

Report of Director of Customer & Communities &  
Director of Housing, Economy & Regeneration

## **Homes for Ukraine Budget**

### **Introduction**

1. This paper provides an update on use of the Homes for Ukraine Scheme (HfU) funding. The background to the scheme and initial partnership and funding arrangements were outlined in a report to the Executive Member for Culture, Leisure and Communities on 19 April 2022 here:

[Agenda for Decision Session - Executive Member for Culture, Leisure and Communities on Tuesday, 19 April 2022, 9.00 am \(york.gov.uk\)](#)

2. An initial three year budget and allocations were set down in response and reflected the known requirements at that time just to meet the requirements of the Government's HfU scheme in securing resources to welcome and host guests.
3. This report now reflects the experience and reality of working closely with the Ukrainian community and the known housing impacts and longer-term support arrangements needed. Given this experience, the report outlines spend to date and planned spend over the three-year period 2022/25 for approval.

### **Recommendations**

4. Executive is asked to:
  - a. note activities and how the funding has been allocated to date;
  - b. approve plans for further significant expenditure to March 2025;

- c. allocate budget to the respective Housing and Customer & Community teams as set out in the report for the purposes identified;
- d. maintain the delegated authority to the Assistant Director/Director of Customer and Communities to make grants to partner organisations to support the programme in consultation with the Executive Member for Culture, Leisure and Communities (as granted in the decision of that Executive Member made on 19 April 2022).

## **Background and changes to the HfU Scheme**

5. Over 100,000 Ukrainians have sought sanctuary in the UK through the Homes for Ukraine scheme, one of the fastest and biggest, visa programmes in British history.
6. On 14th December 2022 the government announced measures to update the Homes for Ukraine Scheme.
7. In recognition of their ongoing support amidst the rising cost-of-living, all sponsors will receive an increased 'thank you' payment of £500 a month for guests who have been in the country for over a year.
8. 'Thank you' payments will also be extended from 12 months to 2 years, so that guests who may not yet be ready to move into independent accommodation can stay in sponsorship for longer - where sponsors are willing to extend arrangements.
9. In some cases, where guests 'rematch' with new sponsors, these sponsors will be eligible for the increased payment if the guest is in their second year here in the UK.
10. In cases where sponsorships can no longer continue, councils in all parts of the UK will receive help to house Ukrainians through a one-off pot of government funding worth £150 million, as well as a new £500 million Local Authority Housing Fund in England.
11. The government have also taken the decision to reduce the council tariff to £5,900 (from £10,500) per person for arrivals entering the UK from 1 January 2023. Councils will continue to receive the previous year one amount for any Ukrainian already in the UK.

12. Local authorities will continue to receive separate funding in 2022-23 for the Ukraine education tariff under the rates and terms previously set out (a per child tariff of £3,000 for early years, £6,580 for primary and £8,755 for secondary and payments calculated on a pro-rata basis); and the Ukrainians families will also continue to receive government support on skills training, job centre access and welfare payments.
13. The financial estimates in the tables below are based on the figures available at the time of drafting i.e., 323 guests split across 114 host households.
14. The totality of activity in York under the scheme is as follows
- Total Ukrainians joining HfU York scheme – **323**
  - Current number of Ukrainians within HfU York - **213**
  - Current number of host households - **114**
  - Total Host households who have hosted – **181**
  - Awaited sponsored guests currently due to York – **21** across 12 host households
  - Guests have left HfU York scheme – **110 guests** [from 58 host households]
  - Reasons for guest leaving (number/% of 110 individuals):
    - *Guests have moved in to own/private property – **78 / 71%***  
[Note: **69 / 63%** into a York property, **9 / 8%** moved out of area in UK],
    - *Guests returned to Ukraine – **28 / 25%***
    - *Guests presented as emergency homeless – **4%***
15. The support provided since the service moved to the Housing Team it has had a focus on supporting hosts and guests to maintain hosting arrangements for as long as this is appropriate and helping to facilitate planned moves into private rented housing as needed. This approach has been very effective to date in reducing the need for guests to approach the housing options service for emergency help. Where guests have needed to seek emergency assistance due to unforeseen circumstances, this has been provided through the normal routes with tailored support provided according to the needs of the household. The private rented incentives set out below have

been devised to ensure that the service is able to continue to support guests with planned moves and reduce the need for emergency assistance. In addition, a 0.5 Full Time Equivalent (FTE) housing options worker has been allocated over the next two years, in order to ensure that dedicated and specialist advice is available as required.

