

Cabinet Secretary for Social Justice
Minister for Equalities, Migration and Refugees

UKRAINE RESETTLEMENT - DISTRIBUTION TO LOCAL AUTHORITIES OF SCOTLAND'S SHARE OF UK FUNDING TO SUPPORT UKRAINIAN ARRIVALS

Priority and Purpose

1. This **routine** submission sets out the proposed objective, distribution and timeline for disbursement of UK funding to Scottish councils to support Ukrainian arrivals into longer-term settled accommodation, seeking any feedback you may have.

Context and Issues

2. On 14 December, the UK Government announced £150 million of additional funding to help councils across the UK support Ukrainians into their own homes and reduce risks of homelessness.
3. On 15 December, the Scottish Budget 2023-24 identified £72.3 million resource for Ukraine Resettlement. After Corporate Running Costs this resource line is a budget of £70 million.
4. Withheld under Section 30(b)(i) – free and frank provision of advice.
5. On 19 April, you met with the UK Minister for Housing and Homelessness and pressed her to confirm Scotland's allocation of the UK-wide fund announced by the UK Government in December.
6. Withheld under Section 30(b)(i) – free and frank provision of advice
7. On 12 June, the Minister for Housing and Homelessness wrote to Ms Roddick to confirm Scotland's allocation as £30 million. This is based on arrivals data naming a Scottish sponsor (including the Scottish Government).
8. Withheld under Section 30(b)(i) – free and frank provision of advice
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

Existing Landscape

11. In 2022-23, the UK Government provided around £160 million in 'per arrival' tariff payments to councils in Scotland to help meet the costs of integration. A further £24 million was provided through the education tariff.
12. In December 2022, the UK Government confirmed tariff payments to councils would reduce per person from £10,500 to £5,900 for those arriving in the UK after 1 January 2023. It also confirmed the education tariff would be discontinued.
13. Unlike the Afghan or Syrian Vulnerable Persons Resettlement Schemes, there will be no 'year two' or 'year three' tariff funding meaning with councils will be unable to claim for those staying beyond 12-months.
14. Instead, the UK Government announced the one-off £150 million 'moving on fund' for 2023-24 to help councils across the UK reduce risks of homelessness and respond to increased pressures on services as host arrangements conclude.
15. Withheld under Section 30(b)(i) – free and frank provision of advice. So far this year we have committed £3.2 million to councils to support enhanced capacity within resettlement teams and we continue to promote Scotland's dedicated £50 million capital fund.

Disbursement across UK

16. In England, the UK Government is providing its share of the £150 million (£109 million) to councils to "support guests into sustainable accommodation, including access to PRS, employment support and facilitating on-going sponsorship".
17. Sixty-six percent (66%) will be allocated using a pre-existing formula for England's Homelessness Prevention Grant. This uses a variety of data including homelessness, housing benefit and geographical variations in rental costs.
18. The remaining thirty-four percent (34%) will be allocated based on the number of Ukrainian guests residing in each local authority. This will be based on returns provided by individual councils.
19. While there is an expectation this funding will help councils support Ukrainians into accommodation and reduce risk of homelessness, funding is not ring-fenced and councils are able to exercise full discretion locally to support other groups.
20. Withheld under Section 30(b)(i) – free and frank provision of advice
21. Withheld under Section 30(b)(i) – free and frank provision of advice

Scotland Disbursement

Strategic Objective

22. Based on feedback from your session with the Deputy First Minister, the draft strategic objective for the funding in Scotland is currently:

As part of a Scotland-wide response, to help local authorities support people displaced from Ukraine into sustainable longer-term settled accommodation, including the private rented sector and social housing, providing on-going employability and wider integration support advice and coordination.

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

Scotland-wide Response and Verity House Agreement

24. Scotland's response to the humanitarian crisis has been predicated on all councils playing their part, helping reduce the burden on those geographies which include major airports or points of entry.

25. To date, more than 20,000 Ukrainians have arrived sponsored by the Scottish Government. A further 5,000 people have arrived directly to individual sponsors in Scotland.

26. The Scottish Government put in place a range of improvements to increase the rate of matching from welcome accommodation into longer-term placements and volunteer host arrangements. Removed under Section 30(b)(i) – free and frank provision of advice in relation to Ministerial/official discussions and policy formulation/development

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. The Verity House Agreement, setting out a new deal with local government, describes joint leadership and trust, early consultation and the default position of no-ring fencing or direction of funding.

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

Proposed Distribution

32. Since the scheme opened in March 2022, the Scottish Government has worked in partnership with councils to encourage inward migration. As a result, new communities have been established right across Scotland including in Aberdeen, Highland, Fife and South Lanarkshire.

33. Withheld under Section 30(b)(i) – free and frank provision of advice.
34. For these reasons, **officials recommend Scotland’s allocation be distributed on the basis of numbers of Ukrainians residing in each council**, beyond those living in hotels. This would include individually sponsored and those arriving through the super sponsor scheme who were subsequently matched.

Homelessness Pressures

35. As with England and Wales, **officials also recommend making use of data around extant homelessness pressures** as part of moving towards ‘mainstreaming’ of the Ukraine programme, and to better reflect concurrent pressures faced by councils.
36. This would help to align to the principles of the Verity House Agreement which is based on the idea councils should have greater flexibility around budgets and allocation of resources to best meet the needs of local communities.
37. Officials have worked closely with Better Homes Division and recommend making use of the Homelessness Prevention Activity Fund distribution model which was agreed by COSLA in 2022.
38. **Taking a similar approach as used by UK and Welsh Governments could see 50% of funding allocated to Scottish councils based on numbers of Ukrainians in each area, and 50% allocated using the broader HPAF model.**
39. While any announcement around the funding would remain focussed on the Ukraine programme, not ring-fencing the money for Ukrainians-only would demonstrate parity and allow councils to prioritise according to local needs.
40. The full range of alternative options considered are also summarised at **Annex A** for your awareness, including rationale for discounting during this stage.

Timelines

41. Initial engagement with COSLA indicates this approach would be well received. Further to your feedback, officials will work to agree the final objective and exact distribution weighting in line with Verity House Agreement, keeping you updated.
42. Subject to agreement at SDG on 16 August, this would then be discussed at the COSLA Leaders meeting scheduled to take place on 25 August with the transfer taking place through the General Revenue Grant process.
43. Withheld under Section 30(b)(i) – free and frank provision of advice
44. Officials will work closely with Comms and Special Advisors to develop plans around announcing this additional £30 million.
45. Withheld under Section 30(b)(i) – free and frank provision of advice

Wider Financial Considerations

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

Risks

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

Recommendation

49. You are invited to:
 - Note proposed objective, distribution and timeline for council funding aimed at supporting Ukrainians into settled accommodation thereby reducing risks of homelessness and reliance on hotels, providing any feedback you may have.
 - Withheld under Section 30(b)(i) – free and frank provision of advice

Ukraine Resettlement

Annex A - Options Examined

Option A:

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

Option C:

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