

Forward Plan reference number: Not applicable

Report title: Year three payments for 2024 for Sponsors on the Homes for Ukraine scheme	
Report to: Councillor Louise McKinley, Deputy Leader and Cabinet member Community, Equality, Partnerships and Performance	
Report author: Lucy Wightman, Director, Wellbeing, Public Health & Communities	
Date: 14 February 2024	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Essex can be proud of our residents' response to the war in Ukraine, with approximately 1000 sponsors who have hosted over 2200 Ukrainian guests across the region.
- 1.2 This report asks the Cabinet Member to agree how the Council will continue to provide an uplift payment to all sponsors after their initial 6 months of sponsoring. This will contribute to the health and well-being for all ages aim in Everyone's Essex.

2. Recommendations

- 2.1 Agree that additional payments of £200 per month for all Essex Homes for Ukraine sponsors continues to be paid in addition to the mandatory Government payment and is extended to cover months 25 to 36 of the scheme.
- 2.3 Note that the Homes for Ukraine scheme is grant funded by the Homes for Ukraine Scheme Local Authority Tariff Payment, so the financial implications for ECC in respect of these additional payments to sponsors is funded. It has been confirmed that use of the grant for this purpose is in-line with the terms and conditions of the grant.

3. Background and Proposal

- 3.1 The Homes for Ukraine scheme was launched by central government in March 2022 in response to the war in Ukraine. Across the Essex County Council administrative area, as at 31st December 2023, a total of 2239 Ukrainian nationals had arrived in the UK and were hosted by an Essex sponsor. There are also another potential 700 Ukraine citizens in the visa system who will potentially be hosted with a sponsor in Essex. These visa applications are still in progress, or the Ukrainian guest has not yet made travel arrangements. ECC is administering

the scheme by arranging for checks on guests and accommodation, with our housing authority partners undertaking the required property checks. ECC is administering the financial management of the scheme.

- 3.2 HM Government requested that sponsors initially committed to offer to host for a minimum of six months. When the scheme was announced it was unclear how many people would be accommodated or how long the war would last. Those arriving under the scheme have been given leave to remain in the United Kingdom for three years, and they have permission to work and have recourse to public funds, meaning that they have full access to housing, employment opportunities and welfare benefits.
- 3.3 After a few months the scheme was expanded to allow guests to be re-matched with a new sponsor if, as inevitably happened in some cases, the sponsor / guest relationship ended, and the 'placement' breaks down. In Essex it has been agreed that our local housing authority partners will lead on re-matching, and the County Council has offered to meet the cost of additional staff to administer this, if required, from the Government's LA Tariff grant fund.
- 3.4 If placements break down, then the guest has the following options:
- Securing their own accommodation. Some guests are highly skilled, have started work or their own business and are able to source their own accommodation in the market.
 - Finding a new sponsor, with or without the assistance of the local housing authority.
 - Presenting to the housing authority as homeless. The duty owed by the housing authority will depend on their assessment of the circumstances of the guest with assessment made in line with national homelessness legislation and local policies, but it may not be required to provide accommodation if the guests are not vulnerable. Our local housing authority partners are under pressure and would find it difficult to cope with a large increase in homelessness.
- 3.5 In late Autumn 2022, the Government position on increasing payments to sponsors was not clear, and this resulted in many Councils deciding to increase sponsor payments. In November 2022, the Deputy Leader took a decision to increase payments by £200 per month for months 7 to 12 to £550 per month as an incentive for sponsors to continue hosting. This was then extended to continue until month 24 in February 2023. It did not extend longer than 24 months because the government policy was that all payments were stopped after 24 months. The additional £200 per month was funded from the £10,500/pp (2022 rate) and £5,900/pp (2023/2024 rate) Homes for Ukraine Local Authority Tariff Payment grant which ECC claim and manage.
- 3.6 The key reasons for our decision in November 2022 and February 2023 were:
- Many sponsors considered that we needed to respond to the significant increase in utility bills since the scheme was launched, although it was

known at the start of the scheme in March 2022 that bills would be likely to increase.

- We needed to incentivise sponsors to keep guests for as long as possible.
- We did not know whether the scheme and 'thank you' payments would continue into year two from the date that the guest arrived in the UK. We needed to try to avoid doing anything which increased the number of placements which would be ended after one year.
- Making the payments simple to administer. As an authority servicing a large population, Essex has many sponsors meaning that any changes to payment will create an administrative burden. Complex changes would have resulted in more costs and take longer to implement.

3.7 The Government has now confirmed that payments to sponsors can be made for a third year at the same rate as year 2 (which increased the payments from £350 to £500 for the second year). Payments for the third year will therefore stay at £500. These 'thank you' payments are recoverable from the Homes for Ukraine Scheme Sponsor Thank You grant.

3.8 If we decide not to continue the £200 additional payments on top of this, then our current sponsors will face a reduction from £700 per month (which they receive at the moment) to £500.