### **Management Arrangements**

16. Management of the core staffing team moved from the Communities Team to Housing with effect from 12 August 2022, reflecting the shifting nature of the focus of work that was required.
17. Customer and Communities staff have continued to provide community liaison and integration support functions and to convene the partnership coordinating group. City of Sanctuary and the housing team continue to support arrivals to source appropriate, affordable accommodation in the private rented sector, which as expected is proving a challenge.
18. From January 2023 the Ukraine Response Group, which included external partners, will be folded into the wider Refugee and Asylum Coordination Group, as the city is no longer operating on a response footing. This reflects mutual desire to look at resettlement holistically and not separate out cohorts, particularly given the 450 recent arrivals currently living in Home Office Contingency Accommodation in the city.

### **Income from the Tariff**

19. Based on the 323 guests to York this attracted un-ringfenced funding of £3.4m. To date we have received £2.7m representing 258 guests as of 30 November 2022.
20. As described earlier, any guests arriving after 1 January will bring the council funding of £5.9k per person, rather than the previous £10.5k. The number of arrivals since January 2023 has not yet been validated.

### **Spend to date**

21. There has been a spend of £554k (to January 2023), to cover cost of the Community & Voluntary Sector Partners and council costs in

welcoming and settling guests with host families, including the relevant security and property checks required.

22. Current staffing includes a full-time administrative assistant, two full time support workers, and four part time support workers (a total of 3.7 FTE support workers). Three of the support workers are Ukrainian speakers. A full-time supervisor is being recruited to manage the team and support the service.
23. None of the grant funding has been used to provide emergency or temporary accommodation, as this is provided through the homeless/housing options route.
24. Spend to date is lower than originally anticipated, as some of the management and administrative functions have initially been met through existing posts. This will not continue in the longer term as a dedicated resource will be needed to ensure that there is full coordination of services as increasing numbers of guests move on from their host placements. Spend on repairs and work to property was lower than anticipated, due to the good condition of properties brought forwards.

Breakdown of spend to date and forecast for year

	Spend to date	2022/23 Forecast spend
	£'000	£'000
Grant funding to charity/community groups	134	236
Variable costs: Host property checks, repairs, DBS	171	200
Top up payments to hosts	24	48
Internal costs – business intelligence, adult ed, communities, overheads	114 (of which £39k for ESOL*)	250
staffing	111	140
Total	554	874

\* English for Speakers of Other Languages

25. There are several areas where the Homes for Ukraine team have underspent on projected costs such as host checks and repairs. However, given that at this point not many guests have moved into private accommodation, the repair costs will almost certainly increase.
26. There are still staffing appointments to be accounted for and re-charges to be made for other work which has taken place to support the scheme. For this reason, it is assumed the existing spend for non-variable spend 2022/23 stands and any re-evaluation of forecasts made at year-end. The variable spend has been amended as per the detailed table and summary table below, and in line with revised numbers of guests.

### **Additional expenditure**

27. Since the report in April last year the position in relation to both the Ukrainian cohort, and wider asylum resettlement has changed significantly.
28. In addition to the funding changes outlined above, it is clear York will continue to host Ukrainian guests for some time. This means either another 12 to 18 months with willing hosts, or a move into Private Rented Sector (PRS) accommodation. Either way a level of support will be needed for both guests and hosts.
29. Using host arrangements to accommodate refugees is a new approach which York has no experience of from previous refugee settlement schemes. A number of hosts have raised concerns that they believed they were signing up to a six month offer of accommodation. Due to the ongoing war in Ukraine and the lack of readily accessible move-on accommodation in York these arrangements have gone on longer than hosts expected, and there is pressure for CYC to support hosts by helping guests to move on to more permanent accommodation.
30. In response to the cost-of-living crisis and increased energy bills the Homes for Ukraine Team have been making a payment of £100 per month to top up host 'goodwill' payments to £450 since November 2022. This is in line with several other councils, as hosts were suggesting they may leave the scheme due to the cost of bills increasing.

