CONTENTS

1. INTRODUCTION

2. SUPPORTED HOUSING INVESTMENT POLICY

3. ELIGIBILITY

4. CAPITAL FUNDING PROCEDURES

5. REVENUE FUNDING

6. FLOATING SUPPORT

7. CERTIFICATION OF ELIGIBILITY FOR SUPPORTED HOUSING FUNDING AND APPLICATION FOR SHMG APPROVAL

8. TRANSITIONAL SPECIAL NEEDS MANAGEMENT ALLOWANCE (TSNMA)

9. PAYMENT

10. RE-APPROVAL - ENABLING CHANGE OUTSIDE THE REVIEW TIMETABLE

11. MANAGEMENT AND OPERATIONAL GUIDANCE

12. SHMG REVIEW

13. ANNUAL INCOME AND EXPENDITURE RETURNS

14. REVENUE FUNDING FOR MOVE-ON ACCOMMODATION
15. MAJOR REPAIRS AND RE-IMPROVEMENTS

APPENDICES

1. Form TS1
2. Guidance on Application for Grant Confirmation
3. Definition of housing management, care, support, welfare and personal services
4. Form TS2
5. First claim check list
6. Form ASP1 Accounting for Special Projects Return
7. Guidance on the completion of ASP1
8. Form GHD9
9. Guidance on the completion of GHD9
10. Timetable for the review
11. Form SNR1
12. Guidance on SNR1
12(2). Guidance on SNR1 - Round 2/Subsequent Reviews
13. Form SNR2
14. Guidance on SNR2
15. Form SNR3
16. Guidance on SNR3
16(2). Guidance on SNR3 - Round 2/Subsequent Reviews
17. Form SNR4
18. Guidance on SNR4
1 PURPOSE AND SCOPE OF THE GUIDE

1.1 The Corporation is committed to the government’s policy for social housing for people with support needs. The Corporation’s Approved Development Programme (ADP) and Safer Communities Supported Housing Fund (SCSHF) contain provision for the capital funding of supported housing. In addition, revenue funding is available to contribute towards the intensive housing management and housing services costs associated with Registered Social Landlord (RSL) supported housing. Revenue funding is also available to meet the costs of resettlement activities previously funded under Section 30 of the Jobseekers Act 1995.

1.2 This Guide describes the policy framework within which funding decisions are made and details the Corporation’s requirements in respect of schemes for which supported housing funding is sought. It should be read in conjunction with the Corporation’s Capital Funding Guide.

1.3 The Corporation administers capital grants in the form of Social Housing Grant (SHG) and revenue grant in the form of Supported Housing Management Grant (SHMG). From April 2001, bids for new SHMG schemes and applications for Grant Confirmation will only be accepted electronically via the internet. Changes to and reviews of existing SHMG schemes will continue to be dealt with clerically. This Guide outlines the procedures to be followed for both electronic submissions of schemes and for other clerical processes. In addition, the procedures to be followed for the periodic review of schemes in management are also outlined.

1.4 The Guide replaces its predecessor, the Guide to Supported Housing, dated December 1998.

2 SUPPORTING PEOPLE (SP)

2.1 The Corporation pays SHMG to RSLs under Section 18 of the Housing Act 1996. This funding is due to transfer to the new Supporting People Fund from 1 April 2003. Until then, the Corporation will continue to administer SHMG under the arrangements described in this Guide. Where the 3 year SHMG Determination extends beyond April 2003, it is intended to provide an assured level of revenue funding until local authorities carry out the first Supporting People reviews of provision.

2.2 More information about Supporting People is available on the website http://barn.ccta.gov.uk/detr/detr1.nsf

3 THE CORPORATION’S NEW APPROACH TO INVESTMENT

3.1 In February 2001, the Corporation published a document entitled “Developing the new approach to investment”. This describes the Corporation’s new strategic approach to investment, including arrangements for streamlining the investment process through direct data entry using internet technology. RSLs will be able to submit their capital and revenue investment bids electronically. The Corporation requires revenue bids and applications for Grant Confirmation to be submitted electronically so that value for money can be...
demonstrated and complete investment details can be transferred to Supporting People funders in 2003. Schemes coming into management after April 2003 will need to have their SHMG allocations transferred to SP.

3.2 Appendix 2 of the Guide describes how SHMG schemes will, after April 2001, be submitted for Grant Confirmation via the Corporation’s on-line Investment Management System (IMS).

3.3 In August 2000, the Corporation also published our National Investment Strategy for 2001/02. Section 3(h) of the Strategy sets out our key investment objectives for supported housing.

4 DEFINITION OF SUPPORTED HOUSING

4.1 The Housing Corporation’s definition of supported housing remains unchanged and is set out in full below:

“The term ‘RSL Supported Housing’ will apply where an individual holds a registered social landlord tenancy at the same time as receiving support, including intensive or supportive housing management, provided by an RSL under the terms of a formal undertaking.”

4.2 In effect three conditions will need to be met before housing is determined to be supported rather than general needs housing.

- An RSL must have a landlord/tenant (1) relationship with the individual receiving the support.

- The level of housing support (2) provided must be over and above that which would normally be expected to be provided by a landlord to tenants in general needs housing (3).

- An RSL must have formally taken responsibility (4) for providing the housing related support to the resident(s) concerned, either directly or through a formal relationship with another organisation or voluntary body (5).

Interpretation

4.3 If a scheme is classified as supported housing, all supported housing variations in the Social Housing Standards will apply (unless a waiver is obtained).

Notes on the definition:

(1) The existence of a written occupancy agreement between landlord and tenant is obligatory in all social housing. The term ‘individual’ includes multi-person households and the term ‘tenant’ includes licensees.
(2) It is the reference to additional housing support that is key to this statement. For example, the provision of a service such as domiciliary care alone is not adequate. Intensive housing management involves the same activities as basic management, but is characterised by the higher frequency and degree of difficulty of undertaking them for vulnerable residents, particularly if there is an expectation to move on. The following are examples of activities performed more intensively in supported housing:

- dealing with referrals and tenant selection
- explaining and drawing up tenancy agreements
- agreeing housing support plans with new residents
- giving advice on claiming housing benefits
- arranging and counselling residents about their move-on requirements
- putting residents in touch with care, support and welfare services providers.

(3) Housing in which the ratio of staff to tenants is one to thirty or more intense is considered supported housing if the other requirements are met. Housing with a lower degree of support, down to a minimum ratio of one member of staff to sixty residents, may also be included if other conditions are met and the RSL considers the supported housing standards to be appropriate. Only paid staff of the RSL, its agent, or a provider of services under a contract with the RSL are included in the calculation of staff to tenant ratio. All housing eligible for funding under the Corporation’s supported housing procedures is included but additional criteria for funding mean that some housing may fall within the definition and yet not be eligible for grant.

Sheltered housing with the support only of a warden performing non-specialist tasks does not generally fall within the definition since the general needs standards are more appropriate. However, if the warden performs the tasks listed at (2) above, the RSL may consider the supported housing standards to be more appropriate. This may apply to both new and existing sheltered housing, regardless of the original description given to it.

(4) The formal agreement should be a written undertaking to the resident to provide support. It may alternatively or additionally be a funding agreement or an agreement with a provider to supply certain services. If care alone is provided directly to a resident by another agency (for example Social Services) under an individual contract with that resident, and the RSL is not itself providing or contracting to provide any further services to them, this is considered to be general needs housing since the RSL has no involvement in the provision of the service. In line with this, the associated staffing input is not included in the calculation of staff to tenant ratio outlined at (3) above, whether in general needs or supported housing.

(5) The RSL may contract with another RSL or any other organisation to provide additional housing support to its residents on its behalf under the terms of a contract or management agreement. This does not include contracting out management services to a local authority. However, if the RSL provides support to tenants of bodies which are not registered with the Corporation, e.g. local authorities, this is not considered to be RSL supported housing and the Social Housing Standards do not apply.
4.4 This is the definition used in this guide. It is, however, important to remember that not all supported housing meeting this definition will require or be eligible for SHG and/or SHMG funding.

4.5 The eligibility criteria define those schemes the Corporation will consider for supported housing funding. One criterion specifies that schemes must cater for tenants who require intensive housing management. The following is a list of groups who may require supported housing:

- people with a physical disability or a degenerative or debilitating illness
- people with learning difficulties
- people with mental health related problems
- people with drug or alcohol related problems
- people leaving penal establishments, referred by the probation service, or at risk of offending
- refugees
- people with AIDS or HIV+
- young people at risk or leaving care
- vulnerable women with children
- women at risk of domestic violence
- frail elderly people
- single homeless people in need of intensive housing management.

This list is not meant to be exhaustive or imply that people who necessarily require supported housing and the associated housing management services will fit neatly into particular categories of need. For example, people with a physical disability will often not require additional housing management if provided with appropriately designed accommodation. This type of housing does not fall within the supported housing funding framework. Guidance and procedures on the provision of this type of housing are contained in the Capital Funding Guide.

4.6 Due to a reluctance to label tenants who have complex needs, some schemes may have an identified client group of single homeless people. If such schemes meet the supported housing eligibility criteria and accommodate tenants who require intensive and supportive housing management, then they will be eligible for funding under these procedures.
1 INTRODUCTION

1.1 This section of the Guide describes the Corporation’s investment policy on supported housing. It covers the Corporation’s funding priorities, the role of other funders and describes the investment process at a regional level.

2 THE CORPORATION’S FUNDING PRIORITIES

2.1 The Corporation wishes to invest in housing that, whilst catering for the particular needs of tenants, is as ‘ordinary’ as possible. It will invest in schemes that provide tenants with housing in a domestic setting and that merge unobtrusively into the surrounding community. In fact, in many cases the most appropriate setting in which support should be provided is in existing general needs accommodation. Any purpose built supported housing scheme will, therefore, require consultation with the client group on design matters. Decisions to provide shared rather than self-contained housing must always be taken in the context of the type of housing the client group need and prefer.

2.2 The Corporation will invest in supported housing services that provide a permanent home for tenants, or services intended to equip them with the life skills and confidence to move into permanent accommodation. Where schemes do not provide tenants with a permanent home, the Registered Social Landlord (RSL) must ensure that tenants receive the necessary help and advice to enable them to move to more independent and appropriate housing. They must also endeavour to ensure that suitable move-on accommodation is found. The following are examples of the type of schemes that would not be funded by the Corporation:

- respite homes that offer accommodation on a short term basis for people with a permanent home elsewhere. NB. People who leave their home to escape harassment or violence will not be regarded as having a permanent home elsewhere;

- schemes where there is no landlord/tenant relationship between an RSL and the occupants.

3 THE INVESTMENT STRATEGY

3.1 The investment process will be based on local assessments of needs as expressed in the Corporation’s regional policy statements. It is intended that investment should continue to support provision for a diverse range of vulnerable groups. Decisions will be made considering the priorities determined by the enabling local authority, as identified in the supported housing element of their housing strategy and in line with local and national objectives with respect to community care. The housing strategy should take account of the full range of client groups for which housing with care and support may be required, and be drawn up in consultation with the relevant agencies, including social service departments, health authorities/trusts, the probation service, RSLs, voluntary agencies and user groups and with regard to legislation such as the Children Act 1989 and in particular Community Care plans drawn up under the NHS and Community Care Act 1990.
3.2 Co-operation between local authorities to secure a county wide investment strategy will often be appropriate and is already working successfully in some areas and can be of particular benefit in responding effectively to needs that span local authority boundaries.

3.3 At the time of writing, the Corporation is developing its approach to ‘joint commissioning’. Competitive bids will be invited against specifications that look at more than just cost to the public purse. Other, locally relevant criteria will be drawn up to eliminate wasteful, speculative bidding and ensure that resources are directed towards local needs, as defined in the widest sense. For the time being the competitive bidding process remains in place as outlined below except in local authority areas where joint commissioning is being piloted.

3.4 Where appropriate, preferred partners will be identified, taking account of the track record and organisational capacity of local RSLs (and their partner agencies) in the management of supported housing. This should help minimise any risks to efficient and effective service delivery over the longer term. Appendix 22 contains a Joint Commissioning checklist designed to help Corporation staff involved in the investment process to take account of all the relevant issues. The Corporation recognises that not all the items on the checklist will be applicable in all cases. The intention is rather to encourage good practice in the commissioning process and ensure that the provision we fund is well matched to local need.

4 THE INVESTMENT PROCESS

4.1 The Corporation makes both capital and revenue funding available to RSLs who provide supported housing. However, before bidding for capital funding, RSLs in discussion with local authorities should consider whether the identified supported housing need could be met by using existing dwellings with revenue funding only. Where capital bids are envisaged it must be clear that there is a long term need for the proposed provision and that exit strategies have been developed should the need for the project cease.

4.2 When combined bids are submitted, any combination of Social Housing Grant (SHG) and revenue funding in the form of Supported Housing Management Grant (SHMG) may be applied for. This will give RSLs flexibility in drawing up good value for money proposals and the Corporation maximum scope for a strategic programme of investment. SHG may come either from the Corporation’s Approved Development Programme (ADP), Safer Communities Supported Housing Fund (SCSHF), or from a local authority or combination of Housing Corporation and Local Authority funding.

4.3 Bids for new supported housing projects will be assessed on the basis of both their capital and revenue funding requirements. Value for money tests will be applied to compare similar bids, and to compare bids with benchmark costs established for each project type and region. The tests will be applied by adding the annual equivalent costs of the capital funding requirement to the revenue bid to establish the total annual subsidy for each scheme. Comparison will be made on the basis of the total annual subsidy per unit.

4.4 In many instances, supported housing schemes will address the care and other non-housing related needs of tenants. However, the capital and revenue funding that are made available
from the Corporation are to fund the housing costs only i.e. housing management and housing services. The costs of providing other services to tenants should be met by funding from other sources e.g. social services departments, health authorities/trusts, charitable funds, the probation service or employment/training agencies.

4.5 Resources for supported housing are limited. To maximise the use of SHG and SHMG, the Corporation will have regard to the funding capacities and responsibilities of other agencies involved in the funding of supported housing when determining its investment priorities.

4.6 The starting point for Corporation funding is housing need. However, whilst the Corporation concentrates on achieving the outputs directly produced by its investment of SHG and/or SHMG, the Corporation will take account of the leverage such investment can produce.

4.7 When assessing capital bids, along with the SHMG requirement, the Corporation will take into account the total public subsidy to be invested in a scheme.

4.8 The Corporation’s Housing Plus strategy encourages investment decisions to be taken with regard to the added social value that can be secured with housing investment. Projects that have the objective of approaching the housing and other services required by people in an integrated way will, therefore, be given favourable consideration for funding.
1 INTRODUCTION

1.1 The Corporation’s Funding Conditions for both capital and revenue grant are set out in the General Section of the Capital Funding Guide. These will apply to new bids and, for SHMG, to schemes already in management.

1.2 This section of the Guide to Supported Housing contains additional clarification on the eligibility criteria that schemes must meet to receive capital funding under the Supported Housing procedures and/or be approved for Supported Housing Management Grant (SHMG). Registered Social Landlords (RSLs) will be required to certify compliance with the eligibility criteria at grant confirmation, first claim stages, post year end reconciliation and as part of the SHMG Review. The criteria that will be required are listed below. Following each is an interpretation that should further clarify what is required.

1.3 With the introduction of the 1995 funding framework, new schemes, existing SHMG schemes and (T)SNMA schemes are all gradually moving onto a common funding system. The Funding Conditions and eligibility criteria detailed in this section will therefore apply to both new applications for funding and scheme re-approval following an RSL’s review stage submission.

1.4 It should be noted that compliance with these self-certified eligibility criteria is required to ensure initial and ongoing entitlement to capital and revenue grants. The Corporation will take a very serious view if an RSL provides misleading or wrongly certificated information. The Corporation will ensure compliance through the SHMG Review process. In addition, procedures for a programme of Compliance Appraisal scheme based visits to RSLs and their Managing Agents have been developed and targets set for the 2001/02 year. Inspection visits to RSLs are also being piloted currently and will provide another means of checking compliance.

1.5 Where the criterion includes a reference to sections of this Guide or other Corporation publications, the RSL should refer to these for further details before making the certification.

1.6 RSLs sending the Submission for Grant Confirmation will be required to confirm compliance with their Funding Conditions set each year. The Funding Conditions must be certified by the Chair of the RSL along with the Chief Executive or equivalent Executive Officer of the RSL acting with the delegated authority of the Management Committee.

1.7 All forms and correspondence listed in Appendix 27 must be certified by an authorised signatory before they are submitted to the Corporation’s Supported Housing Section. In order to verify that signatories are authorised the Corporation will require:

- specimen signatures of the member(s) or officer(s) concerned via the form SIG1 (Authorisation of Signatories) - available from Corporation Headquarters, Supported
Housing Section. Please note that this a headquarters form, regions have their own requirements for authorised signatories and the SIG1 is additional to these.

1.8 RSLs cannot apply for new revenue only SHMG allocations through the Corporation’s Regional Office for schemes already in receipt of TSNMA.

2 ELIGIBILITY REQUIREMENTS

2.1 REQUIREMENT 1 - THE SCHEME IS ELIGIBLE FOR SHG AND/OR SHMG

Interpretation

2.1.1 In order to be eligible for SHG and/or SHMG a scheme must fulfil the following criteria:

- the primary purpose of the scheme must be to provide ‘housing’ rather than ‘care’ for tenants;

- the aim of the scheme must not solely be to fulfil a statutory duty other than under housing legislation;

- the scheme must either provide residents with a permanent home or the life skills and confidence to move into permanent accommodation.

