



National Audit Office



REPORT

Investigation into the Homes for Ukraine scheme

Department for Levelling Up, Housing & Communities
and the Home Office

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Key facts

131,000

the number of people who have arrived in the UK under the Homes for Ukraine scheme (the scheme) as of 28 August 2023

77%

the percentage of scheme visas processed by the Home Office within 15 working days up to end of July 2023

£2.1bn

total funding that government had provided under the scheme by September 2023

£1.1 billion tariff funding provided by the Department for Levelling Up, Housing & Communities to local authorities by the end of 2022-23 to help support and integrate Ukrainian arrivals (£10,500 per person, reduced to £5,900 per person after 31 December 2022)

4,890 the number of households under the scheme, in England, that have been homeless or at risk of homelessness at some point between March 2022 and August 2023

£650 million scheme funding announced in December 2022, through the Local Authority Housing Fund (£500 million) and for homelessness prevention (£150 million), though not all of this will be spent on Ukrainians

248,000 number of people who registered an “expression of interest” in acting as a sponsor under the scheme

73,759 number of people who applied to sponsor a Ukrainian guest under the scheme

March 2025 month in which the first Ukrainians who arrived under the scheme will see their three-year visas expire

What this investigation is about

The Homes for Ukraine scheme

1 The UK government launched the Homes for Ukraine scheme (the scheme) on 14 March 2022, following the Russian invasion of Ukraine in February 2022. The scheme enables people in the UK to act as sponsors for Ukrainian nationals and their families seeking refuge from the war, with individuals being granted three-year visas to stay in the UK, with full access to public services, benefits, and other support.¹ Any adult is able to act as a sponsor providing they pass eligibility checks conducted by the Home Office and local authorities. Sponsors must commit to hosting for a minimum of six months and can claim thank you payments from government for providing suitable accommodation for Ukrainians to live in of £350 per month for the first 12 months, and then £500 for the next 12 months. In addition, the local authority where the sponsor is based receives a one-off payment of £10,500 per arrival (reduced to £5,900 for all arrivals after 31 December 2022) to help with support and integration needs.

2 The scheme is jointly run by the Department for Levelling Up, Housing & Communities (DLUHC) and the Home Office, who established a joint taskforce in March 2022.² The Home Office primarily leads on operational matters relating to the processing of visas and checks on the suitability of the sponsor. DLUHC leads on all aspects of the scheme from the point of arrival of Ukrainians into the UK, working closely with local authorities and devolved governments.

Our scope

3 The first people to arrive in the UK under the scheme are now halfway through their permitted stay, and the emergency phase of the UK government's response to the Ukraine refugee crisis has come to a close. This report aims to increase transparency by taking stock of what has been achieved to date, for what cost, and what can be learned. We set out:

- how the scheme was set up at speed and the scheme objectives (Part One);
- arrival numbers and the checks conducted on applicants and sponsors (Part Two);

¹ In this report, we often refer to people applying for or arriving on the scheme as 'Ukrainians' for ease. However, the scheme is also open to people of other nationalities if they are the immediate family member of a Ukrainian national who has been granted permission under, or is applying to and qualifies for, the Homes for Ukraine scheme.

² In this report we refer to a joint taskforce between DLUHC and the Home Office. Initially the scheme was managed by a joint Home Office and DLUHC team in March 2022. This was formalised in May 2022 and the Homes for Ukraine scheme moved to a joint Ukraine Humanitarian Taskforce (the taskforce).

- the funding provided (Part Three); and
- challenges and future risks with the scheme (Part Four).

4 This investigation does not seek to examine and report on the value for money of the scheme.

5 The scheme was developed in collaboration with the devolved governments and operates across the UK. The Welsh and Scottish governments both chose, with the agreement of the UK government, to act as super sponsors under the scheme.^{3,4} This enabled Ukrainians to name the Welsh or Scottish devolved government as their sponsor if they did not have an individual sponsor. The Welsh and Scottish Governments then provided interim accommodation until the Ukrainian was able to move into accommodation in the community or the Welsh or Scottish Government, working with local authorities, had matched them into longer-term accommodation. As decisions taken by the devolved governments, these super sponsor schemes fall outside of the scope of this audit.⁵ However, we do consider central UK government funding provided to local authorities in Scotland and Wales for Ukrainians with an individual sponsor under the UK-wide scheme.

