

## **Written Response by the Welsh Government to the report of the Local Government and Housing Committee entitled Housing Ukrainian Refugees**

I would like to thank the members of the Local Government and Housing Committee for their report on Housing Ukrainian Refugees in Wales. We, as Welsh Government, remain committed to providing continued support to Ukrainians as they flee their home country and seek refuge in Wales.

Our budget, which was passed in the Senedd in the week commencing 6 March, outlined £40m of investment to support people from Ukraine settling in Wales in this financial year. Since the UK Government made its announcement in December to cut the funding they provide to local authorities to levels far below what is needed or could be mitigated, we have worked closely with local authorities to maximise the impact of the funding being made available by Welsh Government. I announced our plans for host top up payments, move on support and a discretionary fund in March and am delighted that the recommendations in your report align very closely with these arrangements. The allocation of this funding underlines our ongoing commitment, as a Nation of Sanctuary, to integrate those we have already welcomed and resettle those who are still to arrive.

### **Detailed Responses to the report's recommendations are set out below:**

#### **Recommendation 1**

The Committee recommends that:

The Welsh Government should continue its efforts to persuade the UK Government to increase the monthly payment to all hosts to £500 or, if this is not possible, consider funding bridging payments for hosts in Wales to ensure all receive a monthly payment of £500.

#### **Response: Accept**

The UK Government has maintained the position that monthly host payments for the first year that a Ukrainian arrival has been in the UK will remain at £350, increasing to £500 only at the start of the second year. Despite Ministers from both Wales and Scotland repeatedly pressing for an uplift, the UK Government has been firm in their response.

We as Welsh Government recognise the very important role that our hosts have played and will continue to play in supporting those fleeing Ukraine and welcoming them into their homes. Considering this and the current cost of living crisis, we feel that it is essential to create equity in payments amongst our Welsh hosts. The Welsh Government has therefore already committed £2.5m of our 2023-24 Homes for Ukraine funding envelope to fund monthly top up payments of £150 to those that would otherwise only be eligible to receive £350 per month. This will ensure that all hosts are eligible to receive £500 per month, regardless of how long those being hosted have been in the UK. Where a local authority decides to increase thank you payments above £500, it is the local authority's responsibility to fund any further top ups from their budget. This increase is being promoted through an integrated communications campaign to generate more hosts to come forward and offer accommodation.

I will continue to press UK Government on the longer-term arrangements for host payments.

**Financial implications:** We have committed £2.5m from our £40m budget in 2023-24 to meet the costs of topping up thank you payments to hosts to £500.

#### **Recommendation 2**

The Committee recommends that:

The Welsh Government should provide an update to the Senedd as a matter of urgency to clarify its position on welcome centres.

**Response: Accept**

Initial accommodation provided through our super sponsor scheme was only ever intended to provide temporary accommodation to those fleeing Ukraine and is not intended to serve as an indefinite solution. It is a priority to support arrivals into longer term accommodation solutions, so that they are able to settle and fully integrate themselves within our communities. The Welsh Government has worked closely with local authorities to agree an initial accommodation move on strategy and plan for the 2023-24 financial year, that provides for the needs of Ukrainian arrivals and the communities they live in. The programme of accommodation closures is part of a focused and coordinated plan involving Welsh Government, local authorities, the third sector and other key partners to move people on to longer term accommodation solutions. This plan is already underway with 16 settings having already closed, with the majority of Ukrainian guests in those settings moving into longer term accommodation including hosting arrangements, private rented sector or transitional accommodation. In the small number of cases where that did not happen, those Ukrainian guests were moved into alternative initial accommodation where efforts continue to support people to move into longer term accommodation.

No guests will be left without accommodation resulting from the closure of an initial accommodation setting and no-one will be made street homeless by our plans to reduce capacity in our super sponsor initial accommodation. As we close sites, we work intensively with local authorities and their guests to ensure suitable alternative offers are made. In addition to our anticipated allocation of the UK Government's £150 million Housing Support grant which will be used to support Ukrainian arrivals, £2m of our 2023-24 funding envelope has been specifically earmarked to support local authorities in moving Ukrainians on to longer term accommodation.