2.1.2 Examples of schemes that would be ineligible include:

- a nursing home

- a mental nursing home

- a maternity home

- medical care - schemes in which staff are employed to provide medical treatment, or where accommodation is being provided solely or primarily to enable medical treatment to be administered e.g. drug or alcohol treatment centres staffed by doctors;

The Care Standards Act 2000 defines an establishment as a “care home” if it “provides accommodation, together with nursing or personal care for persons who:

- are or have been ill
- have or have had a mental disorder
- are disabled or infirm
- are or have been dependant on drugs or alcohol
These terms are defined in section 121 of the Act.

- **bail hostel** - schemes which are the responsibility of the Probation Service as residents are referred there by the courts as a condition of bail or under a supervision order;

- **children’s home** - schemes intended for children under sixteen e.g. a voluntary home within the meaning of the Children Act 1989, or schemes which intend to take one or more placements under Section 23 of this Act and are therefore the responsibility of the Social Services Authority;

- **respite schemes** - schemes where residents have another home whilst occupying the projects. (NB: This is not meant to exclude schemes for people who have left their home to escape violence or harassment);

- **closure programmes** - schemes arising directly from hospital closures;

- **shelter only projects** - schemes that provide residents with shelter only without an established landlord/tenant relationship.

### 2.2 REQUIREMENT 2 - A REGISTERED SOCIAL LANDLORD HAS OR WILL HAVE A DOCUMENTED LEGAL INTEREST IN THE PROPERTY PRIOR TO THE SCHEME COMING INTO MANAGEMENT AND SHMG BEING CLAIMED

**Interpretation**

**2.2.1** An RSL must have a freehold or leasehold interest in the property so that a landlord/tenant relationship can be established with residents, by way of a written occupancy agreement between the landlord and the tenant. This interest must be in place and fully documented by an RSL before the scheme comes into management and revenue grant being claimed. **The minimum lease period acceptable to the Corporation is two years.**

**2.2.2** SHMG may be paid direct to RSLs who have approval to claim it in respect of any scheme they manage on behalf of another RSL provided the claimant RSL obtains evidence of the landlord’s legal interest in the properties at approval stage. To satisfy this, the landlord’s solicitor may confirm legal ownership in writing to the second RSL. It may also be paid to RSLs who provide support to tenants of other RSLs on a floating support basis. In this instance a formal agreement to provide floating support must be in place.

**2.2.3** In respect of properties used for Floating Support, exceptions to the requirement for an RSL to have a legal interest have been set out in Chapter 6, Para. 8.
2.3 REQUIREMENT 3 - THE SCHEME PROVIDES FOR TENANTS WITH SUPPORTED HOUSING NEEDS WHO REQUIRE INTENSIVE HOUSING MANAGEMENT

Interpretation

2.3.1 The following list provides examples of people who may require supported housing and is not meant to be exhaustive:

- people with a physical disability, including degenerative and debilitating illness;
- people with learning difficulties;
- people with mental health related problems;
- people with drug or alcohol related problems;
- people leaving penal establishments, referred by the probation service, or at risk of offending;
- refugees;
- people with AIDS or HIV+;
- young people at risk or leaving care;
- vulnerable women with children;
- women at risk of domestic violence;
- frail elderly people;
- single homeless people in need of intensive housing management;
- people in need of supportive move-on services.

2.3.2 It is recognised that some schemes will house tenants who have complex needs that do not fit easily into any of the above categories. Other projects may be reluctant to label their tenants as falling within the designated categories. If such schemes meet the eligibility criteria and house tenants in need of intensive housing management they may be considered for supported housing funding. The Corporation’s systems do, however, require allocation of an investment code based partly on client group and RSLs should select the most suitable one from the above. Where this is impossible the ‘single homeless’ code should be selected. However, it must be noted that all schemes where there is no landlord/tenant relationship will be deemed to be ineligible for supported housing funding.

2.4 REQUIREMENT 4 - THE SCHEME PROVIDES TENANTS WITH THE RIGHTS SPECIFIED IN THE CORPORATION’S GUIDE TO PERFORMANCE STANDARDS FOR REGISTERED SOCIAL LANDLORDS

Interpretation

- The RSL will manage the scheme, or ensure that it is managed in compliance with the Performance Standards for Registered Social Landlords, the relevant Residents’ Charter and the Code of Practice on Tenure in Supported Housing.
• Tenants must be given the most secure form of tenancy that is compatible with the aims, objectives and operating environment of the scheme. The Corporation accepts that tenure will differ between different types of client group and scheme. Therefore, the terms of occupancy should make clear the rights and responsibilities of the resident and the RSL.

• Possession should be sought only once all other reasonable steps have been taken. When taking steps to evict a resident with support needs, RSLs should ensure that the local housing and social services authority(ies), and/or other relevant agencies are informed of their intentions. The resident should also be provided with advice and, where reasonable, assistance in finding suitable alternative accommodation.

• Reasonable opportunities should be provided for tenants to personalise their rooms with their own furniture and belongings. In this context ‘reasonable opportunities’ should be taken as meaning anything which does not create a fire or safety risk.

• Tenants should pay a rent or charge from their own income, which may include benefits.

• Charges for housing services should be separately identified from rent (in the case of Registered Care Homes we recognise that this will be by way of making an apportionment in the relevant returns to the Corporation). The charge for services should account for what is actually provided for residents. RSLs should ensure that services provided are genuinely wanted and needed by residents.

2.4.1 For schemes approved after 31 March 1991 only

• Tenants have right of access at all times to their accommodation and any communal areas and cooking facilities.

• Tenants have a right to a room of their own i.e. no involuntary sharing

2.4.2 For schemes approved before 31 March 1991 only

• Tenants should have the maximum reasonable right of access to their accommodation, any communal areas and any cooking facilities intended for use by residents. In this context the Corporation expects residents to have access at all times to their own rooms unless there are overwhelming issues of security or resident safety that mitigate against this.

2.5 REQUIREMENT 5 - STAFF ARE AVAILABLE TO CARRY OUT ACTIVITIES DEFINED BY THE CORPORATION AS CONSTITUTING HOUSING MANAGEMENT IN SUPPORTED HOUSING

Interpretation
2.5.1 RSLs are responsible for ensuring that their staff are fully aware of the aims and objectives of the scheme and of their role in meeting those aims and objectives and that they are trained accordingly. For a full interpretation please see Chapter 11, paragraph 2, entitled Intensive Housing Management.

2.6 REQUIREMENT 6 - ANY MANAGING AGENCY ARRANGEMENTS ENTERED INTO CONFORM TO THE REQUIREMENTS LISTED IN THE CORPORATION’S PERFORMANCE STANDARDS FOR REGISTERED SOCIAL LANDLORDS FOR SUPPORTED HOUSING.

Further guidance on this certification is contained in Chapter 11 of this Guide.

Interpretation

2.6.1 It is the RSL’s responsibility to monitor the ongoing eligibility and performance of schemes managed by others on its behalf. This monitoring referred to above should be at least sufficient for the RSL to satisfy itself that the Standards in the Performance Standards for RSLs are being met whether it or others are carrying out the activities.

2.6.2 If the RSL enters into agreements with other organisations to provide services to the RSL or its residents, it should select those organisations taking into account their financial status, general competence, experience of comparable work and other areas specified in the Performance Standards, Annexe to Standard B.

They must have comprehensive written agreements with partners, agents, consultants and contractors setting out:

- the services to be provided by all parties involved;
- the standards to be achieved by all parties involved;
- timetables for regular reporting between the parties;
- the basis on which any fees are to be charged;
- the responsibility for financial and operational risk;
- mechanisms for annual monitoring and regular reviewing of the arrangements;
- mechanisms for resolving disputes;
- what happens in the event of default by either side.
They must also:

- ensure that agents maintain financial records of transactions entered into on behalf of the RSL, and submit regular reports within the year;

- have procedures to monitor the performance and cost-effectiveness of partners, agents, consultants and contractors and enforce contractual conditions.

2.6.3 RSLs entering agreements in which they provide a service to another organisation are expected to have professional indemnity insurance.

2.7 REQUIREMENT 7 – THE SCHEME CAN DEMONSTRATE THAT ULTIMATE CONTROL OVER WHO IS HOUSED REMAINS WITH THE REGISTERED SOCIAL LANDLORD AND/OR THEIR MANAGING AGENT

Interpretation

2.7.1 For ordinary housing, RSLs are expected to provide nomination rights to the local housing authority in SHG funded schemes. Local authorities normally nominate 50% of tenants but in some circumstances this may be higher, where, for instance, the local authority is providing cheap land or other additional subsidy.

2.7.2 For supported housing schemes a nomination agreement with the local housing authority may not be appropriate and a similar agreement may exist with another statutory body. This will normally be the case where the statutory body is paying for care costs. The proportion of lettings covered by the nomination agreement usually reflects the level of financial support.

2.7.3 In the case of Registered Care Homes it is recognised that post April 1993 nominations will overwhelmingly come from Social Services Departments as those bodies have financial responsibility for paying for those care costs that cannot be covered from an individual’s own resources.

2.7.4 It should be noted that any nomination or referral arrangements entered into recognise the right of the RSL to refuse nominees who, in their opinion, do not meet the criteria for new residents. This would also apply where the nominating body fails to come up with a suitable person for the scheme within a given period of time.

2.7.5 An RSL’s selection and allocation policies and practices for lettings should give reasonable preference to those with the greatest need for the housing and support on offer, with priority to those with a particular need for settled accommodation on medical or welfare grounds. The prioritisation process for supported housing should take account of
applicants’ relative need for the housing and the particular facilities and support services on offer.

2.7.6 Where requested, an RSL must meet its obligations under S213 of the Housing Act 1996 to co-operate with and assist local authorities, within reason, in fulfilling their duties towards the homeless. They must also ensure that they comply with S170 of the Housing Act 1996 to co-operate with local authorities in providing suitable accommodation to those with a particular need for settled accommodation on medical or welfare grounds. Their ability to do so will, however, depend upon the suitability of their housing for households with care or support needs prioritised on the Statutory Register, and the availability, where necessary, of revenue funding to enable the RSL to meet those needs effectively.

2.7.7 In both registered and non registered schemes it is necessary to be able to demonstrate that there is never:

- a majority of employees or nominees of any statutory body on any panel charged with allocating accommodation or on any panel selecting staff for employment in the scheme who might themselves allocate accommodation;

- a majority of employees or nominees of any statutory body on the Committee of the Registered Social Landlord and/or managing agent in overall or day to day management control of the scheme;

- a 100% nominations rights agreement with a statutory body.

2.8 REQUIREMENT 8 - THE SCHEME ACHIEVES THE MINIMUM STAFF TO TENANT RATIO SPECIFIED BY THE CORPORATION AND MAINTAINS THE STAFFING LEVEL STATED WITHIN ITS APPLICATION FOR SHMG APPROVAL

Interpretation

2.8.1 Schemes must demonstrate a minimum ratio of one staff member to thirty tenants to qualify for supported housing capital and/or revenue funding from the Housing Corporation. However, the staff to tenant ratio may be as low as one staff member to sixty tenants in the case of a move-on scheme only.

2.8.2 RSLs are reminded that the staff:tenant ratio is a fundamental element of the Corporation’s Value for Money (VFM) assessment. Staffing levels stated at bid and project approval stages must be maintained in practice. Actual ratios relating to any outturn (i.e. the year immediately preceding the review year) information will be subject to scrutiny as part of the SHMG Review process. Any substantial variations from the approved staff to tenant ratio may influence re-investment decisions.
The staff to tenant ratio must be calculated according the principles set out below.

Staff

2.8.3 The calculation should include all permanent paid posts (whether filled by permanent staff or temporary or employment agency staff) on the staff establishment of the RSL or agent or a statutory body providing care through a Support Agreement where the job occupant spends at least 10% of their time or 3.5 hours a week, whichever is the greater, on the scheme in question.

Exceptionally, for schemes consisting of one unit only, the minimum that can be considered is one hour per week. It should also be noted that:

- staff need not necessarily be scheme based;
- volunteer staff or staff receiving a Government training allowance rather than a wage or salary should be excluded from the calculation;
- hours attributed to sleep-ins and locums should also be excluded from the calculation;
- one member of staff is one employee (or a number of employees whose hours are added together) who works for 35 hours per week.

Staff who are not employed solely in relation to the scheme in question should apportion their time to the scheme accordingly.

Tenants

2.8.4 The number of tenants shall be determined by the number of units/bedspaces for which SHG and/or SHMG has been allocated.

2.9 REQUIREMENT 9 - THE VIABILITY OF THE SCHEME HAS BEEN ASSESSED AND FOUND TO BE SATISFACTORY AND WHERE LONG TERM REVENUE FUNDING CANNOT BE ASSURED THE SCHEME HAS BEEN ASSESSED AS SUITABLE FOR ALTERNATIVE SOCIAL HOUSING USE

Interpretation

2.9.1 RSLs will be asked at grant confirmation stage that either:

- the long-term viability of the scheme has been assessed and found to be satisfactory; or

- where long-term revenue funding cannot be established, the scheme has been assessed as suitable for alternative social housing use without recourse to further capital public subsidy. Any exit strategies should be designed to minimise the risks associated with
uncertain revenue funding streams. These strategies may include identification or alternative uses for projects, such as reversion to general needs or to a different client group;

and that,

- for schemes from which residents are expected to move on, there has been an assessment of the requirement for suitable accommodation and that sources of appropriate accommodation have been identified.

2.10 REQUIREMENT 10 - One of the following criteria will be applicable:

2.10.1 THE SCHEME WAS APPROVED PRIOR TO 1.4.91 AND WILL SEEK TO RAISE PHYSICAL STANDARDS TO MEET THE CORPORATION’S DESIGN REQUIREMENTS WHENEVER SIGNIFICANT CAPITAL REINVESTMENT IS INJECTED INTO THE SCHEME

2.10.2 THE SCHEME WAS FIRST APPROVED BETWEEN 1 APRIL 1991 AND 30 SEPTEMBER 1993 AND COMPLIES WITH THE CORPORATION’S DESIGN REQUIREMENTS

2.10.3 THE SCHEME WAS FIRST APPROVED ON OR AFTER 1 OCTOBER 1993 AND COMPLIES WITH THE SCHEME DEVELOPMENT STANDARDS PUBLISHED BY THE CORPORATION

Interpretation

- The Corporation’s design requirements for schemes approved prior to 30 September 1993 are listed at Part 4 Scheme Development Standards.

- The Corporation’s design requirements for schemes approved on or after 1 October 1993 are set out in the Corporation’s publication Scheme Development Standards.

- It is recognised that in many situations where capital reinvestment is injected into a scheme approved prior to 1 April 1991 it will not be possible to bring the whole scheme up to the level where the full range of the Corporation’s design requirements are being met. Nevertheless, every effort should be made to ensure that the part or aspect of the scheme that most directly benefits from capital reinvestment does meet the design requirements.

- Whenever an RSL applies for re-approval of SHMG in respect of material changes to a supported housing scheme (Chapter 10), it must again certify that the scheme’s
properties comply with the relevant standards of design and construction described above.

- In respect of applications for SHMG for Floating Support, identified properties will be expected to comply with the standards of construction and design applicable at the date of capital approval OR where properties have not received capital funding from the Housing Corporation, with standards applicable at the date of original acquisition, development or most recent significant capital injection into properties.

2.11 REQUIREMENT 11 - THE REGISTERED SOCIAL LANDLORD WILL ACCURATELY REPORT THE SOURCE AND PURPOSE OF ALL INCOME AND EXPENDITURE, INCLUDING COMMUNITY CARE INCOME, RECEIVED OR INCURRED BY THEMSELVES OR BY THEIR MANAGING AGENT IN RESPECT OF THE SCHEME OR INDIVIDUALS ACCOMMODATED THEREIN IN SUCH FORMATS AS MAY BE DETERMINED BY THE CORPORATION FROM TIME TO TIME

Interpretation

2.11.1 This certification places an obligation on the RSL to complete and submit such returns in a timely and accurate manner.

2.12 REQUIREMENT 12 - THE REGISTERED SOCIAL LANDLORD HAS DEFINED IN WRITING THE AIMS AND OBJECTIVES OF THE SCHEME AND WILL ESTABLISH AND MAINTAIN SYSTEMATIC PROCEDURES FOR MONITORING THE QUALITY AND OUTCOMES OF THE WORK THAT IS UNDERTAKEN IN THE SCHEME AGAINST THESE AIMS AND OBJECTIVES

Interpretation

2.12.1 RSLs must ensure that they define the aims and objectives of the scheme and can make these available to the Corporation on request. They must also establish, maintain and regularly review systems for:

- assessing whether the service has achieved its aims and objectives;

- obtaining information from clients on the services provided and the impact on the quality of their lives. (The Corporation acknowledges that this may prove problematic with some client groups.);
• establishing compliance with the Performance Standards for Registered Social Landlords and the Code of Practice on Tenure in Supported Housing. This would include reviewing, at least once every five years, policies and procedures covering the following areas: equal opportunities; referral criteria and allocation; occupancy agreements; arrears and evictions; health and safety; complaints; confidentiality; move-on strategy and tenant consultation;

• informing tenants of policies and procedures.

