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12/11/2026

Dear Minister,

Homes for Ukraine: reductions to thank you payments and the local authority tariff from 1 January 2027

I am writing as Leader of Mid Devon District Council, in response to your letter of 15 September, to ask the Government to reconsider the reductions to Homes for Ukraine funding due on 1 January 2027: the cut in the thank you payment from £350 to £100 a month, and in the local authority tariff from £5,900 to £3,300.

Mid Devon delivers this scheme on the ground. We know our hosts and our guests, and we have seen what the current level of support makes possible. We believe these reductions are the wrong step at the wrong time, for the reasons set out below.

The need for refuge is as great today as at any point since 2022. Russia is striking Ukraine's power stations, substations and heating systems almost nightly as temperatures fall towards freezing. On 10 November alone, attacks on energy infrastructure left homes without power in six regions, including Kyiv and Kharkiv, and homes are being damaged and destroyed in the same strikes. Last month the UN's Independent International Commission of Inquiry on Ukraine concluded that these attacks on energy infrastructure amount to crimes against humanity. Families face another winter of war without reliable heat, light or water. This is not the moment for the United Kingdom to make it harder to offer them a safe home.

Since the scheme opened in 2022, residents of our rural district have welcomed 362 Ukrainians in 213 households into their homes (figures to 30 September 2026). Today 45 people in 31 households are still being hosted here. The Council has matched that generosity with practical support:

- Our housing options team has carried out welfare checks and offered support to every guest who has arrived in the district.
- We have received £2,031,550 in tariff funding and spent £1,775,753 of it directly on assisting guests. The balance is held in reserve to keep that support going.
- In the first two years, when arrivals were at their highest, we used part of the tariff to top up thank you payments so that enough households came forward to host.
- We use the tariff to pay rent in advance and deposits, helping guests move into settled homes in the private rented sector. Each move frees a hosting place for a new arrival.
- Hosts have kept £102,813 in council tax discounts through the Class G disregard, which protects discounts such as the single person discount when a guest moves in.
- We stay in regular contact with hosts and give early notice of every change to the scheme. Where a host has decided to stop, we have helped their guests find somewhere else to live.

The result speaks for itself. In more than four years, only 6 households (13 people) have needed temporary accommodation. That is what the current funding has bought: families kept safe, and kept out of the homelessness system.

The thank you payment will fall by £250 a month, a cut of 71%, for existing hosts as well as new ones. It falls on 1 January, when heating costs are at their highest. The energy price cap rose again in October, and forecasts point to a further increase of between 12% and 21% on the very same day. Some forecasts would add more than £400 in energy costs a year to a typical bill. Hosts are being asked to absorb a 71% cut in support and a steep rise in energy costs on the same morning, on top of wider cost of living pressures.

Rural hosting carries a premium of its own. Research for the Rural Services Network found that rural households spend around £114 a week on transport, half as much again as urban households, because there is so little alternative to the car. In Mid Devon a guest's journey to school, a GP, the Jobcentre, an English class or to employment often depends on a lift from the host, and every trip adds to the fuel bill. The same research found that rural households spend more on food and other essentials, a gap that widens where the nearest shop is a small village store and the supermarket is a car trip away.

Rural homes also cost about 10% more to heat, and an estimated 41,000 households across Devon rely on heating oil, which the energy price cap does not protect. An extra household under the same roof multiplies every one of these costs.

The payment is not rent. In a district as rural as ours, the cost to many hosts already exceeds it, and the difference is met through considerable goodwill towards guests in absolute need. A payment of £100 a month is likely to be significantly less than the cost to most host households.

Some of our hosts have told us they intend to carry on whatever the payment. That is to their great credit, but the Government should not rely on goodwill to absorb the difference. Some arrangements have already ended, and we expect more to follow once the lower payment arrives alongside higher winter bills. Each one that ends puts a family in need of a new home at short notice.

Your letter suggests that hosts ask guests to contribute, or move to a formal rental arrangement. Neither is realistic for many. Mid Devon has high employment but wages below the regional and national average, with work concentrated in retail, distribution, agriculture and the public sector. Suitable jobs for our guests are limited, and many are hard to reach from our villages without a car, so many guests and hosts remain on low incomes.

Affordable private rented homes are scarce. The average private rent in the district is £864 a month, up 26% in five years. An average one-bedroom home costs £630 a month against a Local Housing Allowance of £530, which has been frozen since April 2024. Turning a host into a landlord also changes the relationship on which the scheme was built.

The scheme works only if households come forward. A payment far below the real cost of hosting will deter people who would otherwise offer a room, and no alternative route to safety has been put in place.

The tariff cut then weakens the means of preventing homelessness. From 1 January each new tariff payment will be 44% lower. The tariff is what pays for our welfare checks, our rent and deposit grants, and the work that has kept all but six households out of temporary accommodation. Our reserve of around £256,000 is finite, and with less coming in it will be exhausted sooner.

If more hosting arrangements end while that reserve runs down, the cost does not disappear. It moves to homelessness services and temporary accommodation, at far greater expense to the public purse and to the families concerned. It would do so just as we are working hard to support the Government’s ambition to end rough sleeping by Christmas. Any additional pressure on our homelessness services puts that ambition at risk.

What we ask of Government

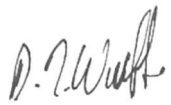
1. **Pause the reductions due on 1 January 2027**, at least until the end of the winter, and review them against conditions in Ukraine and the costs facing host households.
2. **If a reduction proceeds, protect existing arrangements.** Keep the £350 payment for households already hosting, and phase any change rather than imposing it in a single step.
3. **Keep the tariff unchanged at £5,900**, so that councils like ours can continue to support guests once their hosting ends, helping them into settled homes and keeping them out of temporary accommodation.
4. **Publish the Government's assessment** of how many hosting arrangements are expected to end, and of the effect on council homelessness and temporary accommodation costs.
5. **Confirm that a clear and accessible route to safety will remain open**, and that sponsors will not be discouraged before a workable alternative is in place.

To government these payments are relatively small. To our hosts they can be the difference between being able to open their homes to those fleeing conflict and not being able to.

The people of Mid Devon opened their homes when they were asked to, and the Council has worked hard to make that welcome last. We want to go on doing so. I would be glad to share our data with your officials, or to meet to discuss how the scheme can be put on a sustainable footing without closing doors this winter.

I am copying this letter to the Secretary of State and to the Members of Parliament who represent Mid Devon, and would welcome their support.

Yours sincerely,



Cllr David Wulff
Leader, Mid Devon District Council

cc:
The Rt Hon Angela Rayner MP, Secretary of State for Housing, Communities and Local Government
Rachel Gilmour MP, Tiverton and Minehead
The Rt Hon Sir Mel Stride MP, Central Devon
Richard Foord MP, Honiton and Sidmouth