



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Douglas Chapman MP  
House of Commons  
London  
SW1A 0AA

25<sup>th</sup> May 2023

Dear Douglas,

I am writing to you as promised during the Finance (No. 2) Bill debate on Thursday 18<sup>th</sup> May. During the discussion on Clause 313, relating to the exemptions for Registered Social Landlords from the Stamp Duty Land Tax (SDLT) regime for the Homes for Ukraine Scheme, you asked what funding will be given to Scotland, Wales, and Northern Ireland for the Devolved Administrations to implement their own Homes for Ukraine scheme.

The Homes for Ukraine scheme, which launched in March 2022, is a UK wide scheme. Since launch the UK government has provided £1.1 billion to councils to date through this scheme, initially through a £10,500 tariff for each arrival in their area. Given that a fraction of Ukrainian arrivals return to Ukraine, after arriving in the UK, and the need to manage public finances at a time of significant economic challenge for the UK and the global economy, the government has now reduced the tariff for each local authority. Councils will continue to receive the existing year 1 tariff to support those Ukrainians that have already arrived, as previously set out. From 1 January 2023, UK councils received funding of £5,900 for each new arrival to support guests and their sponsors (in addition to the 'thank you' paid to sponsors). For eligible minors, the year 1 tariff continues at £10,500 for arrivals after 1 January 2023.

Of the £1.1 billion provided to councils, £215 million has been provided to Devolved Administrations through this scheme. In Scotland, councils will receive the tariff payments (reduced to £5,900 per guest for those arriving on or after 1 January 2023) and the 'thank you' payments directly from the Department of Levelling Up, Housing, and Communities (DLUHC) except in those instances where guests are being sponsored by Scottish Government via the devolved government sponsor scheme. In those cases, DLUHC will pay the Scottish Government the 'thank you' payments directly through budget cover transfers.

In Wales, the Welsh Government receives the tariff payments from DLUHC, and they are responsible for onward distribution to Welsh councils. The 'thank you' payments are provided directly to Welsh councils by from DLUHC, except in cases where guests are being sponsored by Welsh Government via the devolved governments sponsor scheme the Welsh Government acts as a sponsor. In those cases, DLUHC pay Welsh Government the 'thank you' payments directly through budget cover transfers.

In Northern Ireland, the Executive Office receives tariff and 'thank you' payment funding from DLUHC. The Executive Office is responsible for distributing the funding from DLUHC and will manage all 'thank you' payments to sponsors, and all current tariff payments.

In addition to the above, DLUHC will also provide £150 million of new UK-wide funding in the 2023/24 financial year to local authorities and devolved governments to help support Ukrainian guests move into their own homes and reduce the risk of homelessness. This funding will be allocated between the different parts of the UK in relation to their proportion of Ukrainian guests.

These measures will help to ensure the sustainability of the programme over the longer term and enable it to help future arrivals seek sanctuary in the UK as the war in Ukraine continues.

Clause 313, Registered Social Landlords, specifically amends existing SDLT rules to ensure that registered providers of social housing are exempt from the tax when purchasing property using funding allocated under section 31 of the Local Government Act 2003. These SDLT changes will apply in England and Northern Ireland. As SDLT is devolved in Scotland and Wales, additional funding for the Scottish and Welsh Governments will feed through the Block Grant Adjustment arrangements as set out in the agreed Fiscal Frameworks.

I am copying this letter to the Committee Chairs and members of the Committee, and a copy of this letter will be deposited in the Libraries of the House.

Yours sincerely,

A handwritten signature in blue ink that reads "Victoria Atkins". The signature is written in a cursive, flowing style.

**VICTORIA ATKINS MP**