information with those individuals that may be impacted.

6. Local Authority Housing Fund (LAHF)

- 6.1 The LAHF is a 2-year £500 million Government capital grant fund covering the period 2022/23 - 2023/2024 to support selected local authorities in England to obtain and refurbish property in order to provide sustainable housing for those unable to secure their own accommodation who are in the UK under the following schemes:
 - Afghan Citizen Resettlement Scheme (ACRS),
 - Afghan Relocations and Assistance Policy (ARAP)
 - Ukraine Family Scheme, the Homes for Ukraine Scheme and
 - the Ukraine Extension Scheme (collectively referred to as Ukraine schemes).
- 6.2 As well as helping to fulfil the UK's humanitarian duties to assist those fleeing war, this fund aims reduce the impact of new arrivals on existing housing pressures and ultimately create a legacy for domestic households by providing a new and permanent

supply of accommodation for local authorities to help address local housing and homelessness pressures.

6.3 The basic model assumes stock acquisition. In practice this could include, but is not limited to:

- Refurbishing and/or converting local authority-owned residential or non-residential buildings, including defunct sheltered accommodation.
- Acquiring, refurbishing and/or converting non-local authority owned residential or non-residential buildings, including bringing empty or dilapidated properties back into use.
- Acquiring new build properties 'off-the-shelf', including acquiring and converting shared ownership properties.
- Developing new properties, including developing modular housing on council owned sites, and.
- Working with and supporting other organisations who want to offer accommodation for this cohort. Ultimately, local authorities may choose the most appropriate delivery mechanism to achieve the fund's objectives, and to bring on stream the accommodation as quickly as possible.

6.4 The expectation is that most properties acquired would be family sized homes of 2-4+ bedrooms with delivery of the accommodation to be made before the end of financial year 2023/24.

6.5 Worcester City was successful in the award of £908,000 for the 'main element' of grant funding with an expected delivery of a minimum of 10 homes. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the main element is 40% of the costs the council charges to its capital budget plus £20,000 per property.

6.6 A further £202,282 was awarded for the 'bridging element' for the delivery of a minimum of one 4+ bed property to be allocated to households residing in bridging accommodation. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the bridging element is 50% of the costs the council charges to its capital budget plus £20,000 per property.

6.7 A breakdown of the funding allocation is set out in the table below.

	Year 1 allocation	Year 2 allocation	Total allocation
Properties for households that meet the eligibility criteria for this Programme	£272,400	£635,600	£908,000
4+ bed properties for households currently in bridging accommodation	£60,685	£141,597	£202,282
Total funding	£333,085	£777,197	£1,110,282

- 6.8 The Council sought expressions of interest from Registered Providers (RP's) in establishing delivery of the scheme. Two providers expressed an interest in the scheme with Platform Housing Group engaged as the provider. The model consisted of the acquisition of new build off the shelf properties to be let through an Affordable Rent model to ensure viability of delivery of the scheme within grant allocations and to avoid the requirement for capital funding contributions by the Council.
- 6.9 The model progressed by Platform Housing Group has faced significant delivery challenges with contracts surrounding several units identified with private developers having fallen through. There have also been challenges with viability assessments and affordability concerns for the eligible cohort on alternative identified properties.
- 6.10 Whilst as a council it was recognised that this model had limitations in its breadth of scope and opportunity excluding alternative options such as open market acquisition and conversions, assurance and commitment surrounding best endeavours of delivery were made by Platform Housing Group. In the absence of alternative options or models of delivery and despite identifiable limitations, officers considered that the opportunity to secure delivery of additional units of affordable housing was justified given the need and strategic priority of the Council surrounding increasing affordable housing delivery in the city.
- 6.11 Despite significant investment of time and resources by officers, including promoting opportunities for acquisitions, proactive engagement with developers, regular liaison with the provider and advisors at DLUHC as well as offering flexibility around the makeup of units, delivery of the scheme is now highly uncertain.
- 6.12 On 8th February 2023, Platform confirmed that they had made a commercial decision and withdrawn their offer from the developer of 5 properties earmarked for Worcester through the scheme. Driven largely by experiences in a neighbouring authority surrounding the affordability of units and the ability to allocate properties to the eligible cohort, the provider considered the risk too high to proceed with the Worcester City acquisitions.
- 6.13 Officers continue to discuss options with Platform Housing Group, neighbouring District Councils who have adopted the same model with Platform, and DLUHC to try and enable the delivery of as many units of accommodation as possible.
- 6.14 An option for a plot swap is actively being explored which would involve the transition of some plots from a neighbouring authority to be transferred to Worcester. These would then be exchanged with relet properties which would form LAHF properties and let at a social rent with the new build properties being allocated through the housing register. Although this has yet to be finalised, officers are hopeful that this may result in some delivery through the scheme.
- 6.15 Should delivery of any or all of the units through the LAHF scheme not be achieved, the grant allocation for Worcester will be returned DLUHC, and apart from aborted time and effort, does not involve any financial risk or cost to the council. Work will remain ongoing to support the eligible cohort in identifying and access alternative housing options.

Ward(s): All
Contact Officer: Tom Mountford – Head of Homes & Communities
Tel: 01905 722529
Email: Tom.mountford@worcester.gov.uk
Background Papers: None