2.13 REQUIREMENT 13 - (FOR FLOATING SUPPORT SCHEMES ONLY) THE REGISTERED SOCIAL LANDLORD WILL COMPLY WITH THE PARTICULAR REQUIREMENTS RELATING TO FLOATING SUPPORT SCHEMES IN THE GUIDE TO SUPPORTED HOUSING

This certification is self-explanatory

2.14 REQUIREMENT 14 - (FOR MOVE-ON SCHEMES ONLY) ALL UNITS OF ACCOMMODATION INCLUDED IN THE CLAIM SATISFY THE ELIGIBILITY CRITERIA AS SET OUT IN THE GUIDE TO SUPPORTED HOUSING

This certification is self-explanatory

2.15 REQUIREMENT 15 - THE RSL CERTIFIES THAT, TO THE BEST OF ITS KNOWLEDGE AND BELIEF THE CONTENTS OF THIS APPLICATION ARE COMPLETE AND ACCURATE

This certification is self-explanatory
1 INTRODUCTION

1.1 This chapter is about capital funding for supported housing projects: how it is obtained; the Corporation’s requirements of schemes that receive it; and its links with revenue Supported Housing Management Grant (SHMG) funding. The Corporation administers capital grants in the form of Social Housing Grant (SHG). Detailed procedural guidance relating to SHG is given in the Capital Funding Guide (CFG) (2001). This chapter is about those aspects of SHG that differ from or are additional to other forms of social housing as set out in that guide.

2 IT IS ESSENTIAL THAT THIS CHAPTER IS READ IN CONJUNCTION WITH THE CAPITAL FUNDING GUIDE.

2.1 The ways in which SHG and SHMG are obtained in order to fund new supported housing are set out in the annually updated Guide to the Allocation Process that should be read in conjunction with the annual Policy Statement published by the relevant Regional Office.

3 THE SOCIAL HOUSING GRANT FRAMEWORK

3.1 The proportion of scheme costs that can be funded by any form of public capital subsidy, including SHG, varies according to the type of social housing to be developed. For supported housing that meets the eligibility criteria, the maximum level of capital grant is 100% of qualifying scheme costs. Subject to this maximum, RSLs may bid for capital and revenue grants (SHG and SHMG) in whatever combination they choose in order to make a scheme financially viable whilst demonstrating value for money.

For schemes that are not intended to be used for supported housing in the long term the general needs grant rates should be used.

3.2 This chapter is concerned with schemes that involve capital funding. It is, however, possible to bid for revenue funding only, either for existing schemes, or for floating support. Revenue only allocations for an existing scheme will be tied to the property whether or not it has been grant funded. Floating support schemes are not tied to a property and cannot be linked to a bid for capital grant to obtain a grant rate above the general needs rates.

3.3 The framework for assessment of value for money of new bids and schemes receiving grant confirmation (see below) relies on a number of tools. More details of these are contained within the Capital Funding Guide. Guidance on the way in which bids are assessed in order to take account of the combined cost of revenue and capital grants can be found in the Guide to the Allocation Process.

4 SOME KEY TERMINOLOGY

Total Cost Indicators (TCI) and supplementary multipliers

4.1 A key objective of the funding system is to achieve value for money in return for grant, and to ensure that the correct level of grant is paid. Total Cost Indicators (TCI) form the basis of this
system by setting benchmarks against which to assess value for money. TCI rates are published annually in a Corporation circular. The base TCI benchmark is determined by the unit type and area of the scheme. Key and supplementary multipliers are used to adjust the base TCI figure to allow for variations in the design and hence cost of the development.

4.2 For instance, there are supplementary multipliers for accommodation designed for independent living by people with physical disabilities and wheelchair users. These increase the scheme TCI and reflect the additional costs of building such homes. Conversely, the supplementary multipliers for shared housing reflect the reduced costs of building accommodation in which a number of households share kitchen and bathroom facilities.

4.3 The supported housing multipliers only apply to schemes receiving capital funding under the supported housing framework and should only be applied to those schemes intended to serve a long-term purpose as supported housing.

**Grant rates**

4.4 Grant rates are updated annually and published in an annual Corporation circular. They vary according to the TCI area and the unit type and represent the maximum proportion of scheme costs that will be funded by any form of public capital subsidy including SHG. The **maximum** grant rate for schemes developed under the supported housing framework is 100% of qualifying costs. For all other schemes the maximum grant rate is determined by using the Grant Rate Circular.

4.5 Arrangements exist that allow a combination of supported and general needs units within a single scheme. Because of averaging, the net grant rate for such a scheme will always be less than 100% of qualifying costs although the supported housing units may notionally have up to 100% grant assigned to them.

**Units and bedspaces in shared and self-contained housing**

4.6 The annually updated TCI circular contains current definitions of shared and self-contained housing. For most purposes the term ‘unit’ is defined as one household or tenancy. In shared housing one bedspace will equate to one tenancy. Most supported housing is developed for single people and the eligibility criteria for SHMG state that, for new schemes, tenants must not share rooms unless it is voluntary. Therefore, in most cases, one unit is equivalent to one tenant which equals one person occupying a single room in a shared house, or their own self-contained home.

4.7 Schemes designed for women and children are the exception to this rule since the expectation in most schemes designed for this purpose is that the family will share a single bedroom. Thus one tenancy is likely to equate to several people within a family sharing one room. This is taken account of in the TCI circular that has a specific supplementary multiplier for such projects.

**On-Costs**
On-costs are those development costs that are not direct acquisition or works costs. The Corporation applies standard percentage figures to the total qualifying costs of the scheme to allow for such expenses as fees, administrative overheads, insurance, furniture and so on. A full explanation and examples can be found in the TCI Circular that is published annually. On-cost percentages vary for different development and scheme types.

5 GRANT CONFIRMATION

5.1 In accordance with the procedures set out in the Capital Funding Guide (CFG), the Corporation’s in principle approval to capital funding of a scheme is deemed to have been given when an allocation is confirmed.

5.2 Having received allocation(s) of Corporation grant for a particular financial year, an RSL can decide which of two contract routes it wishes to take in order to deliver its programme of grant confirmations. The two routes are the Programme Contract and the Scheme Contract routes and are described in full in the CFG.

5.3 The next stage for the RSL is to make its submission(s) for grant confirmation during the financial year to which the allocation(s) relate. As part of this process, the RSL must satisfy the Corporation that it is able to certify compliance with the criteria set out in both the:

- Submission for Capital Grant Confirmation including the requirements of the relevant Scheme Development Standards (SDS);
- Submission for Supported Housing Funding which features the eligibility criteria featured in Chapter 3 of this Guide.

5.4 The RSL must submit capital and revenue grant confirmation for simultaneous confirmation of the SHG (including Local Authority SHG) and SHMG. For revenue-only schemes that are linked to a fixed address, the RSL must specify the details of any previous Corporation capital approval on the Submission. For floating support including move-on, no such reference applies since the SHMG is not permanently tied to a specific address or addresses. In cases in which the scheme is being processed under the supported housing framework but is not to receive revenue subsidy, a Grant Confirmation reflecting a requirement for nil SHMG must be submitted simultaneously in order for the Corporation to check full eligibility and scheme viability.

5.5 In calculating the requirement for SHG at both bid and Grant Confirmation stages, the RSL must take account of any requirement for Special Projects Promotion Allowance (SPPA), which is included within the capital grant allocation. SPPA is a one-off grant payable in respect of start-up costs for supported housing projects. The amount payable is stated in the annual Corporation allowances circular current at the time of grant confirmation.

The full range of activities that SPPA is intended to cover is:
a) Direct management

- consultations and negotiations with the relevant authorities regarding the need for and objectives of the proposed scheme;
- identifying a suitable property within a specific brief;
- dealing with those planning, design and technical problems which are specific to the nature of the scheme;
- preparing revenue budgets and negotiating appropriate additional funding, purchase contracts and nominations agreements with stakeholders;
- negotiating a development agreement where appropriate.

b) Partnership arrangements involving the delegation of housing management responsibilities

All of the activities listed above plus:

- researching the contribution of the partner agent;
- selection of a suitable agent;
- consultations and negotiations with the partner agent;
- negotiating the management agreement.

5.6 Only one SPPA is payable per scheme, including separate phases of the same scheme. The Corporation expects the RSL to distribute SPPA equitably between itself and any partner agent on the basis of an agreed assessment of the work to be undertaken by each party.

5.7 Where a scheme is the RSL’s first supported housing development for direct management or its first scheme in partnership with a particular agency, SPPA is payable at a higher rate. All other schemes will receive SPPA at a lower level. This arrangement applies whether or not the first such scheme was funded by the Corporation.

5.8 SPPA is paid in two stages, with 70% at acquisition and 30% at start on site. For a works only scheme 100% is payable at start on site.

6 SCHEMES WHERE OUTTURN COSTS ARE ABOVE THE COSTS ESTIMATED AT GRANT CONFIRMATION STAGE

6.1 Grant Confirmation establishes the total scheme costs that are expected to qualify for SHG. Costs that overrun those agreed at grant confirmation stage are subject to scrutiny at practical
completion stage. The availability of SHG to meet such costs is limited for schemes receiving funding under Supported Housing Procedures to the lower of the following:

a) 120% of costs approved for grant at grant Confirmation

b) 130% of TCI (excluding any SPA) at grant Confirmation

c) for RSLs following the Programme Contract route, the residual SHG in their grant pot.

As a result of b) above, the contribution of SHG to meeting cost overruns for schemes with costs that are high in relation to TCI at Grant Confirmation are constrained. For example, should the cost of a scheme exceed TCI by 30% at Grant Confirmation, no scope to fund cost overruns would exist.

6.2 For schemes receiving grant on 100% of total qualifying costs, grant on approved cost overruns will be payable on 85% of costs up to 100% of TCI and at 60% thereafter, up to the limit determined by a), b) and c) above.

6.3 For schemes receiving grant on less than 100% of total qualifying costs the same percentage of grant applying at Grant Confirmation will apply to any cost overruns agreed at practical completion stage, again subject to the above constraints.

7 WORKS TO RSLs’ STOCK (WTRSLS)

7.1 The WTRSLS programme includes rehabilitation works-only schemes, re-improvement schemes, Major Repairs and Miscellaneous Works (MRMW) schemes and adaptations.

7.2 The Corporation has placed a number of requirements on RSLs concerning stock maintenance and improvements. Performance Standard I2.2 (Repairs, Long-term Maintenance and Improvement) states that RSLs should:

a) know the condition of the housing for which they have repairing obligations, including its energy efficiency, by using appropriate survey or inspection methods;

b) have costed plans for future maintenance and improvement of their housing which will keep it in reasonable and lettable condition appropriate to likely future needs;

c) through their planned work, help local authorities to meet their obligations under the Home Energy Conservation Act 1995;

d) be able to demonstrate that they are making adequate financial provision for planned maintenance and improvement works.

Major repairs
7.3 Schemes receiving capital funding under the supported housing framework continue to be eligible for Major Repairs and Miscellaneous Works (MRMW) capital grant, subject to such means testing in force at the time of bidding. However, due to the limited availability of such grants, RSLs should consider making an annual provision for future repairs from the revenue account of individual schemes or the general surpluses of the RSLs’ activities.

7.4 Cross-subsidy of supported housing repairs from other activities is considered a legitimate means of funding future repairs and backlogs. Such expenditure is considered to be HB-eligible and the Corporation would not expect it to impact on the requirement for SHMG in existing or future schemes. The funding of major repairs is currently under review; should there be any change of Corporation policy further guidance will be issued.

Re-improvements and rehab works only schemes

7.5 Schemes that are covered by the Supported Housing Framework also continue to be eligible for re-improvement and rehab works only funding, subject to any means testing in force at the time of bidding and the availability of funds.

7.6 For schemes already in receipt of SHMG, any request for an increase in SHMG or changes to the nature of the scheme will be covered by Chapter 10 of this Guide and will be subject to the agreement of the Supported Housing Section at Corporation Headquarters. RSLs should not bid for additional SHMG for such schemes at the annual bidding round but will need to obtain in principle agreement for any increase in SHMG from the Supported Housing Section prior to submitting the bid for the capital funding. The only exception to this is where capital grant is to be used for works to a scheme that is currently in receipt of the grant formerly known as Transitional Special Needs Management Allowance (TSNMA). Chapter 8 of this Guide gives further details of the relevant procedures.

7.7 Where SHMG is required in connection with rehabilitation work for a scheme that does not currently receive any SHMG the normal bidding process applies. The bid for revenue funding should be submitted at the same time as the bid for Works to RSLs Stock (WTRSLS) capital funding.

8 LOCAL AUTHORITY FUNDED SCHEMES

8.1 Schemes can be wholly local authority (LA) sponsored or jointly funded with the Corporation.

8.2 For LA only sponsored schemes reference should be made to the appropriate section of the Capital Funding Guide.

8.3 If SHMG is required for an LA sponsored scheme, a bid must be submitted to the Corporation in the bidding round prior to the year in which the grant confirmation of the capital scheme will be required. Revenue allocations are unlikely to be made once the bidding round has been completed and revenue funding must be in place at Grant Confirmation stage of the capital project to enable the completion of a submission for revenue grant confirmation. Where no
allocation of SHMG has been made Grant Confirmation must be submitted showing a nil rate of SHMG. This is to enable the Corporation to check scheme eligibility and viability.

8.4 For Joint Funded schemes particular attention must be paid to General-6 of the Capital Funding Guide.

9 **CHANGES TO SCHEMES WHICH HAVE RECEIVED CAPITAL GRANT UNDER THE SUPPORTED HOUSING FRAMEWORK**

9.1 Where there is a change of use from supported housing to general needs any capital grant paid above the general needs grant rate may be subject to recovery or recycling. Reference should be made to the guidance notes on Recovery and Recycling of Capital Grant that took effect from 1 April 1997.

10 **REGULATION OF SCHEMES WHICH HAVE RECEIVED SHG**

10.1 Schemes that receive capital grant under this framework will automatically be subject to the Performance Standards applicable to supported housing and will be covered by the SHMG Review, whether or not revenue funding is also allocated.
INTRODUCTION

1.1 Supported Housing Management Grant (SHMG) is intended to contribute towards the cost of housing management and housing services provision for tenants that is more intensive than that provided in general needs accommodation. For schemes previously funded under Section 30 of the Jobseekers Act 1995, SHMG may also contribute to activities associated with the resettlement of homeless people.

1.2 SHMG is an annual revenue allowance payable per unit of supported housing accommodation approved for funding on condition that the accommodation remains in management and fulfils the relevant eligibility criteria during the whole year. Annual entitlements relate to the accounting period of the claimant Registered Social Landlord (RSL). The powers enabling the Corporation to pay SHMG are set out in the Social Housing Grant (Management Grants) General Determination 2001.

1.3 NB. SHMG is a generic term covering new and existing SHMG, SNMA, TSNMA and MOA (Move On Allowance).

INTENSIVE HOUSING MANAGEMENT

2.1 The cost headings associated with the activities that the Corporation classifies as intensive housing management are detailed in Appendix 3 to this Guide. A description of the kind of services RSLs are expected to provide when in receipt of SHMG is set out in Chapter 11 (Management and Operational Guidance). SHMG is not intended to contribute to the cost of personal services nor is it intended to contribute to the costs of providing care services to tenants.

LEVEL OF SHMG

3.1 The rate of SHMG payable will initially be determined on a scheme by scheme basis and cannot exceed the amount allocated at grant confirmation stage unless re-approval is sought or an SHMG Review takes place.

3.2 RSLs are advised that the amount of SHMG payable will not exceed the amount needed to make the scheme viable. Whilst a small operating surplus is to be expected, a submitted budget that shows that the scheme does not require the amount of SHMG allocated will result in the SHMG grant confirmation amount being less than the SHMG allocation. This is not in order to penalise the RSL but to ensure realistic bids and also to ensure that the maximum number of schemes receive allocated revenue monies.

ANNUAL INFLATIONARY ADJUSTMENTS

4.1 SHMG rates will be subject to an indexation adjustment each year, which is published in the Corporation’s Total Cost Indicators, Grant Rates and Rent Caps Circular each year. Benchmark unit levels of SHMG for given bands of staffing intensity are set out in the Guide to the Allocations Process.
5 AVAILABILITY OF SHMG BEYOND THE SHG PROGRAMME

5.1 When making funding decisions, the Corporation will wish to ensure that SHMG is available as required for schemes receiving capital funding under these procedures, including SHG schemes sponsored by a local authority (LASHG). RSLs and local authorities are advised that, where revenue funding is required, it is essential that the SHMG bid is submitted electronically at the same time as the capital bid for SHG. Allocations for schemes requiring both capital SHG and revenue SHMG must be made within the same financial year.

5.2 Resources permitting, SHMG may also be available for certain kinds of schemes that are not currently being funded by SHG. These may be schemes capitally funded by a charitable organisation, leased schemes and schemes using existing RSL accommodation.

5.3 In order to be approved for SHMG, all schemes regardless of their funding source will be required to meet the eligibility criteria.

6 REGULATION OF SCHEMES THAT RECEIVE SHMG

Performance Standards

6.1 Schemes that receive SHMG will automatically be subject to the Performance Standards applicable to supported housing and will be covered by the SHMG Review arrangements.
1 INTRODUCTION

1.1 The purpose of this section is to set out the Corporation’s procedures and operational requirements which apply to floating support schemes. From April 2001, both Bids and Submissions for Grant Confirmation for floating support schemes must be submitted electronically to the Corporation. Changes to and Review of existing floating support provision will continue to be dealt with clerically.

2 DEFINITION OF FLOATING SUPPORT

2.1 The Corporation recognises that this flexible form of provision meets the needs of many tenants with support requirements who would otherwise have to move homes to receive the appropriate services. It also provides an alternative to purpose built supported housing by utilising accommodation of a non-institutional type.

2.2 For funding purposes the Corporation expects all floating support schemes in receipt of SHMG to satisfy all of the following conditions:

- be accommodated in self contained (not shared) RSL stock (whether owned or leased), but not designated as supported housing in perpetuity;
- be let on assured tenancies to new or existing RSL tenants who need an intensive housing management or tenancy support;
- in addition there has to be an expectation that the intensive housing management or tenancy support service for some or all of the tenants will float off and move to other properties as residents cease to require the support provided.