31. From 1 December 2022 to date CYC have made payments to hosts at the increased amount of £450. This amounts to £24,300 additional spend to date.
32. As the government have announced that host payments will increase to £500 for those who have had a guest for 12 months, this leaves a difficult situation where some hosts with newer guests will still only get £350. This may mean some hosts will need this additional £100 payment until the end of winter. This is a situation that will require sensitive ongoing support for both hosts and guests. A sum has been included for this cost for 2023/24, however exact funding required for this will be dependent on a range of factors including the rate at which guests move out to more permanent accommodation. A cost has not yet been factored in for 2024/5 due to the lack of information about how many hosts there will be or the level of government support that will be provided for hosts. Any costs can be met from the contingency if this support is still required.
33. The private rented market in York is extremely competitive, with market rates well above the Local Housing Allowance (LHA) rate. In addition, the wider economic situation means that many private landlords do not feel in a financial position to agree to lower rents. For example, the LHA rate for a two-bedroom property is £544.98 per month, whilst market rent for such a property is likely to be between £900 -1200 per month.
34. To ensure a planned move on to stable accommodation, a set of incentives for private landlords is planned. This includes:

Bond guarantee scheme	£900
Rent in advance	£800
Golden hello (for landlords offering a 12-month tenancy through YorHome)	£500
Rent reconciliation up to £3000 per property over a 12-month tenancy	£3000 (maximum)

35. The bond guarantee, rent in advance and golden hello are already schemes in existence which are used to help local residents access private rented accommodation. These are all means tested and are only used where the resident does not have savings or income sufficient to fund this themselves, but the property will be affordable for them if they have assistance with bond and rent in advance. The same approach will be used in supporting Ukrainian guests to access private rented accommodation.
36. Given the number of Ukrainian guests needing to access private rented housing, and challenges in the sector, an additional incentive is being offered of 'rent reconciliation'. This is a financial contribution of up to £3k to meet the difference between LHA levels and the private rented level. This financial assistance will only be offered for the first 12 months, allowing time for the individual to improve their English (if needed) and find employment, so that they are able to afford the rent in the longer term. This will likewise be means tested based on any income or savings the individual has, and the focus will be on long term affordability and sustainable solutions. For example, whether the individual has a realistic prospect of gaining employment that will be sufficient to cover the rent in the longer term.
37. The alternative to assisting Ukrainian guests into private rented accommodation is that most households would be classed as priority need (due to, for example, dependent children), and therefore the council would have a duty to provide emergency temporary accommodation, and then permanent accommodation, (which is usually in social housing) if host placements should come to an end. Temporary accommodation is already under pressure due to high demand, and social housing is likewise in high demand, which is expected to remain high given the ongoing cost of living crisis.
38. Supporting hosts to continue arrangements and supporting guests to find private rented accommodation has been a focus of the support provided to date. So far only 4% (low single numbers) of Ukrainian families have been housed in temporary accommodation, due to unforeseen changes in circumstances with the host family.
39. The 0.5 FTE Housing Option worker will be funded in order to provide specialist advice and prevention services to ensure that the number of families are able to make planned moves when required, and do not need to be housed in temporary accommodation.



