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# NORTH AYRSHIRE COUNCIL

07 November 2023

## Cabinet

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**Title:** Council house buy-back programme to accommodate Ukrainian Displaced People

**Purpose:** To seek Cabinet approval to purchase up to 40 properties to accommodate Ukrainian households for three years using Scottish Government grant being made available.

**Recommendation:** It is recommended that Cabinet:

- (i) Approves the purchase of up to 40 properties to be used to accommodate Ukrainian households for three years; and
- (ii) Notes that the homes will be available for allocation to other housing applicants thereafter.

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### 1. Executive Summary

- 1.1 North Ayrshire Council officers have been working closely with Scottish Government and COSLA since March 2022 to offer accommodation and sanctuary to people displaced by the conflict in Ukraine.
- 1.2 As at November 2023, the Council and Community Planning Partners had supported 185 Ukrainian displaced households (395 people) to settle in North Ayrshire across the different sponsorship schemes.
- 1.3 The uptake of visas has been significantly higher than originally anticipated and North Ayrshire Council has now exhausted all housing solutions from existing stock to accommodate Ukrainian Dispersed Persons (UDPs).
- 1.4 The Scottish Government has recently taken the decision to close local hotel/ welcome accommodation utilised to accommodate UDPs.
- 1.5 North Ayrshire Council has been working with the Scottish Government, COSLA and other local authorities to identify options to increase the supply of short, medium, and longer-term accommodation for the use of UDPs.
- 1.6 Following Scottish Government's consideration of a business case prepared by North Ayrshire Council officers, an opportunity has arisen for the Council to purchase up to 40 homes on the open market to accommodate UDPs for three years. The homes would thereafter be available for allocation to applicants on the North Ayrshire Housing Register. The net cost of the acquisitions will be met by Scottish Government.

## **2. Background**

- 2.1 The Council and CPP partners have worked closely with the Scottish Government and COSLA since March 2022 to help Ukrainian displaced households settle in North Ayrshire.
- 2.2 As at 10 October 2023, 25,778 displaced people from Ukraine had arrived in Scotland. The pace of arrivals has slowed, and in September 2023 there were approximately 3000 people in initial welcome accommodation across the country.
- 2.3 The Council and Community Planning Partners have supported 185 Ukrainian displaced households (395 people) to settle in North Ayrshire across the different sponsorship schemes.
- 2.4 Recognising that it is not the most suitable model of accommodation for people and is not financially sustainable, the Scottish Government has taken the decision to significantly reduce the use of hotel accommodation.
- 2.5 The North Ayrshire Hub at Riverside Hotel in Irvine closed on 21 September 2023; the remaining Ukrainian seven households were assisted to secure alternative accommodation prior to its closure.
- 2.6 There continues to be concerns across local government regarding the national capacity to meet both the short and medium to long-term response to the Ukraine crisis, alongside local housing needs, with pressures on accommodation and support services significant.
- 2.7 Given the current pressure on housing provision and the homelessness service, North Ayrshire Council has exhausted the use of existing stock to accommodate UDPs.
- 2.8 The Council has the capacity to increase its current buyback programme, which if approved would increase accommodation available for allocation to UDPs (under a Scottish Secured Tenancy (SST) by 40 properties for a period of three years. When they are no longer utilised for UDPs the properties would be allocated as mainstream housing in line with the North Ayrshire allocation policy, assisting to meet local housing need.
- 2.9 In June 2023 a business case was submitted to the Scottish Government's More Homes Division and the Warm Scottish Welcome Directorate, proposing that they provide funding over and above the benchmark grant to enable the buyback of properties in North Ayrshire for UDPs.
- 2.10 There would be no net cost to North Ayrshire Council. The funding shortfall, after consideration of grant funding and rental income, future maintenance and borrowing costs, would be met by the Scottish Government, recognising the project supports cost avoidance by the Warm Scottish Welcome Directorate.
- 2.11 The Council would primarily seek to purchase ex-local authority houses, and an initial review of the market has confirmed that sufficient suitable properties are likely to be available for sale by 31 March 2024.

2.12 The Council's Refugee Support Team will continue to work with Community Planning Partners, through the Refugee Taskforce, to resettle new Ukrainian families into North Ayrshire; facilitating access to essential services including health, education, training and employment.

2.13 The benefits associated with increasing the buyback programme are summarised below:

- It assists with the current housing crisis in relation to UDPs and provides a longer-term accommodation solution, with agreement made for a period of 3 years
- It provides a better and joined-up use of public funds
- It increases available social housing as any voids created due to the departure of UDPs in the longer-term would become available for general allocation

2.14 On 24 August 2023, the Scottish Government More Homes Division's Head of Ukraine Longer Term Accommodation wrote to the Head of Housing and Public Protection detailing the intention to progress the proposal. The terms of the agreement are as follows:

- The grant funding should be used to support the purchase of up to 40 off-the-shelf units
- All homes should be purchased at or below market value (as established by the District Valuer or other suitably qualified property surveyor), contribute to the Scottish Government's affordable housing target, and be available for the purpose of housing UDPs for up to 3 years, at which point they will revert to mainstream social housing stock in North Ayrshire
- Grant funding per property cannot exceed the purchase price plus costs of improvement works of any individual property
- Homes will be a range of 1, 2 and 3 bed properties
- Purchases will be completed and grant drawn down by 31 March 2024 – and given the urgent need for housing this will be accelerated where possible
- This investment will not displace other parts of the agreed North Ayrshire Strategic Housing Investment Plan.

2.15 On 5 October 2023, the Scottish Government More Homes Division confirmed that the buyback programme had been approved by the Housing Minister.

### **3. Proposals**

3.1 It is proposed that Cabinet:

- (i) Approves the purchase of up to 40 properties to be used to accommodate Ukrainian households for three years; and
- (ii) Notes that the homes will be available for allocation to other housing applicants thereafter.

## **4. Implications/Socio-economic Duty**

### **Financial**

4.1 The Scottish Government will provide funding to buy 40 houses on the open market. In line with the business case presented to Scottish Government, this will be used to bridge the funding gap between acquisition, improvement and maintenance costs and future rental income.

### **Human Resources**

4.2 It is anticipated that the management of the buy-back process through to resettlement of UDPs will be met within existing Council resources. Should additional conveyancing support be required, this will be procured through existing frameworks.

### **Legal**

4.3 None

### **Equality/Socio-economic**

4.4 The purchase of 40 units of social rented housing will increase the level of Council stock available for relet to North Ayrshire Housing Register applicants when they are no longer required for UDPs.

### **Climate Change and Carbon**

4.5 The properties purchased will be brought up to the Scottish Housing Quality Standard, ensuring that they are energy efficient, and in doing so minimising carbon emissions which will assist our contribution to Scotland's net zero emissions targets.

### **Key Priorities**

4.6 The matters referred to in this report support the delivery of all four Council Plan priorities: Wellbeing; Communities and Local Democracy; Climate Change; and a Sustainable Council.

### **Community Wealth Building**

4.7 The Council's contractors are required to participate in the Council's Community Benefits Programme, which contains targets for local training, employment and community support.

## 5 Consultation

5.1 Council officers worked closely with Scottish Government to develop the proposals set out in this report.

RUSSELL McCUTCHEON  
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### Background Papers

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