2.3 Schemes where there are arrangements for the service to float back for a further time-limited period, if a tenant previously in receipt of this service develops new needs, are also acceptable for funding purposes.

3 BENEFITS OF FLOATING SUPPORT FOR NEW TENANTS

3.1 In assessing bids for SHMG funding of floating support schemes the Corporation will be looking for these types of schemes to meet some or all of the following policy objectives:

- to accommodate people with support needs who are considered able to live in permanent self contained accommodation, without necessarily having to spend a period in a hostel or other specialised types of housing;
- to enable residents moving from accommodation with high levels of support, such as a hostel or group home, to make a successful move into permanent self-contained housing when they might otherwise find the move too traumatic without some period of intensive housing management support.
• to provide a flexible service tailored to an individual’s needs where the level and type of intensive housing management or tenancy support and the length of time for which it is provided is adapted according to his or her requirements;

• to make the best use of resources when looking at a particular identified needs group or in ensuring that more specialised supported housing provision is not silted up by residents who need a relatively short period of intensive housing support.

4 BENEFITS OF FLOATING SUPPORT FOR EXISTING RSL TENANTS

4.1 The Corporation recognises that existing RSL tenants living in general needs accommodation may also develop support needs.

• SHMG is therefore also available to meet the costs of schemes that seek to support existing RSL tenants, and in assessing such bids for funding the Corporation will expect schemes to;

• enable existing RSL tenants to remain in their homes in situations where they would otherwise have to move out to receive the support services required;

• have proper selection criteria for this service based on an RSL’s normal selection criteria for the allocation of supported housing;

• help RSL tenants to sustain their tenancies.

5 INVESTMENT CRITERIA

• The proposed scheme must be in line with the Corporation’s National Investment Strategy.

• The Corporation’s ‘revenue-only’ Bids and Allocations process will apply to all floating support projects and SHG capital funding will not be available to fund floating support.

• Where an RSL is developing a floating support scheme the electronic submission or SNR3 should show only the additional costs of providing the intensive housing management service both in terms of income and expenditure.

• Where the expenditure comes to more than the SHMG requested, RSLs must show income from other sources in order to present a budget with an overall nil or surplus figure and the proposed staff:tenant ratio must be stated.

• The proposed scheme must have the support of the local authority in the proposed area of operation.

6 ELIGIBILITY CRITERIA

6.1 Floating support projects must satisfy all the eligibility criteria for SHMG. In respect of Requirement 10, identified properties will be expected to comply with the standards of
construction and design applicable at the date of capital approval OR where properties have not received capital funding from the Housing Corporation, with standards applicable at the date of original acquisition, development or most recent significant capital injection into properties.

7  **CHANGING EXISTING HOUSING SUPPORTED SCHEMES TO FLOATING SUPPORT**

7.1 If an RSL has already developed conventional supported housing schemes and they wish to replace these schemes with floating support, they should propose this as part of their SHMG Review or via the re-approvals process.

7.2 In making such proposals an RSL should have regard to the procedures relating to the recycling of Social Housing Grant as set out in Recovery and Recycling of Capital Grant.

8  **SCHEMES USING LOCAL AUTHORITY AND OTHER NON RSL OWNED HOUSING**

8.1 The Corporation recognises that some floating support schemes may use local authority stock to provide a pool of properties. Please note the following:

(1) The Social Housing Grant (Management Grants) General Determination 2001 permits the Corporation to approve SHMG under the **Safer Communities Supported Housing Fund (SCSHF)** for properties used in floating support schemes that are owned by a Local Authority where an RSL does not have a legal interest. Local Authority properties may also be used in floating support schemes funded under the **Rough Sleepers Initiative (RSI)** and in temporary decant accommodation for schemes in receipt of **Major Repairs Initiative (MRI)** funding undergoing major re-improvement or refurbishment work.

(2) Under the **Approved Development Programme (ADP)**, the managing RSL of a floating support scheme will require a minimum two year lease on any Local Authority properties. SHMG is **not** available under any circumstances to provide a floating support service to private sector tenants.

8.2 For floating support schemes approved under the ADP, the RSL will be required to meet the following additional conditions:

- Under no circumstances will the Corporation agree to waive Requirement 2. An RSL must have a documented legal interest in the properties being used for floating support;

- The properties must be handed over to the RSL with vacant possession, the properties must be in an acceptable condition for letting and all lettings must be made by the RSL in accordance with its selection and allocation policies;
Regardless of the length of time that floating support is made available, the resident of the property must remain a tenant of the RSL for the entire period of the lease.

Arrangements must also be in place to ensure that tenants still in need of a floating support service at the end of the RSL's lease of local authority owned stock will continue to receive a similar service to that provided by the RSL for tenants in an RSL owned property.

For all Supported Housing Schemes eligible for SHMG -

8.3 Where a single RSL provides support using its own and other RSL stock:

- Providing there is a landlord tenant relationship with an RSL let on an assured tenancy this is acceptable.
- The claiming RSL would be expected to agree with the other RSLs about how allocations and referrals will be made to the service and how handback to general needs management will occur. This is achieved though a service agreement.
- At year-end, addresses of properties and names of owning RSLs should be provided on form SHM2 for audit trail purposes.

8.4 Where a single RSL contracts a managing agent (non RSL) to provide support to its tenants and to tenants of other RSLs but where the contracting RSL has responsibility for nominations.

- The RSL claiming SHMG would again need to form service agreements with other RSLs to provide support to their tenants when insufficient nominations come from within the claiming RSLs own stock. Both the management agreement with the agent and the service agreement between RSLs should also state arrangements for handback of tenancy to general needs management.
- At year-end, addresses of properties and names of owning RSLs should be provided on form SHM2 for audit trail purposes.

8.5 Where a managing agent (non RSL) is contracted to provide support to tenants of the claiming RSL but has responsibility to accept nominations from other RSLs when there are insufficient nominations from the claiming RSL.

- This would not be acceptable to the Corporation, as the claiming RSL would not have overall responsibility for ensuring that standards of tenure and support were being met by the agent with other RSL stock, neither would it be straightforward to draw up a service agreement with other RSLs regarding referrals to the service.
- The Corporation would advise RSLs in this situation to adopt the consortium model as described below.
8.6 Where a managing agent (non RSL) is contracted to provide support to tenants from a consortium of RSLs

- An RSL must be specified as the claimant of SHMG and must as such provide information relating to the scheme’s budget, provide outturn financial information at year-end, be eligible for SHMG Review on the scheme and be accountable through Compliance Appraisal for the accuracy of these figures.

- The service agreement between the claiming RSL and consortium RSLs and the management agreement between all RSLs and the managing agent should specify the number of units of support allocated at any time to each member of the consortium. Agreements for waiving the quotas in response to demand shall also need to be made.

- At year-end, the accountable RSL should provide outturn information to the Corporation detailing the addresses of properties where support was given and the name of owning RSLs.

- The claiming RSL will also be accountable for providing details of nominations to the service and for ensuring that the specified client group has been prioritised for support.

- The claiming RSL is not expected to have an exclusive management agreement with the managing agent but is instead required to abide by the terms and conditions specified in its service agreement with other RSLs in the consortium.

9 OPERATIONAL REQUIREMENTS

9.1 Replacement units must be identified and made available when required so that the annual average number of units in management equals but does not exceed the number of units approved for SHMG. Where the average number is less than that approved for SHMG, then the Corporation will reduce the SHMG payable accordingly.

9.2 In setting the appropriate number of units in a floating support scheme an RSL will be expected to have regard to the expected average duration of the floating support service for each tenant and the resources available to provide appropriate levels of support.

9.3 The Corporation recognises that although floating support moves from tenancy to tenancy, there are reasons why this type of scheme may need to make provision for loss of charges income. This may arise as a result of the additional time needed to identify potential tenants, the need to allow longer periods for applicants to take up their tenancies and other similar difficulties.

9.4 Unless there are exceptional reasons the Corporation will not expect ‘voids’ and bad debts to exceed 5%. An RSL may be asked to justify its reasons for budgeting at an income loss even at this rate.
9.5 Tenancies receiving a floating support service will be subject to the Corporation’s Performance Standards and the variations applicable to supported housing, during the period over which support is being provided. When support is withdrawn, the supported housing variations to the standards will cease to apply.

9.6 Tenants receiving floating support should be given information about:

- the arrangement for amending the gross charge for the accommodation where appropriate when the floating support is withdrawn;

- “handback” arrangements to general needs management.

10 AGENCY MANAGED SCHEMES

10.1 It is important in all agency managed schemes that tenants have a structured relationship with their landlord RSL to ease the transition once the support is no longer required and to ensure that the residents are aware of and able to deal with any changes that occur in the support arrangements.

10.2 Where a floating support scheme is agency managed, a management agreement needs to be in place. In addition to the ordinary management agreement requirements, the floating support management agreement should include details of:

- arrangements for the withdrawal of support and reversion to general needs housing management;

- arrangements for identifying individuals who require support;

- an agreed target number of supported tenancies.

- ongoing responsibilities of the landlord RSL (e.g. rent collection)

10.3 However, an agency may provide services in two ways

- it could manage the floating support scheme in a similar way to the owning RSL or;

- the owning RSL could provide the basic housing management service whilst the agency provided the support on top of this. In this case a full management agreement would not be necessary - a contract for services would be more appropriate.

11 PAYMENT OF GRANT

11.1 SHMG can be claimed once the first unit within a floating support scheme is in management. For the first year the claiming RSL will receive payment for all the units in the entire scheme and any overpayment will be dealt with under the Annual Year End reconciliation procedures, that take into account the average number of units in management over the year. For
subsequent years the Corporation will seek to establish with the RSL the estimated number of
units that will be in management during a year and adjust payments accordingly.

11.2 If it becomes apparent that the approved number of units are not being delivered in practice, the
Corporation will seek to re-approve the scheme on a smaller scale.

11.3 The RSL should send a letter informing the Corporation of the date of the first letting with a
schedule listing those addresses of the properties and the relevant certifications. Floating
support projects may be organised using stock owned by more than one RSL. In such
circumstances the RSLs concerned may nominate a single RSL to receive SHMG. The
nominated RSL will be responsible for the Submission of Grant Confirmation and all relevant
documentation for receipt of SHMG.

12 MANAGEMENT INFORMATION

12.1 RSLs operating floating support schemes must make available to the Corporation, on demand,
the following information:

- the address of the property where the support has been or is currently being utilised;
- the frequency of movement of the support;
- details of nomination/referral arrangements.

13 ACCOUNTING REQUIREMENTS

13.1 RSLs are required to complete an annual Year End Reconciliation for all floating support
schemes.

14 REVIEW

14.1 Floating support projects will be subject to the Corporation’s periodic SHMG Review process.
1 INTRODUCTION

1.1 This chapter sets out the requirements for the confirmation of a revenue approval following a Regional Office’s initial allocation. Confirmation of approval is achieved by means of an RSL submitting Grant Confirmation via the Corporation’s on-line IMS system. Details of this process can be found in Appendix 2 (Part 1).

1.2 RSLs seeking re-approval of SHMG for schemes already in receipt of SHMG should follow the guidance in Chapter 10 and procedures for submitting Form TS1 in Appendix 2 (Part 2).

1.3 A Submission for Grant Confirmation must be completed for all schemes, including those for which the RSL is claiming capital funding only from the Corporation, in order to check their eligibility for supported housing funding and to show compliance with the Corporation’s requirements.

1.4 RSLs should ensure that all units eligible for SHMG are identified at Bids stage and are reminded that only schemes within the supported housing funding framework are entitled to the supported housing multiplier for capital developments.

2 SCHEMES WHERE NOT ALL RESIDENTS HAVE SUPPORT NEEDS

2.1 In schemes such as some shared housing hostels or Foyer projects, a proportion of the lettings may from time to time be used to house residents who require most of the services provided, but not intensive housing management.

2.2 In order to avoid the need for separate procedures to apply when units are let to such residents, RSLs are advised that SHMG will be allocated in respect of the total number of bedspaces in the scheme, rather than the number of bedspaces expected to accommodate residents with support needs.

2.3 The rate of SHMG granted to each bedspace will be set to result in a total amount of grant commensurate with the actual revenue funding requirements of the scheme taken as a whole.

2.4 The Submission for Grant Confirmation in respect of such schemes must therefore include the total number of bedspaces in the scheme. The amount of SHMG required should be that amount necessary to provide intensive housing management to those in the scheme who require it. This amount should be divided by the total number of residents to give the rate of SHMG. By definition this rate will be lower than that which would be set if fewer units of SHMG were being allocated.

2.5 This procedure is not relevant to mixed general/supported housing needs developments. In these cases the supported housing procedures only apply in respect of the number of units specifically intended to provide supported housing.

3 PURPOSE OF THE SUBMISSION FOR GRANT CONFIRMATION
3.1 The purpose of the Submission for Grant Confirmation is to validate the information provided by an RSL at the bidding stage and to demonstrate the viability of the scheme. For this reason an RSL must ensure that this form is fully completed and that the budget submitted is a realistic assessment of the income and expenditure. This will enable the Corporation to assess the risk to an RSL of committing itself to such a scheme.

3.2 Where an RSL is developing a floating support scheme, the Submission should show only the additional costs of providing the intensive housing management service both in terms of income and expenditure. Where the expenditure comes to more than the SHMG requested, RSLs must show income from other sources in order to present a budget with an overall nil or surplus figure.

3.3 For schemes claiming both capital SHG and revenue SHMG, SHMG Grant Confirmation in Principal should be submitted to the Corporation's Regional Office to allow Grant Confirmation on SHG to proceed. The Submission for Grant Confirmation may then be submitted prior to works completion. PCF claims on capital projects may only be paid once SHMG Grant Confirmation has been approved by the Regional Office. RSLs are reminded that for supported housing schemes requiring SHMG, approval must be sought within the same financial year that the allocation is made.

3.4 The Corporation will not enter into allocation arrangements whereby capital and revenue allocations for the same scheme are made in different years.

3.5 For schemes claiming revenue funding only, RSLs are advised that a completed Submission for Grant Confirmation should be forwarded to the Corporation’s Regional Office as soon as scheme details are finalised, but prior to the RSL entering into any commitments on the scheme.

3.6 Any scheme coming into management prior to the date shown on the Corporation’s TS2 (confirmation of SHMG approval) will not normally be eligible for SHMG for the period between coming into management and the date of Corporation’s grant confirmation. The only exception to this is when the Corporation has caused a delay in Grant Confirmation.

4 ASSESSMENT FOR GRANT CONFIRMATION

4.1 Prior to approving SHMG, the Corporation will wish to ensure that the eligibility criteria are met.

Upon receipt of the Submission for Grant Confirmation, the Corporation will check that:-

- the scheme complies with the details provided at bids stage;
- SHMG is contributing to an intensive housing management service;
- the budget for the scheme demonstrates its viability i.e. deficit budgets will not be approved.
4.2 It is not envisaged that changes from bids stage will take place. However, if there have been any changes since bids stage, these should be highlighted on the variances report that is created within IMS. RSLs will require Housing Corporation approval of these changes before Grant Confirmation is issued.

4.3 Fundamental changes e.g. client group, location or level of support to be provided will necessitate a reassessment by the Corporation and reconsideration of the original allocation decision.

5 GRANT CONFIRMATION

5.1 If satisfied the Corporation will issue approval specifying:

- the scheme details upon which approval is based;
- the number of SHMG units approved;
- the agreed first payment date and amount in accordance with the RSL’s payment timetable;
- any conditions attached to the approval.

5.2 If the details of the scheme undergo a material change from the basis upon which the original approval was given, the RSL must make an application to the Corporation for a revised allocation.
1 INTRODUCTION

1.1 The Social Housing Grant (Management Grants) General Determination states that, from 1 April 1997, Transitional Special Needs Management Allowance (TSNMA) falls under the heading of Supported Housing Management Grant (SHMG) and will be termed as such in all communications. However, the term TSNMA still remains as a means of identifying schemes approved under the earlier framework, and will be used as such in this chapter.

1.2 Schemes approved for revenue funding prior to 1 April 1991 continue to receive TSNMA at a rate index linked to their former entitlement to Hostel Deficit Grant (HDG) until they have been re-approved following an SHMG Review. These schemes, once reviewed, will be allocated an SHMG rate as part of a management group according to their actual revenue funding requirement.

1.3 Following a Registered Social Landlord’s (RSL’s) first SHMG review, most of its TSNMA schemes should be re-approved under the SHMG procedures. However, TSNMA schemes ineligible for review due to the “twelve month rule” (see below) will continue as TSNMA schemes until the RSL’s second review, until such material change occurs as will lead to a re-approval of the scheme as SHMG, or until the RSL is notified by the Corporation of alternative arrangements. The system described below will continue to operate in respect of the RSL’s TSNMA portfolio.

2 ELIGIBILITY

2.1 Schemes claiming TSNMA funding must have been accepted as eligible for HDG when that regime was in place. HDG acceptance is deemed to have been given if the scheme was either considered as eligible by the Housing Corporation or the Department of Transport, Environment and the Regions (DETR) in a settled final claim or in an “in principle” or “revised” form S5A budget approval.

2.2 The continued eligibility of a scheme for HDG remains a condition of payment of TSNMA. Form GHD9, used to calculate the annual TSNMA receivable for an RSL, requires RSLs to confirm that the bedspaces included in the claim were accepted as eligible for HDG.