6 The scheme is not the only route into the UK for Ukrainians seeking to escape the war. A Ukraine Family Visa Scheme was launched on 4 March 2022 to enable Ukrainians to join family members in the UK. Additionally, the Ukraine Extension Scheme was created to enable Ukrainians who held temporary permission to be in the UK to extend their stay. There had been 111,800 visa applications under the Family scheme and 24,800 applications under the Extension scheme as at 29 August 2023, meaning both have been much smaller in scale than the Homes for Ukraine scheme, which had 207,200 applications. Neither scheme has received any significant direct public funding, with no tariff funding or thank you payments applicable under them. As such, neither of these two routes are within the scope of this audit.

3 The scheme operates across the four nations of the UK. Only Scotland and Wales chose to act as super sponsors; there is no equivalent super sponsor arrangement in place in England or Northern Ireland.

4 The Welsh Government paused their role as a super sponsor in June 2022, and the Scottish Government paused their role as a super sponsor in July 2022. The super sponsor route was not open to new applicants after these dates.

5 Audit Wales is currently conducting an audit looking at how the Welsh Government is supporting Ukrainian refugees, with a particular focus on the Welsh Government's Super Sponsor scheme. It is expected that it will report in Winter 2023-24.

Summary

Key findings

Homes for Ukraine scheme set up and arrivals

7 Since March 2022, 131,000 Ukrainians have arrived in the UK through the Homes for Ukraine scheme (the scheme). The scheme is uncapped in terms of arrivals. Neither the Home Office nor the Department for Levelling Up, Housing & Communities (DLUHC) formally forecast the number of arrivals the UK could expect under the scheme before launching it. Arrivals per week peaked at 8,200 in the week ending 9 May 2022, and have slowly fallen since then, with weekly arrivals now consistently under 1,000 per week, with a total of 131,000 arrivals up to 28 August 2023. The largest concentration of sponsors under the scheme is in the South-East of England and London (paragraphs 2.2 to 2.5, Figure 7 and Figure 8).

8 DLUHC and the Home Office developed and implemented the scheme quickly in response to a crisis, with a clear objective of bringing Ukrainians to safety.

A joint taskforce was established that was able to build on the significant public will to help bring Ukrainians to safety. It established a system to channel the UK public's generosity into sponsorship arrangements: more than 180,000 expressions of interest were received in the first week the government asked people to record their interest in being a sponsor. In total, 73,759 individuals had applied to sponsor a Ukrainian guest under the scheme by 12 September 2023. DLUHC acknowledges that the initial guidance for the expressions of interest was not clear and may have contributed to a drop-out and disengagement of potential sponsors. The first people arrived in the UK on 28 March 2022, just under four weeks after the scheme was announced and five weeks after Russia invaded Ukraine. The programme has since set out a more complete set of objectives, including to help individuals thrive and transition out of sponsorship (paragraphs 1.4, 1.7, 1.10, 1.13, and Figure 3).

9 DLUHC has changed its internal performance metrics for the scheme over time, and aims to meet these by March 2025, but has not set out what level of performance it expects to achieve before then for five out of six of these.

DLUHC does not report externally on its performance but in April 2023, DLUHC updated the internal performance metrics it had set in March 2022, setting itself eight key performance indicators, three of which did not have set targets. In September 2023, DLUHC updated its KPIs again, removing five of the existing KPIs, and creating three new ones, to leave itself with six, as set out in **Figure 1**. It is currently meeting two of the targets, on the completion of safeguarding checks by local authorities and maintaining the prevention of homelessness in line with wider levels of homelessness. DLUHC also has three targets for successfully rematching Ukrainians with new sponsors, supporting Ukrainians into the private rented sector and helping Ukrainians claiming Universal Credit find employment. DLUHC believes it is on track to meet these three targets by March 2025, despite not setting any interim performance targets. Additionally, it has a target to sign up 10,000 people for an English language and wrap-around employment support scheme by August 2024 and as at September 2023 it had signed up 5,400 to that scheme (paragraphs 1.14 and 1.15).