## Other pressures

40. In December 2022 the Home Office opened a 'contingency' asylum accommodation site in York. The hotel is now at capacity with 450 guests. The guests are a mix of nationalities and mostly small families, with some couples. It will remain open for a minimum of 12 months. These additional guests to the city mean that supporting partners and the council are under pressure on a range of fronts, without commensurate funding and this has been raised with Local Members of Parliament and key government contacts on an ongoing basis to raise with Ministers.
41. There is also a significant unmet demand from all the new residents for ESOL (English for Speakers of Other Languages) and conversation English classes available through York Learning. This will have an impact on the number of individuals who are able to move into employment and afford their own accommodation.
42. CYC and York Explore have successfully run the 'Our City Hub' for migrant communities for the last 18 months. The attendance on a Saturday is well over 100 and is particularly well used by the Ukrainian community. It is so popular that they intend to move out into Acomb Explore for an additional session. This was previously funded with European Union exit contingency funding. This funding has now come to an end and therefore to continue needs additional funding for the next year. This will cover staffing and a small operational budget. After this the intention is to develop proposals to set the hub up as a Community Involvement Company and apply for external funding.
43. The CYC Minority Communities Officer has also been involved in setting up the 'Long Spoon Forum' for refugees, asylum seekers and migrant communities to share their experiences, raise issues and provide an opportunity to get their voices heard by services across the city. They have asked for £20k which will pay for staffing and a childcare provider to run a session for children while parents attend the forum. This will also be held at York Explore on a Sunday.
44. York City Church have been running a Ukrainian Café which is very popular and have asked for an additional £1k to keep this running until Easter 2023.

**Anticipated Expenditure and revised three-year budget based on current number of guests**

**Variable Costs:**

<b>Over 3 years -</b>	
<ul style="list-style-type: none"> <li>• Total costs associated with setting up placements for 300 Guests: home checks, additional welcome payments, DBS checks, initial cash, equipment, etc.</li> </ul>	£644k
<ul style="list-style-type: none"> <li>• <b>Landlord Incentives to include:</b> <ul style="list-style-type: none"> <li>○ Bond guarantee scheme</li> <li>○ Rent in advance</li> <li>○ Golden hello (£500)</li> <li>○ Rent reconciliation up to £3000 per property.</li> </ul> </li> </ul>	£65k £117k £104k £390k
<ul style="list-style-type: none"> <li>• <b>Training/Qualification Conversion</b></li> </ul>	£150k
	<b>Total £1,470</b>

**Homes for Ukraine Team (Housing) Staffing Costs:**

<b>To 2023/24:</b>	
<ul style="list-style-type: none"> <li>• Management phase.</li> </ul> <p>Homes for Ukraine Team (in housing)</p> <ul style="list-style-type: none"> <li>○ 1 Manager (Grade 9)</li> <li>○ 3 Support workers (Grade 8)</li> <li>○ 1 Admin worker (Grade 5)</li> <li>○ 0.5 FTE housing options worker (Grade 7)</li> </ul>	£220k
<b>2024/25</b>	
<ul style="list-style-type: none"> <li>• Management phase (It may be possible to reduce to a smaller staff depending on how many families have moved into PRS accommodation)</li> </ul>	£169k

### Other Internal Costs:

To 2023/24:	
• Recharges to Business Intelligence, Business Support	£50k
• ESOL room hire, translation services, Refugee Outreach Worker, training, etc.	£110k
• Additional ESOL staff	
○ Lead Tutor 3 days £25,300 - full year post Grade 8	Max
○ Lead ESOL co-ordinator Grade 8 or Grade 7 [£15,000 for 2 days and £22,000 for 3 days]	£50k
• Additional Room Hire for ESOL classes	£10k
• Funding for the continued operation of 'Our City Hub'	£45k
• Top up payments for hosts	£70k
2024/25:	
• Salary costs for Minority Communities Officer & Refugee Outreach officer (Grade 8/7)	£80k
• Recharges to Business Support and Business Intelligence	£50k

### Grants to / purchasing from partner organisations:

To 2023/24:	
○ City of Sanctuary supporting the provision of accommodation (a report on work to date is attached at Annex B)	£210k
○ Trauma / wellbeing support	
○ Youth / children's activities	
○ Other integration including through community hubs	
• Additional caseworker at Refugee Action York to support with foodbanks, set up additional	£45k

provision of drop ins, support with form filling, job application etc. (2022-23)	
<ul style="list-style-type: none"> <li>Long Spoon Forum – set up, staffing, creche and operational budget (2022-23)</li> </ul>	£20k
<ul style="list-style-type: none"> <li>Funding York City Church for the Ukrainian/Asylum café 4hrs pw until April. (2022-23)</li> </ul>	£1k
2024/25:	
<ul style="list-style-type: none"> <li>Some residual need</li> </ul>	£100k

