

TSH - 1 FEATURES OF TEMPORARY SOCIAL HOUSING

- 1 Introduction
- 2 Scope of TSH
- 3 Eligibility criteria for TSH funding
- 4 Characteristics
- 5 Letting arrangements
- 6 Rents
- 7 Nominations
- 8 Move on
- 9 Adaptations to dwellings for people with physical disabilities
- 10 Compliance audit
- 11 Grant recovery
- 12 Management arrangements

TSH - 2 SPARE

TSH - 3 SPARE

TSH - 4 SPARE

TSH 1	9	Adaptations to dwellings for people with physical disabilities
TSH 1	5.2	Break clauses
TSH 1	4	Characteristics
TSH 1	14	Check list for key requirements
TSH 1	10	Compliance audit
TSH 1	3	Eligibility criteria
TSH 1	11	Grant recovery
TSH 1	2.3	Improved properties
TSH 1	5.5	Lease arrangements between RSL and occupant
TSH 1	5.1	Lease arrangements between RSL and owner
TSH 1	5	Letting arrangements
TSH 1	5.5	Licence between RSL and occupant
TSH 1	5.1	Licence between RSL and owner
TSH 1	12	Management arrangements
TSH 1	8	Move on
TSH 1	7	Nominations
TSH 1	11.3	Premature termination of lease
TSH 1	6	Rents
TSH 1	5.5	Tenancy agreement between RSL and occupant
TSH 1	5.1	Tenancy agreement between RSL and owner
TSH 1	2.3	Unimproved properties

1 INTRODUCTION

- 1.1 The TSH section of the guide applies to all schemes that receive confirmation of grant on or After 1 April 2006. Schemes given Grant Confirmation before 1 April 2006 must follow the procedures detailed in previous versions of this guide which then remain relevant throughout the development of the scheme. *Previous versions can be found on the Corporation's website www.housingcorp.co.uk*
- 1.2 The Temporary Social Housing (TSH) framework forms part of the housing for rent framework and this section sets out the policies and procedures to be followed, and is based on the standard rental procedures. It should be read within the context of the General section of this Guide.

2 SCOPE OF TEMPORARY SOCIAL HOUSING

- 2.1 TSH is where SHG is paid to a RSL to cover the capital costs of bringing properties into **temporary use** i.e. more than two years, but less than thirty years.
- 2.2 TSH is not available for RSLs to develop new build properties nor for works to existing RSL stock. TSH is intended to add to the RSL's stock of units of self contained or shared temporary property by bringing into use properties that would otherwise remain empty and unavailable for social housing, e.g. properties over shops in town centres or those awaiting redevelopment or sale.
- 2.3 The TSH SHG framework applies to:
- **unimproved properties** - leased properties which require improvement/repair in order to meet the Corporation's relevant specified TSH standards as set out in the Corporation's Scheme Development Standards publication;
 - **improved properties** - leased dwellings recently refurbished or newly built, completed to a standard at least equivalent to the relevant specified TSH standards. All properties that were built or refurbished within the two years prior to the signing of the lease are included in this category, as are other properties in such good condition that no works are required.

3 ELIGIBILITY CRITERIA FOR TSH FUNDING

- 3.1 Properties are eligible for TSH funding where:
- they are available for use by the RSL for a period of time covered by a lease or licence for longer than 2 years and less than 30 years;

- the RSL will acquire a documented, legally binding interest in the property. Ideally this should be a written lease/licence but where this is not possible a legally binding 'Agreement to Lease' is acceptable;
- they are not owned by a RSL. TSH SHG is therefore only payable in respect of property in the ownership of:
 - ⇒ public bodies e.g. local authorities, Health Authorities, Government Departments etc.;
 - ⇒ unregistered social landlords and co-operatives which are not subsidiaries of RSLs;
 - ⇒ private individual(s) or companies.

4 CHARACTERISTICS

4.1 The funding framework for TSH will follow the Corporation's procedures for Rent schemes. Within this framework the key characteristics for TSH will be as follows:

4.2 For the purposes of Lease premium calculations, a scheme can be:

- an individual property; OR
- a group of properties forming a single project to be worked on under a single works contract. The properties must be in the same local authority.

5 LETTING ARRANGEMENTS

Tenancy, Lease or Licence between the RSL and the Owner

5.1 As far as security of tenure is concerned it does not matter whether the letting arrangement between the owner of the property and the RSL is a tenancy, lease or licence.

