Homes for Ukraine (UK) FAQs – changes and impact April 2022

Property United for Ukraine

Propertymark is amongst several property organisations supporting cross-sector fundraising to provide humanitarian relief to Ukraine. You can donate safely and securely here: https://www.justgiving.com/campaign/PropertyUnitedForUkraine

Background

On 14 March 2022, the UK Government announced that UK individuals, charities, community groups and businesses can record their interest in supporting Ukrainians fleeing the war through the UK Government's new Homes for Ukraine scheme.

Eligibility

Someone is eligible for the scheme if they are a Ukrainian national or the immediate family member of a Ukrainian national and were resident in Ukraine prior to 1 January 2022.

What does this mean?

Phase One of the scheme **opened for applications on Friday 18 March 2022**. The scheme allows sponsors in the UK to nominate a named Ukrainian or a named Ukrainian family to stay with them in their home or in a separate property.

NOTE: People wanting to be sponsors who do not know anyone personally fleeing Ukraine can also record their interest in being a sponsor.

Registering interest

- People can register interest as an individual: <u>https://apply-to-offer-homes-for-ukraine.service.gov.uk/individual/steps/1</u>
- Organisations (e.g. charity, business, community group) can register here: <u>https://apply-to-offer-homes-for-ukraine.service.gov.uk/organisation/steps/1</u>

Types of accommodation

The UK Government are asking for people with a residential spare room or separate self-contained accommodation that is unoccupied to register.

The UK Government have said the accommodation should:

- be kept clean and in a reasonable state
- have adequate kitchen and bathroom space
- have access to drinking water
- have a working smoke detector on each floor of the property and other fire safety precautions suitable for the building
- have a working carbon monoxide detector in any room containing a solid fuel burning appliance
- have sufficient heating to keep the property at a comfortable temperature
- have safe gas appliances, fittings and flues and have undertaken a Gas Safety check within the last year
- have safe and working electrics
- be free of damp or mould

- have doors and windows at entry level that lock properly
- be easy and safe to move around in, without excessively steep staircases that may cause harm.

How long does the accommodation need to be available?

The accommodation must be available for at least six months, fit for people to live in, and suitable for the number of people to be accommodated.

NOTE: Sponsors are not expected to cover the costs of food and living expenses.

How will the scheme work?

Individual sponsors will be asked to provide homes, or an empty room rent free for as long as they are able with a minimum stay of six months. In return they will receive an ex-gratia (by favour) payment of £350 per month for up to 12 months. This payment will be made in arrears.

NOTE: The £350 is not taxable and should not impact benefit entitlement. The 'thank you' payment is limited to one payment per residential address.

People arriving under this scheme will be able to:

- Live and work in the UK for up to three years.
- Access healthcare, benefits, employment support, education, and English language tuition.

NOTE: If people charge rent (even if a top up to the £350) this would grant tenancy rights and likely create a tenancy so resulting in compliance with all the associated legal requirements.

Tax implications

For those who own properties through a limited company there could be adverse tax implications in offering a home to a refugee under the scheme as currently published. Proper independent advice should be sought before proceeding.

Additional information

Legal interpretation means that rent does not have to be 'money' in the accepted meaning of the term. It can be 'monies worth'. In theory, this could include the provision of services by a guest which might then be treated as a rental payment.

Can an existing tenant offer a spare room to the scheme?

Where tenants want to offer up a room then they will need the consent of the landlord.

What checks will be carried out?

When those seeking accommodation are being matched with available properties, the UK Government will carry out checks that the landlord's permission has been given to the tenant. The immigration authorities have pledged to carry out basic 'security' checks on those coming from the Ukraine.

NOTE: As property owners will not be able to conduct the usual referencing checks on an applicant, the risks associated with supporting the scheme are, necessarily, going to be greater than might otherwise be the case.

Immigration status

Ukrainians arriving in the UK under the scheme will be granted three years leave to remain, with entitlement to work, and access benefits and public services.