Figure 1

The Department for Levelling Up, Housing & Communities' (DLUHC's) key performance indicators for the Homes for Ukraine scheme (the scheme), September 2023

DLUHC has six key metrics to monitor the success of the scheme

Metric	Measurement	Target	Current performance
Safe sponsorship accommodation	Percentage of local authority (LA) checks completed compared with arrival data	95%–100% by 31 March 2025	99% as of 12 September 2023
Supporting existing guests to find new accommodation through rematching	Percentage of people who applied for a rematch who were successfully rematched	80% by 31 March 2025	72% as of 12 September 2023
Prevention of homelessness	Maintain the level of successful prevention at or above 46% for Ukrainians in line with wider homelessness statistics for 2023-24	46% by 31 March 2025	63% as of 31 August 2023
Supporting people into work – STEP Ukraine	'STEP Ukraine' English language and wrap-around employment scheme delivering support for up to 10,000 Ukrainians	Up to 10,000 between August 2023 and August 2024	5,400 sign-ups as of 11 September 2023
Supporting people to transition into independent accommodation	Groups leaving sponsorship into the private rented sector	60% by 31 March 2025	44% as of 12 September 2023
Supporting people into work – earnings	Percentage of Ukrainians claiming Universal Credit who declare earnings	60% by 31 March 2025	49% as of 12 August 2023

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities documentation

Visa processing and safeguarding

10 By end of July 2023, the Home Office had received more than 182,000 applications, of which 77% were processed within 15 working days, although rates have slowed for more recent applicants.⁶ The Home Office did not set out target turnaround times for processing scheme visas until April 2023, stating that the focus was simply to process them as quickly as possible. It acknowledges that it was unable to process visas as quickly as it wanted to at the start of the scheme when the need for Ukrainians to escape was most urgent. For applications submitted in March 2022, for example, 18% of applications were processed within five working days. By May 2022 this had increased to 71% within five working days, largely because the Home Office reprioritised many of its visa caseworkers to work on processing Ukrainian visas and brought in 554 staff from other departments. However, since June 2022, the turnaround times have largely taken longer and the number of applications which took, or will take, more than 15 working days to process increased from 19% of applications submitted in June 2022 to 63% in July 2023 (paragraphs 2.7 to 2.10 and Figure 9).

11 DLUHC and the Home Office recognise safeguarding as one of the biggest potential risks in the scheme and put in place checks on potential sponsors as well as Ukrainians. Sixty-six per cent of all arrivals under the scheme have been female, and 30% of all arrivals are aged under 18 as of 30 June 2023. Alongside Home Office checks on the potential sponsor and other adults in the sponsor household, local authorities are expected to conduct additional checks. However, the local authority checks do not have to be completed before Ukrainians arrive in the UK. DLUHC felt this risk was tolerable given the desire to help Ukrainians to leave Ukraine as quickly as possible. Some local authorities found guidance they received at the beginning of the scheme, when the number of Ukrainians arriving was highest, was insufficient. This was particularly the case for guidance around expectations for safeguarding and accommodation checks. These local authorities generally consider that the guidance has improved since the beginning of the scheme. DLUHC does not hold comprehensive data on how often guests arrived before all checks were completed. Data recorded by local authorities on DLUHC's main data system shows that out of around 66,000 checks completed by September 2023, 2,516 safeguarding checks were marked as failed. DLUHC told us not all of these will be due to a safeguarding issue as, for example, some local authorities record failures if a sponsor withdrew from the application. It does not know the true number of safeguarding checks that were failed (paragraphs 2.12 and 2.15 to 2.18, and Figure 10).

⁶ The 182,000 applications figure does not include withdrawn applications, such as where an applicant has applied more than once and only one of their applications is considered. When we refer to processed applications, we mean applications where the Home Office has concluded an outcome, such as 'issued' or 'refused'.

12 There have not been many safeguarding issues identified but data on some issues are incomplete. According to DLUHC's data, fewer than 1% of Ukrainian households participating in the scheme have been rematched due to safeguarding concerns, although DLUHC does not mandate that all rematches are reported to it from local authorities. The taskforce established expert panels to look at individual safeguarding risks, such as modern slavery. The panels concluded that the risks are either moderate or low as far as they can determine from the data available. The panels on adult harm and child harm remarked that the data and evidence on these risks are limited and recommended that DLUHC work to improve the data picture it has on safeguarding issues where possible (paragraphs 2.14 and 2.17).