### Financial Implications:

45. The total of the anticipated expenditure set out above is £3.4m which is funded by a Department for Levelling Up, Housing and Communities (DLUHC) grant of £3.4m.
46. As the numbers of refugees continues to change the variable costs will change and so the budget will need to be adjusted over time however it is anticipated that expenditure will be contained within the overall grant.
47. A contingency is included within the overall budgets of £331k across the three years, which can fund other potential services and contracts not currently identified. It is also necessary to ensure that the grant funds the additional resourcing across the council that has been incurred in supporting this important workstream.
48. The position is summarised by year as follows:

All figs £'000's	2022/23 Forecast	2023/24	2024/25	Total
	£k	£k	£k	£k
Variable Costs	248	612	610	1,470
Staffing Costs	140	220	169	529
Internal Costs	250	155	130	535
Grants / Partner	236	190	100	526

Contingency	100	125	106	331
<b>Grand total</b>	<b>974</b>	<b>1,302</b>	<b>1,115</b>	<b>£3,391</b>
<b>Income</b>				<b>£-3,391</b>

49. The table above shows that the costs of the scheme will be contained within the current level of assumed income based on the current number of arrivals. Guests who arrive after 1 January 2023 attract a lower level of grant and is assumed that the costs directly relating to further arrivals will be contained within further grant. however

### **Consultation**

50. CYC have worked closely with partners to evaluate spend to date and to ensure that additional spend is targeted in the right places and will have maximum benefit for the guests being supported with this funding.

### **Options**

51. It is open to the Executive to accept the recommendation to approve the additional expenditure in this report or decline to do so.

### **Council Plan**

52. Supporting our Ukrainian guests to settle into their new homes meets the Council Plan priorities of 'good health and wellbeing', 'well paid jobs and an inclusive economy', 'a better start for children and young people' and 'safe communities and culture for all'.

### **Implications**

53.

- **Financial**  
Included in the main body of the report
- **Human Resources (HR)**  
As per report
- **Equalities**  
Executive Members are not being asked to make a decision which requires a full EIA, as this is government funding targeted at welcoming and supporting a specific cohort.

- **Legal**  
Where Ukrainian refugees have been matched and placed in York, the Council is required to make appropriate arrangements for ensuring their welfare, and for passporting central government funding to those individuals. In addition, the council has a duty under the European Convention on human rights to safeguard the welfare of those refugees; the arrangements set out in this report will assist the council in meeting its human rights obligations.
- **Crime and Disorder**  
The funding allocated to VCS partners to provide support and activities will support community cohesion and have a positive impact on crime and disorder.
- **Information Technology (IT)**  
None
- **Property**  
None
- **Other**  
None

## **Risk Management**

54. The main risks should this additional spend not be approved are:

- The HfU programme is a government scheme and funding, while not ringfenced, has been provided to welcome and support a specific cohort.
- That hosts feel they do not have sufficient support and choose to withdraw from the scheme before their guests have found suitable, alternative accommodation.
- Ukrainian guests who do not find suitable employment opportunities and/or accommodation will need to be housed by CYC.
- VCS partners, who are already operating at capacity, will have to reduce their level of support.

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**Report Approved**  **Date** 3/3/2023

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**Wards Affected:**

All

**For further information please contact the author of the report**

**Annexes:** None

**Background Papers:**

*‘York’s welcome to Ukrainian refugees’*

Decision Session - Executive Member for Culture, Leisure and  
Communities 19 April 2022

[Agenda for Decision Session - Executive Member for Culture, Leisure and Communities on Tuesday, 19 April 2022, 9.00 am \(york.gov.uk\)](https://york.gov.uk)

## **Abbreviations**

**DLUHC** – Department for Levelling Up, Housing and Communities

**ESOL** - English for Speakers of Other Languages

**FTE** – Full Time Equivalent

**HfU** - Homes for Ukraine Scheme

**VCS** – Voluntary and Community Sector