

Cabinet Secretary for Social Justice  
CC:  
Deputy First Minister  
Minister for Equalities, Migration and Refugees  
Minister for Local Government Empowerment and Planning

## **UKRAINE RESETTLEMENT - LOCAL AUTHORITY FUNDING 2023-24 – HANDLING ADVICE ON THE £150 MILLION UK GOVERNMENT FUND FOR UKRAINIANS AND HOMELESSNESS PREVENTION**

### **Priority and Purpose**

- 1. Urgent** - this submission provides an update on the £30 million that will transfer to Scottish Government from the £150 million UK Moving On Fund. Withheld under Section 30(b)(i) – free and frank provision of advice

### **Recommendation**

2. It is recommended that you:
  - a. Note the update and that UK Government is expected to announce further details of this funding tomorrow – i.e. Saturday 10 June;
  - b. Withheld under Section 30(b)(i) – free and frank provision of advice
  - c. Indicate that you would like officials to work together, along with COSLA, to provide further advice on the merits of coordinating this work with homelessness prevention and housing colleagues.

### **Context and Issues**

3. In December 2022, UK Government announced significant cuts to its Ukraine resettlement funding for local authorities. The year one ‘general tariff’ payable to local authorities for each arrival displaced from Ukraine was reduced from £10,500 to £5,900, and unlike other resettlement schemes, it was announced that there would be no year two or year three general tariff.
4. This coincided with an announcement that the education tariff funding would also be discontinued. Taken together, these measures, along with low levels of new arrivals eligible for the reduced general tariff, will likely reduce total Scottish local authority income from UK Government by in excess of £100 million in 23-24 compared to 22-23.

5. The focus of this submission (a one-off UK-wide Homelessness Prevention pot) is intended to fill some of this gap. Scotland's share is £30 million and will transfer to Scottish Government this financial year. The UK Government media releases describe the UK wide £150 million fund as "funding to help local authorities across the UK support Ukrainian guests to move into their own homes and reduce the risk of homelessness".
6. While Department for Levelling Up, Housing and Communities (DLUHC) senior officials have confirmed it will continue to make clear this funding is for Ukrainian arrivals, we understand funding will be distributed to English local authorities through the UK Government's existing "Homelessness Prevention Grant" scheme. This scheme is similar to Scotland's Homelessness Prevention Activity Fund (£30.5 million) which includes in year transfer to local as part of the Scottish Government's original 2023/24 budget allocations.
7. On 19 April, the UK Minister for Housing and Homelessness confirmed to you that Scotland's share of the UK pot would be £30 million. Removed under Section 30(b)(i) – free and frank provision of advice [in relation to Cabinet/ Ministerial/official discussions and policy formulation/development
8. We are still awaiting written confirmation of this, but DLUHC has indicated that an announcement on distribution to English LAs and the devolved administrations is expected to be made on Saturday 10 June. We understand a letter from UKG Minister for Housing and Homelessness is anticipated on Monday 12 June. Suggested reactive lines have been prepared for Saturday's announcement and will be sent to you by SG Comms separately.
9. Withheld under Section 30(b)(i) – free and frank provision of advice .
10. Withheld under Section 30(b)(i) – free and frank provision of advice

### **Options Considered and Advice**

11. The following options have been considered and these are considered in the analysis that follows:

Withheld under Section 30(b)(i) – free and frank provision of advice

12. The assessment of these three options is provided below and the Cabinet Secretary is asked to provide a steer on her preferred approach.

## **Assessment of Options**

**Option A:** Withheld under Section 30(b)(i) – free and frank provision of advice

**13.** Withheld under Section 30(b)(i) – free and frank provision of advice

**14.** Withheld under Section 30(b)(i) – free and frank provision of advice

**15.** Withheld under Section 30(b)(i) – free and frank provision of advice

**16.** Withheld under Section 30(b)(i) – free and frank provision of advice

**17.** Withheld under Section 30(b)(i) – free and frank provision of advice

**18.** Withheld under Section 30(b)(i) – free and frank provision of advice

**Option B: Withheld under Section 30(b)(i) – free and frank provision of advice**

**19.** Withheld under Section 30(b)(i) – free and frank provision of advice

**20.** Withheld under Section 30(b)(i) – free and frank provision of advice

**21.** As of 22 May, the number of people in welcome accommodation across hotels and MS Victoria was around 4,209. This represents 17% of the 24,567 people that have arrived in the UK with a Scottish sponsor. Withheld under Section 30(b)(i) – free and frank provision of advice