Break Clauses

5.2 The RSL should ensure that the terms of the lease or licence prohibit the owner from terminating the lease or licence before the period of the lease or licence expires. However, both parties may agree to the insertion of a break clause in the event of the agreement being terminated prior to the date upon which the lease or licence expires.

- 5.3 The RSL must ensure that a clause is to the effect that the property owner will reimburse the RSL for any proportion of grant spent on the property relating to the unexpired time of the lease or licence.
- 5.4 Where the owner will not agree to this indemnity clause, the RSL must assess the risk of their responsibility for any grant recoverable. The Corporation will normally expect the excess grant to be recovered by the RSL, regardless of whether the RSL has been similarly reimbursed by the owner of the property.

Tenancy, Lease or Licence between the RSL and the Occupant

- 5.5 The arrangement between the RSL and the occupant of the TSH premises can be an assured short hold tenancy or an assured periodic tenancy, as appropriate, in line with the Regulatory Code and the Tenants Charter. RSLs should note however that under the 1996 Housing Act temporary lettings to the homeless are required to be on an assured short hold basis.

Right to Acquire

- 5.6 In most circumstances tenancies for TSH properties are excluded from Right to Acquire. *See RTA chapter.*

6 RENTS

- 6.1 Housing Corporation Rent Caps and restructured rents do not apply to TSH. The rent at confirmation of grant should be equal to or less than that bid for.
- 6.2 The RSL must ensure that:
- the rent + HBSC charged is within the housing benefit threshold, in their local authority; and
 - the provision of this scheme is cheaper than the cost of bed and breakfast accommodation.
- 6.3 The RSL should retain documentary evidence that may be a letter from the local authority that this requirement is met.

7 NOMINATIONS

- 7.1 Local authorities providing accommodation to be developed with TSH funds are entitled to a minimum of 50% nomination rights on these properties.

8 MOVE ON

- 8.1 TSH funding is provided to utilise properties with a 'life' of less than 30 years. RSLs' programme strategies should, therefore, incorporate opportunities for TSH tenants to move into permanent accommodation whenever possible and where appropriate.

- 8.2 The Corporation will have regard to move-on strategies within the assessment of the RSL's development and management performance.

9 ADAPTATIONS TO DWELLINGS FOR PEOPLE WITH PHYSICAL DISABILITIES

- 9.1 Because TSH property is not owned by the RSL, it does not qualify for SHG for adaptations.

10 COMPLIANCE AUDIT

- 10.1 Schemes produced with TSH SHG will be subject to the Corporation's compliance audit of schemes. *See GENERAL -9.*

11 GRANT RECOVERY

- 11.1 The RSL must notify the Corporation immediately should the achieved lease or licence life of the scheme fail to correspond with the lease or licence life on which the SHG payment was calculated.
- 11.2 An event that prevents the scheme being used for the purposes and period originally intended, or a disposal to an organisation other than an RSL will result in grant recovery. *See REC-3*

Premature Termination Of Lease

- 11.3 Where two complete years of life are not achieved from the date of the lease, grant will be recovered in full.
- 11.4 If more than two years life have been achieved, the amount of grant recoverable will be reduced pro-rata for the proportion of the life, in completed months, which has been achieved.
- 11.5 SHG will be recoverable **from the RSL** even if the RSL is unable to obtain sufficient compensation from the owner for the early termination of the lease.
- 11.6 Recovery in this case means that the RSL can choose between repayment to the Corporation and recycling through an RCGF.

12 MANAGEMENT ARRANGEMENTS

- 12.1 RSLs must not grant a lease/licence to an unregistered social landlord or agency on a grant funded property. If this were to happen, it is classed as a disposal, triggering grant recycling by the RSL. *See REC-2.*

- 12.2 The RSL may either manage a TSH property itself or enter into a Management Agreement with a voluntary agency with relevant management expertise. In the latter case the RSL must be satisfied that:
- the agency is a viable organisation;
 - the aims of the managing agency are compatible with its own;
 - the capacity, experience and resources of the managing agency are commensurate with the responsibilities it will hold.
- 12.3 The Management Agreement sets out the terms under which the voluntary agency will undertake to manage the property/scheme on behalf of the RSL. The terms must allow the RSL to:
- retain overall responsibility for the financial control of the project;
 - monitor the condition and occupancy of the properties;
 - let the units on a tenancy agreement between the RSL and the occupant.
- 12.4 Sub leases on grant funded TSH property can be issued to RSLs or Co-operatives that are registered with the Corporation.