3 CALCULATION OF ENTITLEMENT

3.1 TSNMA is an annual entitlement, calculated and paid according to the accounting year end of the claiming RSL.

3.2 An RSL’s TSNMA entitlement for a given year is calculated by multiplying that year’s TSNMA rate by the average number of eligible bedspaces in management during that year.

3.3 The RSL’s base TSNMA rate was derived from their HDG claim relating to accounting periods beginning on or after 1 April 1991. The rate is uplifted annually by an indexation factor determined by the Corporation.
3.4 At the beginning of their financial year, the Corporation will calculate the TSNMA due to the RSL according to the average units in management during the previous year. If the average number of units in management in the payment year will be significantly different from the average number in the previous year, the RSL should write to the Supported Housing Section supplying details of the revised average figure so that their entitlement may be recalculated.

3.5 Changes occurring in schemes receiving TSNMA must be advised to the Corporation in advance whenever possible. In the cases of unplanned events (fire, vandalism etc.) the RSL must notify the Corporation as soon as possible after the event. Such changes will normally affect the RSL’s entitlement. Please see sections below and Chapter 10 for further details regarding permanent and temporary changes.

3.6 Once the RSL’s financial year has ended, the RSL should determine the average number of eligible units that were actually in management in the year. This figure may be affected by changes that have occurred to an RSL’s stock over the period. The actual average number of units that were in management in the year should be notified to the Corporation on form GHD9. This form includes a property schedule and an audit report.

3.7 Form GHD9 also requires an RSL to report on any of its TSNMA schemes that incurred void losses in excess of 25% of potential housing income from residents. Although the Corporation does not at present have a policy of clawing back grant in the event of high void losses, such losses are noted and monitored. RSLs incurring continued high losses generally, or in respect of specific schemes, may expect to be asked to give assurance to the Corporation that steps are being taken to rectify the problem. In the event of reported void losses of 100%, the scheme is deemed to be closed and no TSNMA will be payable in respect of that scheme.

3.8 On receipt of form GHD9, the Corporation will determine the amount of TSNMA which was actually due to the RSL in respect of the relevant year. Any balancing adjustment in respect of over or underpayments will be calculated and added to or deducted from the RSL’s next instalment of TSNMA.

4 PAYMENT

4.1 The Corporation pays 100% of the TSNMA due to an RSL in respect of all of its TSNMA schemes in the relevant year. Payment of TSNMA is made in advance at regular intervals by the Supported Housing Section at Headquarters. RSLs are not required to claim quarterly for TSNMA schemes. There is no facility for payments to be made outside the Corporation’s payment timetable.

5 PERMANENT CHANGES

5.1 The Corporation recognises that from time to time RSLs may decide to make permanent changes which will improve those schemes for which an RSL receives TSNMA. Such changes may occur in respect of number of units, needs group, staffing levels, management arrangements (agency or direct), registration status, scheme address, claimant RSL or closure.
5.2 If such changes occur the RSL must write to the Supported Housing Section at Corporation headquarters in advance to advise them of the proposed change and request re-approval. Please see Chapter 10 for more detailed guidance.

6 TEMPORARY CHANGES

6.1 The Corporation is aware that temporary changes also occur in an RSL’s TSNMA stock. These are generally to do with closures due to planned major repairs or cyclical maintenance (including works funded by major repairs SHG) and closures due to unforeseen events (arson, vandalism etc). (Temporary closures due to re-improvements or rehabilitation works funded by fixed SHG under the 1988 Housing Act are dealt with separately below.)

6.2 Any planned changes that will result in the temporary closure of a scheme must be notified to the Corporation in advance. Please see Chapter 10 for guidance on when to notify the Corporation, and how such closures will affect an RSL’s annual entitlement.

6.3 Temporary closures due to re-improvements or rehabilitation works funded by fixed SHG under the 1988 Housing Act must also be notified to the Corporation in advance. These will be dealt with as temporary changes as detailed in Chapter 10. However, subsequent to the works being completed, such schemes are considered to be funded by SHG under the 1988 Act and, as such, no longer eligible for TSNMA.

6.4 If the re-improved scheme will continue to require revenue funding, it is necessary for the RSL to advise regional office staff of this by sending a Submission for Revenue Grant Confirmation / Form TS1 with their bid for re-improvement/rehabilitation works funding. The Submission for Revenue Grant Confirmation / Form TS1 should be covered by a letter from the RSL stating that the scheme is currently in receipt of TSNMA. Please see Appendix 2 for further details on the Submission for Revenue Grant Confirmation / Form TS1.

6.5 When such a scheme comes back into management, it will be paid SHMG and no longer receive TSNMA. The amount of SHMG that the re-improved scheme receives is determined by the relevant Corporation regional office with reference to the Submission for Revenue Grant Confirmation / Form TS1 completed by the RSL. In these cases, an RSL does not need to bid for an allocation for SHMG, it merely needs to advise the regional office of the fact that the scheme previously received TSNMA.

6.6 When advising the Supported Housing Section of an ex-TSNMA scheme reaching management under the SHMG framework, the RSL should advise that the scheme was previously in receipt of TSNMA, in order to avoid any possibility of double payment.

7 PIPELINE SCHEMES

7.1 In the event that an RSL still has pipeline schemes with HDG approval not yet in management, the RSL must inform the Supported Housing Section at Corporation headquarters prior to the
scheme’s coming into management by sending a Submission for Revenue Grant Confirmation / Form TS1. Such schemes will receive TSNMA paid at the current equivalent of the old full rate of SNMA.

8 SHMG REVIEW

8.1 Schemes in receipt of TSNMA will be subject to the Corporation’s review programme. The review is an analysis of all of an RSL’s eligible SHMG, SNMA and TSNMA schemes. Schemes will not be subject to review if they have not been in receipt of TSNMA/SHMG for a full 12 months at the end of the accounting period immediately preceding the period in which the review is taking place.

8.2 TSNMA will continue to be paid as outlined above during the year in which an RSL is being reviewed, and during the following year. Adjustments to an RSL’s entitlement will not become effective until two years from the start of the review year (i.e. any adjustment to the entitlement of an RSL being reviewed in 1998/99, will come into effect from 1 April 2000).

8.3 Once an RSL’s review is complete and new revenue levels are set, the RSL’s revenue-funded stock will become subject to all the SHMG procedures that relate to such schemes, including payment procedures.

8.4 TSNMA schemes not subject to review on the basis that they had not been in management for 12 months prior to the start of the review, will continue to receive TSNMA until the RSL’s second review, until such material change occurs as will lead to a re-approval of the scheme as SHMG, or until the RSL is notified by the Corporation of alternative arrangements.

9 AUTHORISATION OF SIGNATORIES (FORM SIG1)

9.1 All revenue grant claim forms and associated documents must be signed by designated members of the committee of the RSL and/or officers of the RSL, as specified in the relevant guidance.
1 INTRODUCTION

1.1 SHMG (Supported Housing Management Grant) is allocated, approved, claimed and paid on a scheme/management group basis. Allocation and approvals are agreed by the Corporation’s regional offices. Since 1 April 1995, claims for payment of SNMA/SHMG have been dealt with by the Supported Housing Section (SHS) at Corporation headquarters.

2 PAYMENT OF SUPPORTED HOUSING MANAGEMENT GRANT

Making a first claim for SHMG on a fixed support scheme

2.1 Before a payment can be made on a scheme the RSL must advise the Supported Housing Section at Headquarters, in writing, that the scheme has become available for letting. The letter must contain the following information:

- The address or name by which the scheme is known to the Corporation;
- The revenue project number which was allocated to the scheme upon grant confirmation;
- The date upon which the scheme became available for letting;
- A copy of the Full or Partial Practical Completion Certificate (as relevant) for schemes that have either been recently developed or that have undergone major works;
- The following certification that relates to eligibility of the scheme for SHMG:

“I certify that the scheme continues to meet the supported housing eligibility criteria and the conditions of its approval for SHMG. I confirm that *no material changes have occurred since approval* any material changes that have occurred since approval are notified below (delete as necessary). I certify that any material changes to the scheme occurring hereafter shall be notified in advance where possible to the Supported Housing Section.”

- The letter must be signed by one the RSL’s authorised signatories who will have been notified to the Supported Housing Section on the annual form SIG1 that relates to revenue grants. (Please refer to section 4 below.)

2.2 SHMG is payable on floating support schemes from the date upon which the first unit within the scheme became available for letting. This arrangement is designed to assist the RSL’s cashflow in respect of these schemes. At the end of the RSL’s financial year the Corporation will require the appropriate RSL to complete a year end reconciliation form in order to determine the actual amount of SHMG receivable for the year.

2.3 If as a result of this procedure it transpires that an overpayment has been made on a scheme, that amount will be deducted from future quarterly payment(s) of SHMG.
2.4 Before any payments can be made on a floating support scheme the RSL must advise the Supported Housing Section at Corporation headquarters, in writing, that the first unit within the scheme has become available for letting. The letter must contain the following information:

- The address or name by which the scheme is known to the Housing Corporation;
- The revenue project number that was allocated to the scheme upon approval;
- The date upon which the first unit within the scheme became available for letting;
- The following certification that relates to eligibility of the scheme for SHMG:

“I certify that the scheme continues to meet the supported housing eligibility criteria and the conditions of its approval for SHMG. I confirm that *no material changes have occurred since approval*; any material changes that have occurred since approval are notified below (delete as necessary). I certify that any material changes to the scheme occurring hereafter shall be notified in advance where possible to the Supported Housing Section.”

- The letter must be signed by one the RSL’s authorised signatories who will have been notified to the Supported Housing Section on the annual form SIG1 that relates to revenue grants. (Please refer to Section 4 below.)

The following applies to first claims for SHMG on fixed and floating support schemes:

First claims for SHMG should be made as soon as possible after a scheme has come into management.

2.5 In order to allow for accurate forecasting and management of the overall grant programme, the Corporation will not backdate a first claim for SHMG any further than the beginning of the quarter preceding the month in which the RSL informs the Supported Housing section in writing that the scheme became available for letting. The exception to this rule is if the Corporation can be shown to have caused the delay in the claim being submitted.
The following table gives some examples of the application of this rule:

<table>
<thead>
<tr>
<th>Date scheme became available for letting</th>
<th>Date RSL advised SHS* that the scheme became available for letting</th>
<th>Date from which SHS* will make payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 00</td>
<td>November 00</td>
<td>July 00</td>
</tr>
<tr>
<td>June 00</td>
<td>August 00</td>
<td>June 00</td>
</tr>
<tr>
<td>April 00</td>
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<td>April 00</td>
</tr>
<tr>
<td>March 00</td>
<td>January 01</td>
<td>October 00</td>
</tr>
</tbody>
</table>

* Supported Housing Section

2.6 Where a scheme comes into management prior to the date of the Corporation’s SHMG approval, the period between the units coming into management and the date of project approval will not be eligible for SHMG.

2.7 The exception to this rule is if the Corporation can be shown to have caused an unacceptable delay in the issuing of the approval for the scheme.

2.8 Where an RSL is the claimant of SHMG but neither owns nor has a legal interest, it is their responsibility to ensure compliance with these procedures.

Subsequent payment of SHMG

2.9 Once an RSL has received a first payment of SHMG on a scheme, there is no need for the RSL to make quarterly claims. The payment will be made automatically by the Supported Housing Section. However, the RSL claiming SHMG must inform the Supported Housing Section of a material change in a scheme that takes place after payment has commenced.

Material changes

2.10 Once a scheme has started receiving payments of SHMG, RSLs should notify the Supported Housing Section in writing when any material change takes place to a scheme or where a scheme no longer fulfils the eligibility criteria for payment of SHMG. The RSL’s letter should provide full details of any material changes that have occurred since approval. Some material changes will affect entitlement to grant. Please refer to Chapter 10 of this Guide for further information of what constitutes a material change.
Year end Reconciliation

2.11 In order to ensure that no under/over payment of SHMG has been made, the Corporation will send a year end reconciliation Form (SHM2) to RSLs at the end of their financial year.

2.12 The Form should be completed in respect of all fixed and floating support schemes that were eligible for SHMG in the accounting period. Completion of the form will enable the Corporation to ensure that the correct SHMG entitlement has been calculated for each scheme in the relevant accounting period. The Corporation will make adjustments for any under or over payment in respect of the accounting period in future instalments of SHMG.

2.13 The RSL is required in the year end reconciliation form to certify:

- that all material changes of circumstance that have taken place during the year affecting any of the eligible SHMG units in management in the reconciliation period have been notified to the Corporation in writing. Please refer to Chapter 10 of this guidance for further details of what constitutes a material change;

- that all the eligible schemes in management met the supported housing eligibility criteria and the conditions of their approval for SHMG during the reconciliation period;

- that none of the schemes/management groups have incurred voids and bad debt losses of more than 5% above the total level of voids and bad debt losses included in the last approved budget submitted for grant confirmation purposes.

2.14 Where the total level of voids and bad debt losses is more than 5% above the level that was included in the RSL’s last budget submitted for grant confirmation purposes, the RSL is required to note:

- the level of voids and bad debt losses included in the last budget that the RSL submitted for grant confirmation purposes;

- the actual level of voids and bad debt losses incurred during the reconciliation period.

2.15 There are two annexes attached to the year end reconciliation form relating to fixed and floating support schemes as follows:

Annex 1 relates to fixed support schemes.

There is one report in respect of each fixed support scheme that was in receipt of SHMG during the accounting period.

The report lists any changes to a scheme since the original approval that took place during the accounting period and that have been entered onto the Corporation’s systems.
2.16 RSLs are asked to check the list of changes and to confirm that all changes of circumstance that took place in the accounting periods are included in this list. RSLs are asked to note any discrepancies between the report and their own records on the scheme reports.

2.17 Where an RSL has noted a discrepancy the Supported Housing Section will investigate and if necessary will enter additional changes onto its systems.

2.18 Where an overpayment of SHMG has been made on a scheme for the accounting period the overpaid amount will be deducted from future quarterly payments of SHMG in respect of that scheme.

Annex 2 relates to floating support schemes.

2.19 There is one report for each scheme for which an RSL was in receipt of SHMG during the reconciliation period. The report requires RSLs to supply a detailed record of the units of accommodation used in each scheme and the length of time each unit was in management during the accounting period. From this information the average number of units in management during the accounting period will be calculated. The Corporation will then use this average figure to calculate the RSL’s entitlement to SHMG on each floating support scheme for the accounting period.

2.20 Any overpayment that has been made on a floating support scheme during a financial year as a result of the above procedure will be deducted from the RSL through adjustments made to (the) subsequent quarterly payment(s).

2.21 If the number of units in management in the preceding year is substantially fewer than the number of units approved for payments of SHMG, the Supported Housing Section will write to the RSL concerned, asking if the number of units forecast to be in management in the current year is likely to be the same. If so, the Supported Housing Section will reduce payments for the current year.

2.22 If the number of units in management is substantially fewer than the number of units approved for more than one year, the Supported Housing Section will liaise with the RSL concerned with a view to issuing a reapproval for the scheme.

2.23 RSLs should continue to complete the reconciliation forms GHD9 and GHD9A in respect of schemes that were in receipt of the grant formerly known as Transitional Special Needs Management Allowance.

3 PAYMENT OF THE GRANT FORMERLY KNOWN AS TSNMA/PAYMENT OF THE TSNMA ELEMENT OF SHMG

3.1 Payment of TSNMA is made in advance at regular intervals by the Supported Housing Section at Headquarters. There is no facility for payment to be made outside the Corporation’s payment timetable.
3.2 RSLs are not required to claim quarterly for TSNMA schemes.

3.3 Please refer to Chapter 8 for further information regarding claiming of TSNMA and entitlements due. See also Chapter 10 regarding temporary changes to schemes that may result in reduced entitlements.

4 **AUTHORISATION OF SIGNATORIES FORM - SIG1**

4.1 The form SIG1 (Revenue Grant Claims: Authorisation of Signatories) is issued by the Supported Housing Section on an annual basis. It should be completed, certified by the Chair of the Management Committee and returned to the Supported Housing Section.

4.2 All revenue grant claim forms are checked against the authorised signatories shown on the Form SIG1. Forms/letters with signatures that do not match the list are returned to the RSL concerned. RSLs should note that where an authorised signatory list has already been sent to a Corporation regional office, a SIG1 will still be required by the Supported Housing Section at Corporation headquarters.
1 INTRODUCTION

1.1 This chapter deals with changes to SHMG schemes, both those in management and those that are not yet let or available for letting.

1.2 The Corporation recognises that from time to time RSLs may wish to make permanent changes in order to improve the effectiveness and efficiency of schemes that receive SHMG. Changes may also be planned to meet the changing needs of the local population or to adapt to new priorities. Such changes may be planned in respect of number of units, needs group, staffing levels, management arrangements (agency or direct), registration status, scheme address, claimant RSL or closure. Significant changes to the type or nature of the service provided (such as a change to a foyer or a floating support scheme) are also considered to be material changes.

1.3 In most instances RSLs will review their stock and consider ways of bringing it in to line with current investment strategy. The Corporation realises, however, that not all such planned changes will happen within the Review timetable. RSLs should refer to this chapter of the Guide when considering such changes.

1.4 PLEASE NOTE THAT THE PROCESS FOR RE-APPROVAL OF SHMG FOR SCHEMES ALREADY IN RECEIPT OF SHMG WILL CONTINUE TO BE MANAGED BY THE SUBMISSION OF FORM TSI TO THE SUPPORTED HOUSING SECTION AT HOUSING CORPORATION HEADQUARTERS OFFICE. CHANGES TO A SCHEME BETWEEN ALLOCATION AND GRANT CONFIRMATION WILL BE MANAGED VIA THE ELECTRONIC SUBMISSION FOR GRANT CONFIRMATION.