**22.** Withheld under Section 30(b)(i) – free and frank provision of advice

**23.** Withheld under Section 30(b)(i) – free and frank provision of advice

**24.** Withheld under Section 30(b)(i) – free and frank provision of advice

**Option C:** Withheld under Section 30(b)(i) – free and frank provision of advice

25. In England, this money will transfer from DLUHC directly to local authorities using powers available to the UK Government under the Internal Market Act. Removed under Section 30(b)(i) – free and frank provision of advice [in relation to Cabinet/ Ministerial/official discussions and policy formulation/development

26. Withheld under Section 30(b)(i) – free and frank provision of advice.

27. **Withheld under Section 30(b)(i) – free and frank provision of advice**

28. **Withheld under Section 30(b)(i) – free and frank provision of advice**

29. **Withheld under Section 30(b)(i) – free and frank provision of advice** The UK funding has been so significantly cut that LAs have had to rethink how this work is delivered and to mainstream as much of it as possible in line with business-as-usual operations. The reduction in new arrivals from Ukraine has made this possible, but there is a growing pressure on housing and the risk of exacerbating pressures on the homelessness system.

30. Withheld under Section 30(b)(i) – free and frank provision of advice

31. Withheld under Section 30(b)(i) – free and frank provision of advice

32. Withheld under Section 30(b)(i) – free and frank provision of advice

33. Withheld under Section 30(b)(i) – free and frank provision of advice

34. Withheld under Section 30(b)(i) – free and frank provision of advice

35. We would also recommend making it clear in our messaging that the intention is for the funding to support local authorities to meet pressures across unmet housing need in the round. People displaced from Ukraine in welcome accommodation meet the criteria for homelessness assistance and, as such, there is the potential for them to present as homeless.

36. Taking a holistic, coordinated approach to meeting unmet housing need for different groups provides LAs with flexibility as to how they allocate resource to respond to the pressures they are facing. This has the added advantage of allowing LAs to have parity in their approach to supporting people in housing need as opposed to taking separate approaches to different populations.

37. Withheld under Section 30(b)(i) – free and frank provision of advice

38. Withheld under Section 30(b)(i) – free and frank provision of advice

39. Withheld under Section 30(b)(i) – free and frank provision of advice

### **Bute House Agreement Implications**

40. None

### **Financial and Legal Considerations**

41. The Scottish Budget 2023-24 includes £72.3 million in resource to “ensure those displaced receive a Warm Scots Welcome and are supported to rebuild their lives”. In practice, after Corporate Running Costs (CRCs) this is £70 million.

42. This is a highly challenging allocation which officials are working hard to manage. Removed under Section 30(b)(i) – free and frank provision of advice [in relation to Cabinet/ Ministerial/official discussions and policy formulation/development

43. Withheld under Section 30(b)(i) – free and frank provision of advice

44. Withheld under Section 30(b)(i) – free and frank provision of advice

45. Withheld under Section 30(b)(i) – free and frank provision of advice

46. Withheld under Section 30(b)(i) – free and frank provision of advice

47. Once the overall strategic decision has been taken on the approach, officials will work with COSLA to develop more specific proposals; seek agreements and agree arrangements for distributing this funding. COSLA has advised that this will need to be considered by their Settlement and Distribution Group, which is attended by the Directors of Finance of each LA. It will not be possible for this to happen at the June meeting, so it is proposed that a paper is brought to the following meeting in August for approval.

### **Sensitivities**

48. Withheld under Section 30(b)(i) – free and frank provision of advice

49. Withheld under Section 30(b)(i) – free and frank provision of advice

50. Withheld under Section 30(b)(i) – free and frank provision of advice

### **Quality Assurance**

51. This submission has been approved by Will Tyler-Greig, Deputy Director for Policy, Engagement and Finance, Ukraine Directorate and Catriona MacKean, Deputy Director for Better Homes.

## Conclusions and next Steps

52. It is recommended that you:

- a. Withheld under Section 30(b)(i) – free and frank provision of advice
- b. Indicate if you would like officials to work together to provide further advice on the merits of coordinating this work with homelessness prevention in recognition of the wider housing pressures facing local authorities;

Ukraine Resettlement

<b>Cabinet Secretaries and Ministers Copy List</b>	<b>For Action</b>	<b>For Information Portfolio interest</b>	<b>For Information Constituency interest</b>	<b>For Information General awareness</b>
Cabinet Secretary for Social Justice	X			
Deputy First Minister		X		
Minister for Equalities, Migration and Refugees		X		
Minister for Local Government Empowerment and Planning		X		

<b>Officials Copy List</b>
DG Communities Director for Ukraine Resettlement Director for Local Government and Housing