3.9 If ECC does not offer the additional £200 payments, the risks are that:

- More sponsors are likely to end placements, increasing demand for re-matching and possibly placing pressure on housing authorities.
- It may be harder to attract new sponsors to the scheme.
- Sponsors may not take on new guests when their current guests leave, which will result in fewer options for guests to find for rematching.

3.10 The options for payments are set out in section 5 of this report. The recommended option is to continue to increase sponsor payments to £700 per month for months 25-36. This is likely to sustain existing, long term accommodation placements for as long as possible.

3.11 In November 2022, a decision was also taken to pay a £500 one-off Winter Cost of Living payment to any sponsor who hosted in December 2022. Although a £200 one-off Winter Cost of Living payment for sponsors who had sponsored for less than 6 months but were sponsoring in December 2023 has been considered, this proposal is not recommended at this time as it is considered that the funding would be better used to increase payments for sponsors in months 25-36.

4. Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Provide an equal foundation for every child

- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 This report links to the following strategic priorities in the emerging Organisations Strategy 'Everyone's Essex':

- A strong, inclusive, and sustainable economy
- A high-quality environment
- Health, wellbeing, and independence for all ages
- A good place for children and families to grow

5. Options

Option 1: Do not increase the sponsor thank you payment over and above the government funded £500 for year 3.

- 5.1 Central government will continue to pay sponsor payments for the Homes for Ukraine scheme at £500 a month for months 25 to 36. Paying £500 per month will have no immediate financial cost to ECC as it is fully reimbursed through the 'Sponsor Thank You' grant, but is likely to lead to complaints, given that this option will reduce sponsor's payments by £200 per month and add no incentive to continue with the scheme. It is also likely to lead to more placements being ended and more demand on re-matching and on housing authorities. It is impossible to quantify what this would be.

Option 2: Continue to increase sponsor payments to £700 per month for months 25-36.

- 5.2 This provides a continued incentive to sponsors to retain guests for longer than 2 years. Paying £700 per month will be £200 more than the Council receive from the 'Sponsors Thank You' grant, so will be funded from the grant ECC receive for each Ukrainian guest. This would cost around £790,000 over 12 months based on the 53 sponsors receiving Year 1 payments and the 275 sponsors receiving Year 2 payments all with guests at the end of December 2023. It would be less likely to result in large numbers of placements ending after two years.

On balance, it is considered that option 2 is likely to sustain more accommodation placements for as long as possible. It does however mean that sponsors would be paid £700 per month for acting as such, which is a significant amount of income. Sponsors who have not been sponsoring for this period will also not receive an additional payment.

6. Issues for consideration

6.1 Financial implications

- 6.1.1 The Homes for Ukraine scheme is grant funded by the Homes for Ukraine Scheme Local Authority Tariff Payment, so the financial implications for ECC in respect of these additional payments to sponsors are funded. It has been confirmed that use of the grant for this purpose is in-line with the terms and conditions of the grant.
- 6.1.2 The recommended option proposes a top up payment of £200 a month per sponsor for months 25 to 36 of the placements.
- 6.1.3 Given the daily changes to placements starting and ending, it is difficult to predict the overall expenditure that will be incurred over the course of the scheme for these additional sponsor payments. Based on the 328 sponsors with guests at the end of December, if all placements continue for up-to 36 months, the total cost of the recommended option would be in the region of £790,000. Not all placements will reach 36 months, new placements will begin, and not all sponsors will request the payment, making an accurate assessment difficult.
- 6.1.4 To date, over the last 18 months of the Homes for Ukraine scheme ECC has claimed £21.4m against the Local Authority Tariff Payment grant. Current expenditure plus commitments against the grant total around £17.3m, therefore there are adequate funds available from the grant for the recommended option.

6.2 Legal implications

- 6.2.1 The Council does not have to offer these payments, but it is lawful to do so, and the funding received from central government may be used for this purpose.
- 6.2.2 It is important that systems are in place to notify the Council if the hosting arrangements cease, or sponsors withdraw so that payments can be stopped.
- 6.2.3 It is important that the Cabinet Member considers the proportionality of the payments.

7. Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership'

is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of Appendices

Appendix 1 – Equalities Comprehensive Impact Assessment

9. List of Background Papers

Year Two Payments to Homes for Ukraine Sponsors - 8 February 2023
decision: FP/080/03/23

I approve the above recommendations set out above for the reasons set out in the report.

Role	Date
Councillor Louise McKinlay, Deputy Leader and Cabinet Member Community, Equality, Partnership and Performance	28.02.24

In consultation with:

Role	Date
Executive Director for Finance and Technology (S151 Officer) <i>Please send to your Head of Finance/Finance Business Partner who will arrange S151 sign off.</i>	26.02.24
Stephanie Mitchener on behalf of Nicole Wood Director, Legal and Assurance (Monitoring Officer)	14.2.24
Katie Bray on behalf of Paul Turner	