1.5 The Corporation will only agree to a continuity of funding for modified or reorganised schemes under these re-approval procedures in the circumstances described below. (In most cases, new levels of SHMG must be applied for on Form TS1.) Ad hoc re-approvals are not a way of preserving entitlements or bypassing competition. Submissions that are effectively proposals for new schemes (i.e. where both location and client group are proposed to change) will not be considered under re-approval procedures.

1.6 Changes to SHMG schemes not yet in management should be notified to and agreed by the relevant regional office of the Corporation. Changes to SHMG schemes in management should be notified to and agreed by the Supported Housing Section at Corporation headquarters.

1.7 RSLs are reminded that schemes in receipt of the grant formerly known as TSNMA must remain within that funding framework until they are subject to the SHMG review. RSLs may not “cancel” a scheme’s TSNMA allocation and apply for SHMG in any form. The only exception to this rule is in a case where the scheme receives additional capital funding under the 1988 Act procedures.
2 SHMG SCHEMES NOT YET IN MANAGEMENT

2.1 RSLs bid for and receive SHMG funding allocations from the Corporation’s regional offices during the annual bids round. When SHMG approval is being sought, the RSL sends a Submission for Grant Confirmation to the regional office. The Corporation would not expect changes to the scheme to be made between allocation and grant confirmation stage.

2.2 The Corporation is particularly concerned that the staffing levels do not change between allocation and grant confirmation stage. To this end, Requirement 8 / Certification 8 on Form TS1 requires the RSL to confirm that the scheme maintains the staffing level stated in its original application for SHMG approval. RSLs who are unable to comply with this certification will be required to resubmit a bid for SHMG that takes account of the altered staffing level.

2.3 If a scheme changes (in any way other than staffing level) between allocation and grant confirmation stage, the RSL must request such a change in writing from the regional office in advance of the Submission for Grant Confirmation. If the change outlined by the RSL is considered by the regional office to have an effect on the costs of the scheme, the RSL may be required to re-bid for revenue funding.

2.4 If the change is deemed not to have a significant effect on costs (e.g. a change in managing agent), the region may agree the change, following scrutiny of a new Submission for Grant Confirmation. If the change is agreed, approval will be issued to the RSL. If, after discussion between the regional office and the RSL, the changes are not agreed, then the original approval will be cancelled.

3 TEMPORARY CHANGES (PLANNED)

3.1 Where an RSL has or plans to close a scheme for re-improvement or rehabilitation works, it must notify the Supported Housing Section at Corporation headquarters of this in advance. SHMG is not paid to a scheme while it is closed as a result of such works. If the closure starts or ends part way through a month, entitlement to SHMG will be calculated on a calendar monthly basis, i.e. entitlement for at least one day in a calendar month will lead to a full monthly payment.

3.2 If the number of residents in the scheme is gradually decreased up to the point of closure, the Corporation will pay SHMG on the actual number of residents still at the property, not on the number approved for the scheme as a whole. If the residents are returned gradually to the improved scheme, the Corporation will pay SHMG on the actual number of residents at the scheme in any one quarter. This will be calculated via the SHM2 for SHMG and the GHD9 for TSNMA for year end reconciliation purposes.
3.3 If the RSL plans to decant residents to another property during the works, and requires SHMG to be paid during the decant period, agreement must be sought from the Supported Housing Section in advance. Approval will be subject to the residents being moved to the decant property en bloc; the staffing levels remaining the same; and the decant property being eligible accommodation of the same standard or better than that of the original property. The Corporation will not normally pay any additional lease costs arising from such a move.

4 TEMPORARY CHANGES (UNFORESEEN)

4.1 Where a temporary reduction in the number of bedspaces let or available for letting occurs due to an unforeseen event (e.g. arson, vandalism, closure ordered by an environmental health officer), providing that the closure is not due to the RSL’s negligence, SHMG will remain payable for a period of up to three months from the date of the event.

4.2 Where such a reduction occurs, the RSL should notify the Supported Housing Section within one month of the reduction taking place. The RSL must also advise the Corporation when the bedspaces are re-let or become available for letting. If this takes place within three months, entitlement to SHMG will be unaffected.

4.3 If the reduction in bedspaces extends beyond three months, the SHMG entitlement for the affected bedspaces will cease until the date when the affected bedspaces are re-let or become available for letting. The RSL must inform the Corporation of this date in a letter signed by an authorised signatory.

4.4 A temporary reduction caused by an RSL’s lack of planning will result in grant being cancelled for the duration of the closure.

5 PERMANENT CHANGES

5.1 The RSL should notify the Supported Housing Section of any material changes that have occurred. For planned changes, approval must be sought and gained in advance. For unplanned changes, the RSL must advise the Supported Housing Section as soon as possible after the event that triggered the change.

The following is a list of material changes that must be notified.

6 REDUCTION IN NUMBER OF UNITS

6.1 A reduction in units in a particular scheme would normally be approved by the Corporation provided that the change was designed to maintain or improve the level of services provided to tenants. In such cases, a revised budget on Form TS1 will be required.

6.2 In certain exceptional cases, where shared bedspaces are being phased out, SHMG will not be reduced on a pro rata basis. The RSL may submit Form TS1 showing a rate for the remaining
bedspaces that is higher than the RSL’s original rate. The TS1 should demonstrate that costs are not being significantly reduced by the elimination of the shared units.

6.3 A reduction in the number of resident bedspaces in a scheme is a “relevant event” for the purposes of calculating recoverable capital grant. Loss of units as a result of moving away from enforced sharing is an exception to this rule.

7 INCREASE IN NUMBER OF UNITS

7.1 Increases in SHMG schemes will normally arise from a change in the use of an existing room (e.g. sleep-over or office) or to a further property being added to a dispersed scheme or to an extension in an existing property. There will also be instances where an RSL has unfunded bedspaces within an existing scheme and wishes to bring these within the compass of the scheme as a whole.

Such changes will normally be agreed provided that they do not commit the Corporation to any additional revenue funding.

7.2 When requesting such increases, the RSL must submit Form TS1 to the Corporation, along with a letter setting out the reasons for the change.

7.3 The RSL will be asked to certify that the proposed change will not adversely affect the level of services provided to tenants.

7.4 The Corporation does not have the resources to support a general increase in the number of bedspaces in schemes in receipt of SHMG. Unless the proposed increase is matched by a corresponding decrease in SHMG bedspaces elsewhere in the RSL’s stock, the request will have to be considered in the light of overall available resources.

8 CHANGE OF SCHEME ADDRESS

8.1 A change of address will only be considered by the Corporation where;

- there is no increase in the SHMG funding requirement of the scheme;

- the needs group remains the same;

- the new property qualifies as eligible accommodation under the terms of the Social Housing Grant (Management Grants) General Determination 2001;

- the managing agent (in agency managed schemes) has been consulted about the move;
• the tenants have been consulted.

The Corporation will also look at the following factors when considering a change of address:

• the location of the new property;

• the suitability of the new property for the client group;

• confirmation that the level of services provided to the tenants is equal to or better than the services provided in the original property.

It should be noted that change of address procedures are not a way of preserving HDG, TSNMA, SNMA or SHMG approvals.

9 CHANGE OF MANAGING ORGANISATION

9.1 In circumstances where the RSL wishes to change the managing agent of a scheme or to change from or to direct management, this must be supported by the local authority and the Corporation’s regional office.

9.2 A new budget on Form TS1 will need to be supplied for the changed scheme, as we would expect overheads to vary according to the management arrangements for the scheme.

9.3 In cases where the RSL is taking over direct management, it must also satisfy the Corporation that it has suitably trained staff to provide services equal to or better than those previously being supplied.

9.4 Where the needs group housed in the scheme is also being changed, the procedures at Paragraph 11 below also apply.

10 CHANGE IN REGISTRATION STATUS

10.1 Schemes dually registered under Part II of the Registered Homes Act 1984 are ineligible for SHMG. In dually registered schemes it is however, possible to receive SHMG on units under Part I of the Act. This guidance deals with registration under Part I of the Act. Local authority support will be required in the event of any change in registration status.

10.2 Where bedspaces are temporarily dually registered, no capital grant recycling will be necessary.

10.3 Where the RSL intends to de-register a scheme, a full explanation must be provided to the Corporation. The RSL should certify that similar levels of housing management and housing services will be provided by the scheme after de-registration. The RSL will also be required to submit Form TS1 in respect of the scheme. Any other proposed changes to the scheme must also be notified at this stage.
10.4 If an unregistered scheme is being registered, the Corporation’s agreement must be secured in advance if entitlement to SHMG is to continue. In this case, Form TS1 must be submitted in respect of the scheme. Any other proposed changes to the scheme must also be notified at this stage.

11  CHANGE IN NEEDS GROUP

11.1 Approval for a change in needs group will only be given where:

- the change is supported by the relevant local authority and Corporation regional office;

- the managing agent/RSL has the necessary skills to meet the requirements of the needs group;

- the existing residents are satisfactorily rehoused;

- the change does not require the property to be vacated for more than three months; or follow a closure of the property for more than three months.

11.2 When requesting such changes, the RSL must submit Form TS1 to the Corporation, along with a letter setting out the reasons for the change. RSLs are advised that support for the proposed change must be obtained from the regional office of the Corporation prior to this submission. If the change involves a change in managing agency arrangements, the conditions at Paragraph 9 above apply.

12  A CHANGE IN THE STAFF TO TENANT RATIO

12.1 A change in the staff to tenant ratio that takes the scheme’s intensity of management out of the range of eligibility for SHMG is treated as a failure to comply with the conditions of approval. RSLs should be aware that housing with a lower degree of support, down to a minimum ratio of one member of staff to sixty residents (in the case of move-on accommodation only) is now eligible for SHMG.

12.2 The following changes must also be notified:

- Schemes approved under the previous SNMA regime: a change which affects the rate of grant payable from full rate to abated rate or vice versa;

- Schemes approved under the current SHMG regime: a change that has a significant impact on the level of services provided to tenants.

12.3 When requesting such changes, the RSL must submit Form TS1 to the Corporation, along with a letter setting out the reasons for the change.
13 CHANGE IN RSL WHO WILL CLAIM AND RECEIVE PAYMENT FOR SCHEME(S)

13.1 An RSL that originally made an SHMG bid for a scheme now in management may wish to transfer the responsibility for claiming SHMG to a managing agent that is an RSL. The preferred option for achieving this is for the owning RSL to grant a lease to the RSL who is to manage the scheme. This enables the managing RSL to become landlord of the tenants living in the scheme. Where this arrangement is not considered possible, a management agreement should be put in place enabling the managing RSL to act as the owning RSL’s agent. The owning RSL must have a continued interest in the property and remain landlord of the tenants living in it. A legally recognised management agreement would also be acceptable. In such cases, both the donor and recipient RSL must write to the Supported Housing Section requesting the change.

13.2 For schemes in receipt of SHMG, the transfer must be at the rate at which the donor association is currently receiving grant for the project. Both organisations should agree in advance the effective date of transfer, which must be at the start of a payment quarter. Transfers will not be approved retrospectively, nor payments backdated. Please note that any over or underpayments of SHMG relating to previous financial quarters will become the responsibility of the recipient RSL.

13.3 In the case of schemes receiving the grant formerly known as TSNMA, it is possible for the donor and recipient RSL to agree a “ring-fenced” rate at which the scheme will transfer, rather than the donor RSL’s overall rate. In this case, both RSLs must advise the Corporation of this rate and the effective date of transfer in advance. The Corporation will not enter into negotiations with either or both associations regarding the level of grant to be transferred.

13.4 Where there has been a transfer of ownership of property(ies) among RSLs, the Supported Housing Section at Corporation headquarters must be notified with letters from both RSLs:

• agreeing to the transfer;
• identifying the number of units to be transferred;
• stating the effective date of transfer;
• signed ‘Notification of Scheme Transfers Between Registered Social Landlords’.

14 FAILURE TO COMPLY WITH A CONDITION OF APPROVAL

14.1 If at any time a scheme changes in such a way that it no longer complies with the conditions of its approval for revenue grant, the RSL must inform the Corporation immediately. Revenue grant will not be payable in respect of such a scheme from the date at which it becomes ineligible.
15 FROM FIXED TO FLOATING SUPPORT

15.1 RSLs who decide that a change to floating support will be the best for their tenants should refer to Chapter 6 that sets out the procedures and eligibility criteria for such schemes. The RSL must liaise closely with the Corporation regarding such a change.

15.2 In some cases, a project may have had capital HAG/SHG approval from the Corporation, and the RSL wishes the property(ies) originally in receipt of the capital grant paid under the Supported Housing framework to revert to general needs accommodation, with the SHMG approval moving to floating support properties. RSLs should be aware that the procedures for capital grant recycling will apply in such cases. (See Paragraph 17 below.)

16 CHANGE IN LENGTH OF STAY

16.1 RSLs who decide to change the nature of their scheme from permanent accommodation to non-permanent accommodation, or vice versa, are required to inform the Supported Housing section in advance of the change, setting out the reasons for the change. The letter should include the revised aims and objectives of the project and include a new budget on Form TS1.

17 PERMANENT CLOSURE (including conversion to general needs use)

17.1 Permanent closure of a scheme will result in cancellation of the scheme’s approval and no grant will be paid from the month following the closure. Where bedspaces are gradually taken out of management, grant will be paid on the actual number of bedspaces in management, not the number approved for the scheme as a whole.

17.2 Permanent closure of a SHMG scheme does not leave the RSL with “extra” units of allocation that can then be transferred to other supported schemes.

17.3 In the case of schemes in SHG funded properties, the RSL may request that the SHMG allocation be used to fund another project at the same address. The Corporation will look favourably upon such a request rather than have the building unused for the time that would be required for the RSL to gain new allocation through the bidding process. In the case of schemes in non-SHG funded properties, the approval will be cancelled and new allocation must be sought.

17.4 In the case where a HAG/SHG funded property is closing or being sold, the capital grant recycling procedures will apply and the RSL should apply to the relevant regional office of the Corporation for guidance. If the property is being sold and the project being moved to another property, the RSL will need to complete a revised TS1 budget and submit it to the Supported Housing Section for processing as a re-approval.

17.5 If the project is moving to another property or changing to floating support and the original property is to be used as general needs accommodation, it is possible to cross subsidise the
project at its new address or as a floating support scheme. This is an alternative to capital grant recycling and is possible because the lower levels of staffing necessary when the original property is let to general needs tenants, allied to the higher capital grant rate originally received, will create a surplus in the revenue account sheet of the scheme. This surplus can then be used to cross subsidise the new supported project.

17.6 To calculate the amount of cross subsidy, the current TCI (Total Cost Indicator) rate for Rehabilitation Acquisition and Works should be compared to the amount of capital grant the property originally attracted. The difference should be converted to its revenue equivalent (using the conversion formula detailed in the Guide to the Allocation Process) and included in the TS1 budget for the new scheme as Other Housing Income, with a covering explanation.

17.7 A request for the re-approval of a scheme following one or more of the changes listed above must include a Form TS1 (where specified above) plus a covering letter giving full details of the nature of and reasons for the change. Local authority support will be required in the event of a change to the needs group and registration status. Regional office support will be required for any permanent change.

17.8 The Form TS1 submitted in respect of a change to an SHMG scheme should be completed for the year in which the change is expected to take place but with the price base of the current year. RSLs should include the annual SHMG requirement for the scheme. If the rate is approved, the RSL will be notified by letter.

17.9 If the Corporation does not approve the level of SHMG applied for, it will enter into discussion with the RSL to arrive at a more appropriate rate. Once the level of SHMG has been agreed, the procedures immediately above will apply.

17.10 The payment of SHMG for the units to which the changes relate may be suspended until approval is given.

18 POST REVIEW RE-APPROVAL (GROUP LEVEL CHANGES)

18.1 Following the SHMG review, an RSL is issued with new grant confirmation that supersedes the original TSNMA, SNMA and SHMG approvals. One new approval is issued per management group. Any change to any property within that management group must, therefore, be considered as a change to the group and all Forms TS1, budgets, letters of support etc. must be applicable to the whole management group.

18.2 If one property within the management group is to change in such a way that it can no longer remain in the group (i.e. registration of a property already in a group of non-registered schemes) the RSL must either place the changed property in a more appropriate group, and submit Form TS1 for both altered groups, or request, from the Supported Housing Section, a new approval for the changed scheme that will then be in a group of its own.
19 OVERPAYMENTS

19.1 Where any change results in a need to repay SHMG, the amount repayable will be calculated on a pro rata basis and deducted from the next scheduled payment of the grant in question.

19.2 Where no future payments will be made, the Corporation will agree a method of repayment with the RSL within a timetable specified by the Corporation.
1 INTRODUCTION

1.1 This Management and Operational Guidance describes the intensive housing management service the Corporation expects Registered Social Landlords (RSLs) to provide in the supported housing schemes it funds using Social Housing Grant and Supported Housing Management Grant. It complements the lists of eligible activities set out in Appendix 3 and expands on some of the eligibility criteria set out in Chapter 3. When the Corporation decides whether to fund schemes, both initially and periodically under the SHMG Review procedures, it will take account of the RSL’s compliance with this guidance.

1.2 This guidance and the eligibility criteria to which it refers are compatible with the Corporation’s Performance Standards. Significant overlaps between this guidance and the Performance Standards arise where the Corporation takes the view that non-compliance should have a direct influence on an RSL’s entitlement to grant.

1.3 RSLs should also have regard to the NHF’s current frameworks for setting and maintaining standards of supported housing management:

2 INTENSIVE HOUSING MANAGEMENT

2.1 This paragraph expands on SHMG eligibility requirement 5 - ‘Staff are available to carry out a range of the activities defined by the Corporation as constituting housing management in supported housing’.