Scheme funding

13 As at the end of September 2023, the government had provided £2.1 billion of funding for the scheme and DLUHC continues to fund new arrivals and sponsors. DLUHC has provided £1.9 billion of this funding, of which:

- £1.14 billion has gone directly to local authorities in the form of tariff funding;
- £100 million has gone to sponsors as thank you payments for providing accommodation. Funding through both the thank you payments and tariff payments is ongoing as new people enter the UK; and
- £650 million was announced by DLUHC in December 2022 for local authorities through a Local Authority Housing Fund (LAHF) (£500 million) to acquire housing stock, and £150 million for homelessness prevention more widely. This funding aims to assist reducing homelessness for people within the local authority, including those on the Homes for Ukraine scheme. Local authorities must spend any money allocated under these before the end of March 2024.

In addition, the Department for Education has provided £171 million to local authorities to help with education and childcare services for Ukrainian children in England (paragraphs 3.2, 3.6 and 4.16, and Figure 11).

14 Government decided to fund the scheme differently from how it has funded recent schemes for permanent resettlement in the UK. Unlike recent resettlement schemes such as the Afghan Citizens Resettlement Scheme (ACRS), Homes for Ukraine offers temporary rather than permanent resettlement. Government does not incur regular accommodation costs under this scheme because sponsors provide the accommodation. In recognition of this, government decided to offer sponsors thank you payments, initially set at £350 per month, rising to £500 per month once guests have been in the country for 12 months. DLUHC estimates this means that it is paying £6 per person per night (£8 once increased to £500) under the scheme. By comparison, in the Homes for Ukraine scheme business case, the accommodation costs under the ACRS in 'bridging accommodation' such as hotels was estimated at £98 per person per night (paragraphs 3.3, 3.6 and 3.7).

15 The scheme tariff funding DLUHC provides to local authorities is a one-off payment whereas under permanent resettlement schemes local authorities get multi-year funding. Each local authority is given £10,500 per Ukrainian arrival with the expectation that that money is used to support the arrival in their first year in the UK. This was reduced to £5,900 for arrivals after 31 December 2022. Under the ACRS, local authorities get £10,500 per arrival in the year Afghan citizens arrive, then a further £6,000 is available in the second year and £4,020 in the third year. The Syrian Vulnerable Persons Resettlement Scheme, another permanent resettlement scheme which ran until 2021, also saw multi-year funding, with central government funding to local authorities for five years (paragraphs 3.2, 3.3 and 4.2).

16 DLUHC did not have sufficient spend data from local authorities in 2022-23 to fully understand how local authorities were using tariff funding. It has asked for these data for 2023-24. Tariff funding provided to local authorities is not ringfenced, meaning local authorities are largely free to use it in the manner they think will best meet local needs. In determining the amount of the tariff payment, DLUHC produced an indicative assessment of how the £10,500 tariff funding might be used by local authorities but did not share this with them, as it wanted to give them flexibility over spending. Instead, it set out high-level expectations on how to spend the money such as undertaking safeguarding checks, homelessness assistance and community integration. DLUHC did not mandate that local authorities report back on what they used this funding for, and few chose to do so voluntarily. It has since mandated such reporting for 2023-24 to better understand how the funding is being used. Local authorities we spoke to appreciated having the flexibility with the funding. As there is no further funding beyond the initial tariff payment, some local authorities told us they have kept some money in reserve due to concerns about further financial pressures that may arise with the scheme (paragraphs 3.4 and 3.5, and Figure 12).

Risks and challenges with the scheme

Completeness and accuracy of data

17 DLUHC awarded a direct contract for the scheme's main data system following a free trial period, a type of arrangement the Government Chief Commercial Officer subsequently warned against. In order to set the scheme up quickly, in March 2022, DLUHC took up an offer from Palantir, a company on the public sector framework agreement for digital services, to provide six months of free support to create its main data system to manage and monitor scheme data. Following the free six-month trial period, in September 2022, DLUHC signed a 12-month contract with Palantir worth £4.5 million, excluding VAT, without any competitive process. DLUHC stated that it had prioritised delivering the programme over replacing the software but acknowledged that beyond the 12-month contract, it should plan to move away from Palantir given DLUHC assessed at the time it may not be the optimal value solution. In February 2023, the Government's Chief Commercial Officer, wrote to Palantir noting his concern about the practice of offering services to public sector customers for a zero or nominal cost to gain a commercial foothold, contrary to the principles of public procurement which usually require open competition. In early 2023, DLUHC investigated the feasibility of migrating from Palantir's system to an alternative platform prior to the end of the current contract. It found a number of potential issues with migrating including that a new system may not be able to be implemented in time, may have quality issues and may cost more due to the start-up costs of a new supplier. DLUHC noted that if a new system was not implemented in time, this may present a risk to the unaccompanied minors scheme and wider safeguarding processes. Given these issues, in September 2023, DLUHC extended the contract with Palantir for a further 12-months, valued at £5.5 million, excluding VAT (paragraphs 3.10 to 3.13).