**Financial implications:** there are no financial implications associated with the provision of updates to the Senedd.

**Recommendation 3**

The Committee recommends that:

The Welsh Government should provide an update to the Senedd on its intentions around the use of modular accommodation to provide homes for people from Ukraine. This should include detail of the Welsh Government's expectations on local authorities to develop such accommodation, the funding available to them and the longer term intentions for its use.

**Response: Accept**

The Transitional Accommodation Capital Programme (TACP) was established in July in response to wider housing pressures to help bring forward more good quality longer term accommodation at pace. In the 2022-23 financial year up to £76.5m has been provided to local authorities and registered social landlords to help everyone in housing need including Ukrainians. Types of projects being supported with this funding include bringing empty properties back into use, remodelling and conversions, acquisitions and the use of modular accommodation on a meanwhile use basis. Local authorities and RSLs decide which projects they bring forward for funding and how this transitional accommodation is then used based on their local needs and circumstances. Projects funded through TACP must meet the minimum standards set out in the TACP standards framework which is intended to ensure a flexible and responsive approach to bringing forward more good quality accommodation at pace.

In terms of modular accommodation, Welsh Government uses existing and well-established networks to facilitate the sharing of best practice around modular builds for transitional accommodation, such as the Innovative Housing – Community of Practice which meets bi-monthly to share learning and best practice from schemes funded under the Innovative Housing

Programme. In addition, we will continue to encourage collaboration and learning in via our regular housing leadership Cymru meetings and joint meetings with Social Landlords in Wales.

**Financial implications:** there are no financial implications associated with the provision of updates to the Senedd.

#### **Recommendation 4**

The Committee recommends that:

The Welsh Government should develop a long-term plan to ensure sufficient provision of suitable move-on accommodation for people from Ukraine.

#### **Response: Accept**

The Welsh Government is committed to assisting local authorities in their efforts to support Ukrainian arrivals to move on from initial accommodation into longer term accommodation.

In May 2022 all local authorities and the Welsh Government agreed the [Homes for Ukraine Accommodation Framework](#). This set out how Ukrainians who arrive via the Welsh Government super sponsor route and who are accommodated in initial accommodation would be dispersed across Wales. As part of this every local authority agreed a population share of Ukrainian arrivals under the super sponsor route that they would support into longer term accommodation as part of our Team Wales approach. This recognised the uneven distribution of initial accommodation across Wales and provided assurance to the local authorities supporting initial accommodation in their local area that they would not have responsibility for the longer-term accommodation of all Ukrainians arriving via the super sponsor route to initial accommodation. Our initial accommodation move on plan has been developed in partnership between Welsh Government and local authorities. The plan prioritises move on whilst being sensitive to the wider housing pressures across local authorities and helps to ensure that people are fairly distributed across all local authorities when closing sites. The population share has just been updated to reflect wider housing pressures and is currently being ratified by individual local authorities.

As part of this effort, the Welsh Government has already committed £2m of the 2023-24 Homes for Ukraine funding envelope to specifically target move-on support within Wales. £1.5m of this fund will be distributed to local authorities based on an agreed population share model and local authorities will have discretion to determine how best to use it to support move on, depending on local circumstances. For example, a local authority might decide to use the funding to help Ukrainian arrivals enter the private rental sector by paying the initial bond and first month(s) rent. The remaining £500k of this budget will be held centrally to provide national move on support for more complex households, for example larger families where longer-term accommodation options may be more limited.

Recognising the wider housing pressures and the need to support people to move from temporary accommodation into more settled housing, the Minister for Climate Change established the Transitional Accommodation Capital Programme (TACP) in July. The aim of TACP is to support local authorities and registered social landlords to deliver more good quality longer term accommodation at pace to support everyone in housing need – including Ukrainians. In the 2022-23 financial year up to £76.5m of funding has been made available which will see 737 additional homes delivered. Further funding in 2023-24 and 2024-25 will take this total to over 1300 properties.