2.2 The additional capital and/or revenue funding available under the terms of this guide is granted to enable the provision of a housing management service that is much more supportive and intensive than that normally provided to tenants in general housing. In supported housing, landlord functions such as referrals, lettings and rent collection will often be time consuming because of the challenges faced by residents. Furthermore, staff will be called upon to perform a range of tasks that, though housing related, do not normally fall to general needs housing officers.

2.3 Both these aspects of intensive housing management result in the increased staff costs towards which SHMG is intended to contribute. The Corporation therefore expects RSLs in receipt of SHMG to ensure that staff are available to provide some or all of the services described below, according to the needs of their supported housing tenants.

3 ENSURING EFFECTIVE USE OF THE SUPPORTED HOUSING STOCK

3.1 Activities under this heading include:

- intensive management of the referrals, selection and allocation process in order to ensure that the needs of the people who will be living in a project match the nature of the services provided;
• pro-active management of the move-on process, in an endeavour to ensure that supported housing bedspaces are not “silted-up” and that residents obtain suitable alternative accommodation when appropriate;

• delivery of floating support schemes designed to avoid the requirement for people to move into specialised supported housing when an ordinary home in the community is more appropriate.

4 TENANCY SUPPORT

4.1 Activities under this heading include:

• explanation of the rights and responsibilities associated with tenancies to individuals who may not easily understand them, including those who may not be able to communicate using ordinary language;

• agreement, explanation and management of occupancy conditions where non-housing related factors come into play (e.g. where certain standards of behaviour or willingness to participate in certain activities are required);

• periodic support on tenancy related issues, perhaps provided as part of an action plan aimed at full independence, or to help tenants who may be unable to retain complex information;

• a supportive approach to rent collection and arrears management, that strikes a balance between building tenants’ sense of responsibility and empowerment and recognising the challenges they face;

• advice on benefits aimed at preventing tenancy breakdown associated with ignorance of or inability to manage welfare entitlements;

• dealing with neighbour disputes involving individuals with challenging behaviour, in order to prevent tenancy breakdown and minimise the risk to the quiet enjoyment of others.

5 MAINTAINING THE LINK BETWEEN HOUSING AND CARE SERVICES

5.1 Whilst SHMG is not intended to fund the cost of care itself, the Corporation considers the following activities to be appropriate landlord functions for RSLs who have entered into a formal undertaking to provide housing related support:

• establishing, maintaining and monitoring tenants’ access to and links with the agencies who can provide the care they need;

• reviewing the needs of tenants with a view to co-ordinating their housing related services with their care packages;
• assessment and management of any risks to desired housing outcomes arising from actual or potential breakdowns in tenants’ care packages;

• assessment and management of any risks to desired housing outcomes arising from tenants’ vulnerabilities.

6 INVOLVING SERVICE USERS

6.1 Activities under this heading include:

• consulting tenants (including those whose chaotic lifestyles or disabilities mean that the usual, formal methods of communication are inappropriate) on the nature of the housing and housing related services that will help them address their needs;

• consulting tenants on the types of aids and adaptations that may be appropriate to their needs;

• consulting tenants on changes in the nature of their accommodation and in the services with which they are provided.

7 WORKING WITH OTHERS

7.1 The following paragraphs expand on SHMG eligibility requirement 6. ‘Any managing agency arrangements entered into conform to the requirements listed in the Corporation’s Performance Standards for registered social landlords for supported housing’. They refer to a range of situations in which an RSL has decided that some or all of the intensive housing management and/or care required by residents can be provided more efficiently and effectively by another organisation.

8 MANAGEMENT AGREEMENTS

8.1 One of the prerequisites of effective supported housing is that the provider organisation should have the skills and expertise to meet the needs of tenants in a holistic fashion. In many cases, RSLs enter into a management agreement with another body (usually, but not exclusively, a voluntary sector organisation that has the necessary specialisms) rather than provide the services themselves. The Corporation recognises the important contribution made by these agencies in meeting the needs of vulnerable tenants and encourages RSLs to work with an appropriate agent when they do not have the capacity to provide the full range of services direct. (NB under the terms of this Guide housing management responsibilities cannot be delegated to a statutory body.)

8.2 The Corporation’s Performance Standards lay down the principles which RSLs should observe when working with other organisations. All these principles apply to supported housing being managed on behalf of an RSL by an agent, but it is worth highlighting the following requirements in the context of this guide:
• the suitability of the managing agent should be assessed in terms of their ability to provide the services required;

• checks should be carried out in order to satisfy the RSL that the managing organisation is a legal and viable body that can deliver the services required over the period of the agreement.

• a management agreement should be put in place that empowers the partner organisation to act on behalf of the RSL, sets out the limits of that empowerment and clarifies the roles, responsibilities and risks that fall to both parties;

• arrangements for monitoring the activities carried out on behalf of the RSL should be clearly specified, both in terms of frequency and content. It is of the utmost importance that the existence of agency arrangements does not undermine the RSL’s ability to ensure compliance with the Corporation’s Performance Standards and SHMG eligibility criteria;

• where day to day financial risk has been transferred to the agent, arrangements should be in place to ensure that the long term viability of the scheme does not become subject to undue risk;

• where income is being received and expenditure incurred by the agent on behalf of the RSL (i.e. where day to day financial risk has not been transferred) arrangements for budgeting, management accounting, financial monitoring and preparation of final accounts should be specified;

• there should be clear agreement on entitlement to and accountability for SHMG.

8.3 Further guidance on the content of management agreements is contained in the NHF publication “Making it Work”. RSLs should also refer to the NHF publication ‘Model Management Agreement for Supported Housing’

9 ALTERNATIVES TO MANAGEMENT AGREEMENTS

9.1 Management agreements are not the only mechanism for enabling RSLs to work with other organisations to provide supported housing. The alternatives are set out below.

10 LEASING ARRANGEMENTS

10.1 Although an RSL managing a scheme on behalf of another under the terms of a management agreement can claim SHMG from the Corporation, there are many advantages to an arrangement by which the SHMG claimant instead takes a lease on the property:

• a lease enables the managing RSL to grant tenancies and become the landlord of the tenants who live in the project. Without an interest in the property, the managing RSL can only issue tenancies on behalf of the landlord, not in its own right;
• a lease helps rationalise the position on accountability to the Corporation as the lessee becomes responsible for compliance with both regulatory and funding requirements. Without a lease, the managing RSL will always have to account to the landlord RSL regarding compliance with the Performance Standards.

10.2 With the introduction of private finance into the RSL sector, the Corporation recognised that, in some instances, the associated risks would prohibit some RSLs from acting as a developer. The Corporation has, therefore, commissioned and published a Model Modular Lease agreement for use between RSLs in situations where one RSL wishes to lease a property to another. The Model Modular Lease:

• allows small specialist associations to develop without being exposed to the financial risks of raising private finance;

• is flexible and allows for three terms of lease, (7, 25, and 125 years) which can allow RSLs to negotiate the level of responsibilities they wish to take on or devolve;

• enables small associations to develop a management base with the possibility of progressing to ownership;

• assists in rent equalisation across consortia developments.

10.3 RSLs considering the Model Modular Lease should bear in mind that its use is not a disposal covered by the General Consent under Section 9 of The Housing Act 1996. Consent must, therefore, be requested from and granted by the Consents Section of the Corporation.

11 SERVICE CONTRACTS

11.1 In situations where the managing organisation does not wish to be involved in the granting of tenancies or other basic housing management functions, no management agreement is necessary. The RSL merely pays the managing organisation to provide a service to it or its tenants in the same way as it might pay for window cleaning or gardening. There is no reason in principle why intensive housing management services should not be purchased and provided in this manner. There should, however, be a formal contract for the provision of the services and the RSL should bear in mind that the contractor has no authority to act as an agent on its behalf.

11.2 The Corporation’s Performance Standards set out the regulatory requirements associated with such contracts.

12 SUPPORT AGREEMENTS

12.1 An RSL may decide to enter into a support agreement with a voluntary agent or another body to ensure that the care and/or support needs of tenants are met. It is acceptable for a support agreement to be entered into with a statutory body providing it does not involve the delegation of any housing management responsibilities to it.
12.2 Where an agreement involves a division of staff working in the scheme between two or more employers, the RSL should ensure that the agreement clearly states the responsibilities for the employment and management of staff, who should have clear reporting lines.

12.3 To fully reflect the level of service being provided in projects when completing a Submission for Revenue Grant Confirmation / Form TS1, ASP1 or SNR3, RSLs should include full details of staff working at the scheme under the support agreement on the staffing schedule, even if they are employed by, for example, Social Services. Details should also include income and expenditure for both outturn and budget in the case of the SNR3 and budget for the Submission for Revenue Grant Confirmation / Form TS1.

12.4 The Corporation’s Performance Standards on relationships with other organisations are broadly applicable to support agreements, bearing in mind that a statutory body rather than a private or voluntary organisation may be involved and some “commercial” considerations may not be relevant.
1 INTRODUCTION

This section introduces the procedures for periodically reviewing (until Supporting People in April 2003) RSL supported housing schemes in receipt of Corporation capital or revenue funding and is relevant to:

- RSLs with management groups approved for Supported Housing Management (SHMG) or one of its predecessor grants - Special Needs Management Allowance (SNMA) or Transitional Special Needs Management Allowance (TSNMA);

- RSLs with management groups approved for supported housing capital funding after 31 March 1995.

- RSLs in receipt of Move-on Allowance (March 1998 year ends onwards).

1.1 Where management groups are being reviewed for a second time, there are slightly different procedures to be followed. These can be found in Appendix 12(2), 16(2) and 18(2). For a clear definition of the term management group please see Section 4 of this Chapter.

1.2 It should be noted that these procedures do not apply to groups approved for Hostel Deficit Grant (HDG) under the Department of Environment Rough Sleepers Initiative.

2 OBJECTIVES

2.1 The objectives of the review are to:

- ensure that the Corporation’s historic revenue funding commitments are examined against current needs and priorities;

- develop a flexible strategic approach to the funding of existing and new supported housing groups in line with current community care and housing priorities;

- encourage the RSL to review the efficiency and effectiveness of its supported housing portfolio and to consider to what degree individual groups meet strategically defined housing needs;

- confirm revenue funding at a level that reflects performance in meeting priority housing needs and reflects the need for funding in respect of intensive housing management costs;

- secure better value for money;

- establish a contractual system whereby the RSL’s supported housing portfolio is reviewed and re-allocated revenue funding every three years;

- establish a periodic review of eligibility.
3 ROLES AND RESPONSIBILITIES

3.1 The responsibility for managing the review process is currently split between the Corporation’s regions and Headquarters. The function of the Supported Housing Section in Investment Division at Headquarters is to:

- co-ordinate the review process;
- guide RSLs through the various review stages;
- process and analyse returns from RSLs;
- assess future SHMG rates;
- service review interviews and appeals.

3.2 The function of the Regional Office is to:

- liaise with local housing authorities and other stakeholders;
- help to develop a coherent funding strategy;
- consider any additional capital funding requirements;
- consider the effect of the review process on the overall finances of the RSL;
- ensure that other regulatory issues are taken into account and that regulatory action plans are harmonised with the review decision making process;
- chair any review meeting.

3.3 A stakeholder is defined as any organisation with a major interest in a management group including:

- the local housing authority;
- any funder investing in the scheme;
- any organisation with significant formal referral arrangements;
- the owner of the property where this is another registered social landlord.
3.4 RSLs are asked to note that neither they nor the Corporation are considered to be stakeholders.

3.5 In seeking the views of stakeholders the Corporation is looking to:

- take account of local knowledge and experience in respect of priority needs;
- contribute to a coherent strategic approach to the provision of supported housing.

4 REVIEW PRINCIPLES

4.1 The Corporation recognises that an RSL may be running a scheme comprising a number of properties and that it may not be sensible to review each component address as a separate entity. It follows that the Corporation and the RSL need to agree, for the purpose of the review, a common basis of scheme definition. RSLs are given the opportunity of grouping like schemes with like forming a ‘management group’, alternatively the RSL may choose to have their schemes reviewed separately and this will mean completing one SNR1/SNR3 per scheme. The RSL’s supported housing portfolio will be reviewed on a periodic basis. All the RSL’s eligible groups will be subject to an assessment based on the following three factors and funding levels for a further three years will be set on a balance of all three.

- **FINANCIAL** information will be gathered from the RSL on both outturn and future income and expenditure.
- **QUALITATIVE** information will be gathered from the RSL on other areas of performance including occupancy and move-on which will be assessed against the aims and the objectives of groups.
- **STRATEGIC** information will be gathered from stakeholders about the strategic relevance of groups to the provision of supported housing.

4.2 The RSL’s re-approved groups will each be awarded a level of revenue funding which will normally be continued until the next review date.

4.3 To assist its financial judgements, the Corporation has developed a set of benchmark figures based on six distinct bands of staff to tenant ratios. These funding benchmarks are indicative costs against which groups will be assessed. They are neither entitlement ceilings nor flat rate allowances but they are median averages around which re-approved levels of funding are expected to group.

4.4 The Corporation wishes to ensure that high quality intensive housing management is provided on an on-going basis. Therefore if the RSL wishes a scheme to continue to receive revenue funding from the Corporation, it must certify again that all the supported housing funding eligibility criteria are met. For former TSNMA groups the RSL will certify that all eligibility criteria will be met before the notified implementation date for the review.

5 SCHEMES TO BE REVIEWED
5.1 The review is an analysis on a management group basis of all the RSL’s eligible groups. A scheme is eligible for review providing:

- the date of first letting is such that it has received, or been eligible for, TSNMA, SNMA, SHMG or MOA for a minimum of twelve months by the end of the RSL’s accounting period immediately preceding the period in which the review is taking place (known as the outturn period); or,

- it received supported housing capital funding in accordance with the new supported housing funding procedures introduced in April 1995 and has been in management for twelve months by the end of the RSL’s accounting period immediately preceding the period in which the review is taking place.

6 THE REVIEW TIMETABLE

6.1 The Corporation began its review of RSLs on 1 April 1995 and has just completed the review of all RSLs in the March 1999 year end round. Thereafter, all eligible groups will continue to be reviewed on a periodic basis until Supporting People in April 2003.

6.2 RSLs with 31 March year ends will be contacted by March if they are to be included in the imminent review year. RSLs with different year ends will be contacted in the month before the start of their review year.

6.3 The review timetable is shown at Appendix 10.

6.4 In order to avoid any requirements for RSLs to make assumptions about future rates of inflation, RSLs should prepare budgets at review year prices. The Corporation will then apply an indexation figure to adjust payments of SHMG annually.

6.5 The new rate of funding that is set during the review process will come into effect the second year after the year in which the review commences. This is intended to give the RSL a transitional period to implement any necessary operational changes.

7 THE TREATMENT OF SCHEMES FOR REVIEW PURPOSES

7.1 The RSL may propose to group into one named management group a number of discrete properties each currently in receipt of SHMG.

7.2 The Corporation is encouraging the grouping of properties into management groups to reduce bureaucracy. However it is accepted that an RSL may consider that grouping is not appropriate and present its portfolio of groups as it currently stands, with only one property in each management group.
7.3 Proposed management groups should reflect the actual management arrangements that are in place. They must be constructed on a basis that enables the Corporation to assess meaningful financial, qualitative and strategic data.

7.4 The Corporation will consider any proposed grouping of the RSL’s supported housing portfolio providing the RSL does not group together:

- schemes managed directly by the RSL with schemes managed by other bodies;
- properties which are run by more than one managing agent;
- properties which are intended to accommodate more than two compatible predominant needs groups;
- properties which tenants use as their permanent home together with those providing short term accommodation;
- services with differing aims and objectives;
- Registered Care Homes with non-registered properties;
- properties in different geographical areas. The Corporation may consider a grouping across local housing, health or social service authorities but will not agree a grouping across its own regional boundaries;
- properties which received SHMG under the Rough Sleepers Initiative (RSI) with any non RSI scheme;
- any floating support scheme with any other scheme. (See Chapter 6 for a definition of floating support);
- properties in receipt of Move-on Allowance with any non-MOA scheme.

7.5 The Corporation will not accept a management group if:

- it does not comply with the above management group criteria;
- it contains ineligible groups;
- the proposed management group will not allow the production and assessment of meaningful data.
8  THE REVIEW PROCESS

Stage 1 - Constructing Management Groups

8.1 The Corporation will inform the RSL in writing when their groups are due for review.

8.2 The Corporation will forward to the RSL:

- a list of schemes and/or groups approved for SHMG or supported housing capital funding (after 1 April 1995 only)
- Form SNR1, Identification of Management Groups;
- Form SNR2, Summary of Management Groups.

The RSL will consider how it wishes its supported housing portfolio to be treated for review purposes, consulting with managing agents where necessary. For instance:

- schemes may be reviewed separately as in the Corporation lists; or
- schemes may be grouped into named management groups as set out in paragraph 7.

8.3 The RSL will inform the Corporation of any otherwise eligible groups which will not be included in the review as a result of the 12 month rule (see 5 above).

8.4 The RSL will return all grouping documentation to the Corporation for approval within eight weeks.

8.5 The RSL will advise the Corporation on Form SNR1 of the stakeholders in each management group.

8.6 The Corporation will consider and either confirm or reject the RSL’s proposed management group(s). If the Corporation does not accept a proposed management group, it will discuss with the RSL a more appropriate group. The decision of the Corporation regarding groups will be final.