18 DLUHC elected to only make it mandatory for certain data to be reported by local authorities, which has inhibited its understanding of how the scheme is operating. The main data platform enables certain key scheme data to be shared between DLUHC, the Home Office and local authorities, including data on the subsequent movement of Ukrainians post-arrival. Due to the accelerated timetable for creating the scheme, the platform did not undergo the usual research and testing before it went live. Initial issues such as the way it presented duplicated application data from Home Office systems, and a lack of user testing, led to confusion from local authorities as to how to use the main data platform. DLUHC chose not to mandate some of the data collections to reduce the administrative burden on local authorities. Despite subsequent improvements to the platform following local authority feedback, DLUHC's decision not to mandate has meant that some local authorities continue to report inconsistently. For example, DLUHC cannot accurately report how many Ukrainians have been rematched under the scheme, or the numbers who have permanently left the scheme (paragraphs 3.10 to 3.14).

19 Local authority data returns on scheme homelessness are voluntary, meaning DLUHC does not accurately know how many people on the scheme are currently experiencing homelessness. Return rates vary, with around 30% of English local authorities regularly not providing homelessness data on the scheme to DLUHC. By the end of August 2023, local authorities had reported to DLUHC that 4,890 households in England on Homes for Ukraine visas had been homeless or come within 56 days of being homeless, 8% of the 65,117 households in England using the visas. Since the start of 2023, at any one time, roughly 600 to 800 Ukrainian households have been living in temporary accommodation in England but DLUHC does not know how many of these households are on the Homes for Ukraine scheme. As more sponsorship arrangements come to an end the risk of homelessness is likely to increase (paragraph 4.12 and Figure 14).

Providing suitable housing

20 Local authorities are employing a range of interventions to try to ensure that Ukrainians have suitable accommodation to move into once initial sponsorships end. DLUHC has committed to pay thank you payments for up to two years of the three-year scheme visas, meaning unless sponsors are willing to host Ukrainians without those payments, or DLUHC extends thank you payments into the third year, other housing solutions will be needed. For the first arrivals under the scheme, thank you payments are currently due to stop in March 2024. Of those Ukrainians surveyed in spring 2023, who had been in the UK for between eight months and just under 12 months, 45% were still in accommodation provided by their initial host. Thirty-four per cent reported that they are now renting, although some local authorities told us that the affluence of some areas with high numbers of sponsors will make it harder for Ukrainians to move into the private rented sector nearby. The local authorities we spoke to described a range of actions they have taken to protect people on the scheme in their area from homelessness using their tariff funding, including rematching and support to rent private sector accommodation. In addition, using the £500 million LAHF funding, 905 additional homes have been acquired by local authorities, and DLUHC is currently forecasting a total of 3,365 being acquired by the end of 2023-24, with 2,880 expected to be used to house Ukrainians (paragraphs 4.2, 4.9, 4.13, 4.16 and Figures 2, 13 and 15).