NOTE: The accommodation is being provided rent free therefore our understanding is Ukrainian nationals will be excluded occupiers (either licensees if sharing accommodation with the sponsor or tenancies if self-contained accommodation) under the Protection from Eviction Act 1977.

License Agreement

To support agents, Dutton Gregory has produced a licence agreement with Ukrainian and Russian translations also being made available. Download the agreement for free here: https://www.duttongregory.co.uk/site/commercial/landlord-and-tenant/homes-for-ukraine/

What about Right to Rent checks?

Until further information is provided by the UK Government, we understand that no Right to Rent checks need to be done as 'no rent is being charged'. This advice has not yet been fully confirmed by the UK Government as the Home Office would normally expect Right to Rent checks to be undertaken against any adult individual who was occupying a property in England, irrespective as to their liability for rent.

What happens after six months?

If a host does not want to continue the arrangement beyond six months, they should let the guest know in plenty of time (ideally two months) so other arrangements can be made. So long as guests remain 'excluded occupiers' as set out in the Protection from Eviction Act 1977, a Possession Order from the County Court is not required to recover the property. However, if any rental payment is taken from the guest, then this is likely to have created a licence or a tenancy. In either case a Court Order would be required.

NOTE: Ongoing and continued engagement between hosts and guests is strongly recommended throughout the six-month period.

Ending the arrangement early

If for any reason the sponsorship arrangement ends early, sponsors should inform the local council as soon as possible. Find a local council <u>https://www.gov.uk/find-local-council</u>

Licensing schemes and housing being used as accommodation under the Homes for Ukraine scheme

- Where properties are in a selective licensing area, they are usually in scope of licensing scheme requirements. However, local authorities are being asked to take a pragmatic approach to requiring these properties to be licensed, to the fees set and to enforcement
- Houses in Multiple Occupation (HMOs) due to there not being any rent payable for accommodation under the scheme, the UK Government does not expect councils to require such accommodation to obtain an HMO licence

Homeowners and leaseholders

The UK Government advise that leaseholders wishing to host a guest, will need to check the terms of the lease to see whether they are permitted to have lodgers or subtenants.

Council Tax

The UK Government have confirmed that households in England who become sponsors through the Homes for Ukraine scheme will not lose their council tax discounts.

Regulations have been introduced to protect sponsors' council tax discounts for single persons and limit impact on council tax payments for those sponsoring a family in a second property.

The UK Government is working closely with the devolved administrations on how the scheme is rolled out across the UK <u>https://www.legislation.gov.uk/uksi/2022/439/contents/made</u>

What is Propertymark doing?

Propertymark is monitoring developments in Ukraine and are aware that landlords and letting agents are dealing with a wide range of considerations in managing requests to accommodate refugees in tenanted rented properties.

We are working with the Department for Levelling Up, Housing and Communities (DLUHC) to feed in issues relating to tenancy agreements and subletting, along with safety considerations, licensing, HMO status and Right to Rent checks.

Next steps

More guidance from the UK Government is due to be published soon.

Further information

UK Government announcement

https://www.gov.uk/government/news/homes-for-ukraine-scheme-launches

Homes for Ukraine

https://homesforukraine.campaign.gov.uk/

Homes for Ukraine scheme: frequently asked questions <u>https://www.gov.uk/guidance/homes-for-ukraine-scheme-frequently-asked-questions</u>

Homes for Ukraine: guidance for councils <u>https://www.gov.uk/guidance/homes-for-ukraine-guidance-for-councils</u>

Scotland

https://www.gov.scot/news/scheme-opens-for-displaced-ukrainians/

Wales

https://gov.wales/update-about-homes-ukraine-scheme-wales

Guernsey, Jersey, and the Isle of Man contacts

- Bailiwick of Guernsey (Guernsey, Alderney, and Sark) <u>ukraine@gov.gg</u>
- Isle of Man <u>UkraineGuidance@gov.im</u>
- Jersey <u>ukraine@gov.je</u>