In addition, among the ways the £40m will be spent includes £2.5m to allow local authorities to increase ‘thank you’ payments to people in Wales hosting Ukrainian guests – up from the current £350 to £500 per month. We have recently launched a new national communication campaign to encourage new hosts to come forward to support guests.

The Welsh Government will continue to work closely with local authorities to tackle the integration issues that coincide with long term settlement.

**Financial implications:** Our long term plan has been developed and costs associated with this can be met within the £40m budget allocated for 2023-24 as set out above.

### **Recommendation 5**

The Committee recommends that:

The Welsh Government should consider whether some of the £40 million it has allocated in its budget for 2023-24 to help local authorities to continue delivering services to those fleeing the war in Ukraine, could be used to make up the difference in the integration tariff.

### **Response: Accept**

The reduction in the integration tariff from £10,500 to £5,900 is significant and in the absence of year 2 integration and education tariffs we are unable to make the same level of funding available to local authorities from our own resources which will sadly not stretch that far. In lieu of a year 2 tariff, we expect to receive a share of the UK Government's £150 million Housing Support grant. Whilst this will provide a small level of support to bridge this gap, it will still fall very far short of what local authorities would otherwise have received had the UK Government continued to provide tariffs for year two, in line with other refugee and resettlement schemes.

Nonetheless, whilst the UK Government has cut the vital funding needed by local authorities to levels far below what can be mitigated, we remain determined to support councils to help everyone who needs a home in Wales. We are committed to assisting local authorities to deliver services for those fleeing the war in Ukraine and whilst the majority of the £40m Homes for Ukraine budget will be allocated to the provision of initial accommodation, the majority of the remainder will be allocated directly to local authorities to enable them to provide support where it is most needed in their area.

We have therefore taken the decision to use elements of our Homes for Ukraine budget to provide targeted support where local authorities have indicated that the loss of tariff funding would be most significant and further support is most needed. In addition to providing host top up and move on support funds, a discretionary fund of £1.95m has been earmarked to provide targeted support within local authorities, to help tackle integration issues and to bridge some of the gap that the reduction in integration tariff has left. This money will be used to deliver funding directly to councils through two tranches of £800k each, which will be distributed across all 22 local authorities based on the number of Ukrainians in each one. A further £100k of the budget will be used to extend the Welcome Ticket travel scheme. The remaining £250k will be held back, providing scope for local authorities to present particular pressures which need funding to meet local demand.

**Financial implications:** we have already planned to provide additional support to local authorities and this support can be met within our £40m budget in 2023-24 as set out above.

### **Recommendation 6**

The Committee recommends that:

The Welsh Government should provide an update to the Senedd on its discussions with the UK Government on obtaining clarity as to how much of the new £150 million funding for 2023-24 will be made available to Wales. The update should include details of how the funding will be allocated.

### **Response: Accept**

The new £150m funding pot, or Homelessness Prevention Fund, is provided as an alternative to a Year 2 tariff for Homes for Ukraine, though it comes nowhere near replacing the lost revenue for Welsh public services. The way in which this fund will be distributed, and any conditions attached to this money have been consistently discussed through senior officials and regular Ministerial Trilateral meetings with the UK Government and Scottish Government lead Ministers. I have written with the Scottish Government Minister and separately with the Leader of the WLGA to the Department of Housing, Levelling Up and Communities Secretary of State to seek clarity on the quantum and any conditions attached to the funding. I have now met with the UKG Minister and an indicative allocation has been outlined, which is in line with internal expectations that were based upon published Homes for Ukraine arrivals data and a national apportionment of the fund. Once the Wales allocation of this fund has been formally agreed, we will work closely with local authorities to ensure this funding helps LAs to meet their population share. As new information becomes available on this allocation, the Senedd will be updated.

**Financial implications:** there are no financial implications associated with the provision of updates to the Senedd.