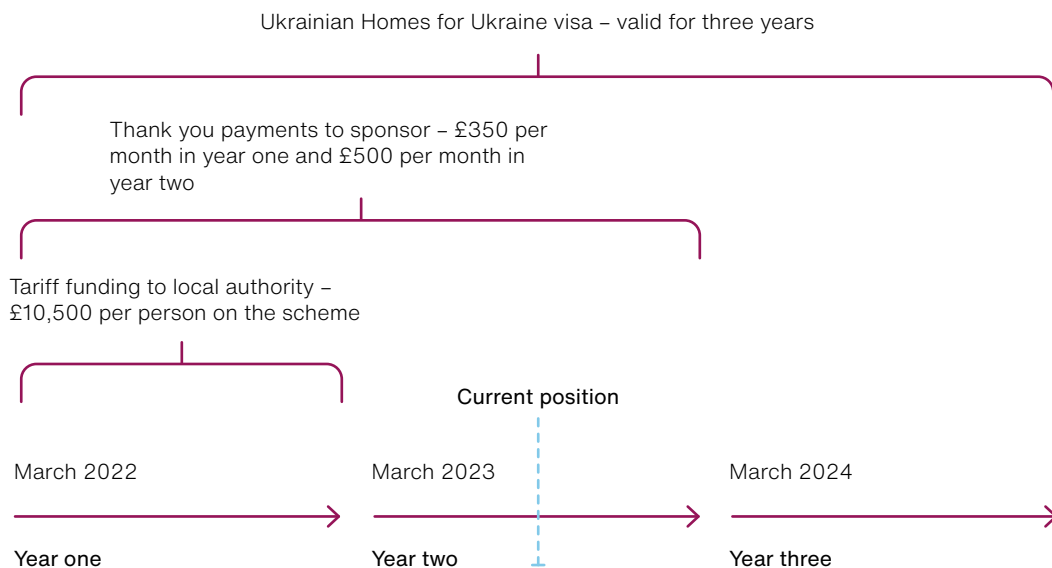
Future decisions on visas

21 The first people to arrive under the scheme will see their visas expire in spring 2025 and it is not yet clear whether government intends to extend visas. Funding and targeted support will end before this point unless the government chooses to extend it (see **Figure 2** overleaf). The government told us it is keeping the scheme, including any future need for extension, under review. Any decision on the future will be made in good time to implement any new operational processes. Government is conscious of the wishes of the Ukrainian Government to support Ukrainians to return there when it is safe to do so to help rebuild the nation (paragraphs 4.2 and 4.3).

Figure 2

Overview of the tariff funding, thank you payments and visa position for a Ukrainian arriving under the Homes for Ukraine scheme in March 2022

The Homes for Ukraine visa is valid for three years but tariff funding for the scheme to local authorities and sponsor thank you payments only lasts for one and two years respectively



Note

1 The funding shown here covers funding that is either per Ukrainian (that is, the tariff funding) or per sponsor (the thank you payments). Other non-specific funding has also been allocated to the scheme, such as the £500 million Local Authority Housing Fund and £150 million for homelessness prevention. This funding was to assist with preventing or reducing homelessness for people within the local authority, including those on the Homes for Ukraine scheme.

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities published documentation

Scheme governance and resourcing

22 DLUHC and the Home Office have reduced the number of staff allocated to support the scheme as it is now past the initial crisis phase. The main taskforce running the scheme was moved into a new directorate within DLUHC in April 2023 to incorporate management of the Hong Kong resettlement route and with the aim of working closely with the Home Office on providing suitable accommodation for those coming to the UK through the Afghan schemes. DLUHC aims to have 100 full-time equivalent (FTE) staff working in that area by the end of March 2024 compared with 161 taskforce staff at the end of 2022. The Home Office has already significantly reduced the number of staff working on visa processing, down from more than 1,000 in June 2022 to 110 as of September 2023 (paragraphs 4.18 and 4.19).

Concluding remarks

23 Between 18 March 2022 and 28 August 2023, the government has successfully supported 131,000 Ukrainians to come to the UK under the scheme, meeting government's overall objective of bringing Ukrainians to safety. The generosity of the British public in hosting people from Ukraine meant that the government's taskforce was able to establish the scheme quickly, and government put in place arrangements to manage important risks at the start.

24 The future of the scheme is not yet clear. It is set to run for at least another three years, with three-year visas continuing to be approved daily. Because of the uncertainty for Ukrainians in the UK, government will soon need to make several decisions, including whether to provide thank you payments for the third year of visas, and what additional funding, if any, to provide to local authorities to continue to support the scheme. In making its decision, government will need to also consider the desire of the Ukrainian Government for people to return once it is safe for them to do so. Some Ukrainians now have less than 18 months remaining on their visa, introducing new challenges for individuals and local authorities. Government will also need to carefully monitor the scheme's key risks, such as safeguarding, and particularly the threat of rising homelessness as more sponsorships end.