Stage 2 - Consultation with Local Authorities

8.7 Once groupings are agreed the Corporation will write to the relevant housing authority/authorities about all management groups. The housing authority will be asked to consult with relevant stakeholders and report to the Corporation any views on a management group’s operational effectiveness and its strategic relevance. This information will be considered by the Corporation alongside the financial and performance information provided by the RSL to determine the level of funding to be offered to the management group.
8.8 Where addresses have been identified by the RSL as ‘confidential’, the exact address will not be used in correspondence.

Stage 3 - Completing the Review Form

8.9 The Corporation will forward one review form (SNR3) for each agreed management group to the RSL.

8.10 When completing the SNR3 review form the RSL will need to remember:

- any requirement for future revenue funding from the Corporation should be based on a budget which aims to achieve the maximum possible economy in running costs and assumes that all appropriate funding from other sources will be in place;

- any instances of operational ineffectiveness or failure to address local housing needs and strategies should be addressed by proposals, submitted with Form SNR3, for improvements to be made in accordance with the notified implementation date for the review.

- The RSL must return the review form (SNR3) to the Corporation within six months of the start of the accounting period in which the review is taking place.

The RSL must return all the review documentation for all its management groups at one time. The review documentation includes:

- one Form SNR3 for each management group;

- a covering letter containing any further information which the RSL wishes to provide. This may highlight any problems and proposals for remedial action. The covering letter should also explain any significant variances between the outturn and budget years.

- Forms SNR4 - Proposed Changes to a Management Group, where appropriate.

Changes to schemes or groups with revenue implications

8.11 One objective of the review is self assessment by the RSL. Following the review of its groups, the RSL will enter into a contractual agreement with the Corporation regarding the nature of and funding levels for its supported housing groups. The RSL may wish to take the opportunity to consider the scope and nature of its existing provision and consider if there are any ways in which this may be changed in order to comply more fully with the objectives and requirements of the new framework.

8.12 RSLs are asked not to use this method to bypass the normal bidding rounds for new provision but to use the review to ensure that any schemes they have are operating efficiently and effectively. Any changes agreed as part of the review will come into effect
on the notified implementation date for the review. Therefore only proposed changes taking place by that date should be considered and submitted as part of the review.

8.13 RSLs are encouraged to propose ways of increasing the efficiency, effectiveness and economy of the scheme. RSLs may, for example, wish to propose a change of client group to remedy a voids problem or to create a better balance within the existing supported housing stock by converting a shared scheme into self contained move-on units. There are a wide variety of scheme changes that may be put to the Corporation and RSLs are encouraged to think creatively. The Corporation will be particularly interested in supporting proposals that:

- increase the number of bedspaces in management without increasing the overall claim for SHMG;
- address clear housing management problems such as high voids and arrears;
- bring groups in line with local supported housing strategies and priorities;
- raise service standards, for instance by replacing shared bedrooms with single bedrooms.

8.14 Key elements of any proposed changes will be recorded on Form SNR4. As a general principle, the budget on Form SNR3 should be completed on the basis that proposed changes that meet the policy objectives outlined above will normally be agreed. However, where a proposed change is dependent on new capital funding that has not been secured, parts G to K should be prepared as if that particular change will not go ahead. This is to reflect the uncertainties surrounding the availability of capital funding and the development timetable.

8.15 RSLs will also be asked to submit a covering letter describing the reasons for, and long term benefits of, the changes.

8.16 Proposed changes will be discussed with regional office investment staff to ensure that the changes comply with their investment strategy, where appropriate.

8.17 If review staff cannot agree the changes suggested by the RSL, they will contact the RSL to discuss the group and its future.

Changes with capital implications

8.18 As a result of reviewing its supported housing portfolio, the RSL may propose a solution that requires capital reinvestment. These details will be recorded on Form SNR4. If a management group does require capital funding the Corporation will explore the revised group’s strategic importance with other stakeholders and discuss with the RSL the process and timetable for submitting a capital bid. A provisional SHMG level will normally be awarded on current scheme details.
8.19 The Corporation is committed to ensuring that its revenue and capital funding decision making processes are harmonious. However, it is not intended that the review will replace the established system of bidding for Social Housing Grant (SHG). The Review team will liaise with regional investment staff to ensure that a coherent funding strategy is achieved.

8.20 Where it is proposed that revenue is de-coupled from an existing SHG funded property, the RSL should refer to the current guidance on the recovery and recycling of SHG.

8.21 The RSL is reminded that the Corporation does not have a separate programme for re-investing in existing supported housing; resources would be drawn from the Approved Development Programme (ADP).

**Stage 4 - Assessment by the Corporation**

8.22 **The Corporation** will analyse management group data, considering the following factors:

- the extent to which the requirement for SHMG has changed between the outturn year and the budget year;

- the level of housing surplus/deficit;

- the extent to which the requirement for SHMG is above the benchmark for the appropriate staff to tenant ratio;

- any indicated need for capital finance;

- any failure to certify that the scheme complies with all eligibility criteria;

- the quality of performance in terms of move-on, arrears collection and occupancy rate/voids;

(It is recognised that not all groups require move-on accommodation, for example, if they provide a lifetime home for tenants.)

- any significant scheme changes that are proposed (e.g. change of needs group, change to floating support);

- any concerns expressed by any other stakeholder.

8.23 **The Corporation** will discuss, with the RSL and any relevant stakeholder, concerns or queries with a view to resolving them as quickly as possible. It will be assumed during this process that the RSL will be liaising closely with any managing agents, where this is applicable. It is anticipated that the RSL will be able to deal with many queries by highlighting problems and their proposed remedial action in a covering letter.
8.24 **The Corporation** will notify the RSL of the SHMG assessment for each management group. Formal re-approval will follow if Stage 5 is not pursued.

**Stage 5 - The Review Meeting**

8.25 If, after receiving notification of the SHMG assessment, the RSL is concerned about a management group’s viability, it can ask for a meeting with the Corporation. This will be referred to as a review meeting. The request must be made within **one** month of notification of the SHMG assessment.

8.26 When the RSL requests a review meeting it must notify the Corporation of the management groups it wishes to discuss.

8.27 The Corporation will then write to other stakeholders and request a full exposition of their views on the strategic relevance of the management group. The Corporation reserves the right to discuss any other management group at the review meeting and to consult with stakeholders on these.

8.28 The Corporation will be represented at the review meeting by both regional office staff and staff from the Supported Housing Section. The RSL is welcome to bring a representative of any relevant managing agent.

8.29 The review meeting will be an opportunity for the RSL and any managing agent to present its case in respect of the notified funding rate(s). The Corporation and the RSL may also discuss:

- the management group’s strategic importance;
- the quality of service provision;
- inherent difficulties in achieving the group’s aims and objectives;
- reasons for any significant variations from the benchmark figures;
- any particular local factors;
- any possible threat to the group’s survival;
- any effect on the RSL’s or agency’s financial viability.

8.30 On hearing the RSL’s case and considering other stakeholders’ submissions, the Corporation will reconsider the RSL’s revenue allocation and advise them of the result in writing. The revised rates may be higher or lower than the rates initially advised. The RSL may appeal within six weeks of the date of the letter.
8.31 Total withdrawal of Corporation funding will only occur on an exceptional basis and only after review staff have carefully considered all viable options with the RSL.

Stage 6 - The Appeal Process

8.32 If the RSL wishes to appeal against the Corporation’s decision after a review meeting the Corporation will consider an appeal put to it within six weeks of that date. The appeal must be based on one or more of the reasons listed below.

8.33 **Facts:** the Corporation has failed to consider all the relevant facts presented by the RSL;

8.34 **Procedures:** the Corporation has failed to adhere to the review procedures;

8.35 **Strategy:** the revenue rate determined by the Corporation would lead to closure of a scheme, in contravention of the Corporation’s policy as expressed in the Regional Policy Statements.

8.36 The RSL may bring one or two representatives plus any management agent representative to the appeal hearing. The hearing will be chaired by a senior Corporation staff member whose decision will be final.

Stage 7 - Post Review Re-Approval

8.37 The Corporation will formally issue reapproval(s) to all management groups once all assessments are final, and advise RSLs of the date from which the new rates will be implemented.

8.38 All re-approved revenue funding will be regarded as SHMG. Until the date of commencement of the re-approved payment levels, SHMG will continue to be paid according to existing procedures.

9 **WITHDRAWAL AND CLOSURE**

9.1 The Corporation is mindful of the difficulty of finding alternative suitable accommodation for vulnerable residents and of the need to achieve full use of historic capital investment. The complete withdrawal of funding from a management group would be exceptional and in such cases withdrawal would be phased to minimise disruption to the tenants.
1 INTRODUCTION

1.1 The legislation under which Supported Housing Management Grant (SHMG) is paid places a duty on the Corporation to ensure that relevant housing expenditure is being incurred by RSLs managing schemes in receipt of this grant. In many cases, this expenditure and any related income is included in the audited accounts of the RSL receiving SHMG for the project.

1.2 There are, however, exceptions. Where management of a scheme is carried out on an RSL’s behalf by an agent, auditors often take the view that day to day financial risk has been transferred to the agent and therefore the relevant income and expenditure should be shown in the accounts of that agent and not those of the RSL. This practice has become more common since the promulgation of Financial Reporting Standards (FRS) 5, that states that accounting treatments should follow the substance of transactions rather than their legal form.

2 FORM ASP 1 (Accounting for Special Projects)

2.1 Regardless of whether or not RSLs are showing income and expenditure in relation to SHMG schemes in their accounts, they should complete an ASP1 income and expenditure return when requested by the Corporation.

2.2 The purpose of Form ASP1 is threefold:

- it provides a more detailed analysis of an association’s aggregate income and expenditure on special projects than that included in their annual accounts. This allows the Corporation to assess the adequacy of its grant input generally, monitor how its funding fits in alongside other sources of income and maintain financial statistics;

- it provides a form of compliance with the legislative framework, where income and expenditure are not being accounted for by the RSL;

- it provides a validation of the outturn information submitted under the SHMG Review procedures.

3 ASP1 AUDITOR’S REPORT

3.1 Where some or all of the relevant income and expenditure relating to SHMG schemes is not being accounted for by the RSL in receipt of revenue grant, an auditor’s report is required to accompany Form ASP1.
1 INTRODUCTION

1.1 Supported housing schemes in receipt of SHMG and who provide non-permanent accommodation are expected to provide some form of move-on accommodation to their residents. This should be provided once the resident has been helped to develop appropriate skills and increased confidence to enable them to live as independently as possible. The Corporation recognises that many such residents will continue to require some degree of additional support for a limited period in their new homes.

1.2 Supported housing schemes that do not provide permanent accommodation are dependent upon an adequate supply of move-on accommodation being made available.

1.3 The Corporation wishes to encourage RSLs to use their general needs stock to meet the requirements of residents moving on from supported housing schemes, and recognises the additional revenue costs involved during periods of intensive housing management support.

1.4 This chapter sets out the procedures for claiming revenue funding available to RSLs who are providing housing for residents moving on from this type of specialist provision (see Section 3 of this Chapter) and who continue to need intensive housing management support.

1.5 RSLs should note that new funding arrangements were introduced on 1 April 1998 in respect of RSLs claiming Move-On Allowance (MOA) as a cash grant as at 31 March 1998. However no changes were made to the separate procedures applying to move-on accommodation where it is funded through the application of MOA in the calculation of the Rent Surplus Fund (RSF).

2 FUNDING NEW UNITS OF MOVE-ON ACCOMMODATION FROM 1 APRIL 1998

2.1 With effect from 1st April 1998 all new allocations of revenue funding for move-on accommodation will be made on the basis of ‘SHMG revenue only’. The Corporation expects new move-on services to be provided on a floating support basis. This will enable RSLs to deliver these services in a flexible manner, as the support needs of these residents diminish over time.

- Bids for funding should be made to the Corporation’s appropriate Regional Office in accordance with the regional policy statements and the procedures set out in our Guide to the Allocations Process.

- In respect of Move-on accommodation with floating support, identified properties will be expected to comply with the standards of construction and design applicable at the date of capital approval OR where properties have not received capital funding from the Housing Corporation, with standards applicable at the date of original acquisition, development or most recent significant capital injection into properties.
3 ELIGIBILITY FOR SHMG FUNDING OF MOVE-ON ACCOMMODATION

3.1 The usual eligibility criteria for SHMG apply to SHMG funded move-on schemes with the following exceptions:

- for SHMG funded move-on accommodation a minimum staff to tenant ratio of 1:60 is acceptable;

- SHMG funding for move-on accommodation is only available where the claimant RSL is able to certify that the tenant living in the property:
  i) has moved on from a supported housing project owned or managed by an RSL or a voluntary agency which provides care or support for its residents or;
  ii) has moved on from or a night shelter run by a local authority, RSL or voluntary organisation or;
  iii) is a single person who has moved on from a local authority hostel or has been provided with temporary accommodation by a local authority having been classified as being in priority need under the Housing Act 1996 or;
  iv) has moved on from a Residential Care Home (i.e. one owned by a local authority or one registered with a local authority under the Registered Homes Act 1984 [Care Standards Act 2000]) or;
  v) has been discharged from a penal establishment (including approved probation and bail hostels) or;
  vi) has been a patient in a psychiatric hospital or psychiatric ward in a hospital or in a long stay unit catering for people with learning difficulties or physical disabilities or;
  vii) is a young person who has been in care.

4 MOVE-ON HOUSING FUNDED THROUGH MOA USED IN THE CALCULATION OF RSF

4.1 Funding of move-on accommodation via the RSF calculation is restricted to units developed under the pre-1988 capital grant regime. RSLs that fund the cost of move-on accommodation through the allowances used in the calculation of RSF should continue to use the procedures set out in the RSF determination. Before applying any SHMG funding to units that were developed under the pre-1988 capital grant regime, RSLs should consider use of MOA in their RSF calculation as an alternative. The Corporation will check that this alternative has been considered before issuing SHMG approvals for move-on.
5 ELIGIBILITY FOR REVENUE FUNDING VIA TRANSITIONAL MOVE-ON ALLOWANCES (TMOA)

5.1 From 1 April 1998 all revenue funding for new units of move-on accommodation will be in the form of SHMG. No new units of move-on accommodation will be funded through MOA after 31 March 1998.

5.2 For existing schemes in receipt of MOA, transitional arrangements will apply. Grant will continue to be paid in the form of Transitional Move-on Allowance (TMOA) until such time as the units are re-approved for SHMG. TMOA will only be paid on units which continue to meet the Corporation’s eligibility criteria.

5.3 Only self-contained property which received capital SHG under the provisions of the Housing Act 1988/1996 is eligible for receipt of TMOA. Property which was funded under any other regime or which has never received SHG is ineligible, even if it has subsequently benefited from major repairs SHG.

5.4 The following accommodation is eligible for TMOA:

- property specifically developed as move-on accommodation (either purpose-built, rehabilitated or re-improved) - referred to as purpose built move-on accommodation;

- property not specifically developed for move-on, but used for this purpose; i.e. ordinary re-let stock - referred to as re-let move-on accommodation;

- accommodation funded under the Rough Sleepers Initiative (RSI). Claims relating to such properties must be made on separate form MOA 2 and clearly identified as such.

5.5 The following accommodation is always ineligible for receipt of TMOA:

- any property which has benefited from SHG in excess of the norm grant payable on general needs housing; i.e. grant up to 100% of capital costs under the supported housing framework;

- any property in receipt of SHMG for the same period;

- any property in receipt of Higher Management Allowance (HMA) for the same period;

- any unit originally funded under the 1987/88 Challenge Funding Initiative;

- short life accommodation;

- vacant re-let units that initially attracted SHMG
6 ARRANGEMENTS FOR TMOA FUNDED MOVE-ON ACCOMMODATION TO TRANSFER TO SHMG FUNDING

6.1 With effect from 1 April 1998 the Corporation introduced transitional arrangements which apply to all RSLs in receipt of TMOA as at 1 April 1998, including claims under the Rough Sleepers Initiative (RSI).

6.2 An RSL’s entitlement to revenue funding through TMOA is frozen as at 31 March 1998. In addition the amount of an RSL’s TMOA is subject to a maximum entitlement.

6.3 An RSL’s maximum entitlement to TMOA in 1998/99 and in subsequent years will be no more than 125% of the final determination of MOA claimed for the year ended 31 March 1997.

6.4 An RSL may transfer its TMOA to other eligible units during the transitional period provided the number of units for which TMOA is claimed does not exceed the number funded as at 31 March 1998.

6.5 An RSL will be required to submit claims for TMOA in accordance with the transitional procedures until its portfolio of such units is assessed and re-approved under the SHMG Review arrangements.

6.6 These TMOA arrangements will continue to apply until an RSL’s portfolio of move-on units has been reviewed in accordance with the Corporation’s SHMG Review procedures when the re-approved units will be funded by SHMG.

7 PROCEDURES FOR CLAIMING TMOA DURING THE TRANSITIONAL PERIOD

7.1 An RSL will be required to make one annual claim for TMOA. On-account claims will not be required from 1 April 1998.

7.2 RSI claims will continue to be dealt with on separate forms, and these claims must be kept separate from non-RSI i.e. Approved Development Programme (ADP) claims for TMOA.

7.3 The amount to be paid on-account will be 75% of an RSL’s entitlement of TMOA, based on the Corporation’s estimate of the number of units in management and the appropriate rate of TMOA, subject to a maximum level of 125% of an RSL’s entitlement as at 31 March 1997.

7.4 On-account payments will only be made where an RSL undertakes to submit a valid final claim form.

7.5 The Corporation will send the final claim form to all RSLs who have made claims in previous years.

7.6 The forms should be completed in accordance with the procedures set out in Appendix 20.
7.7 Incomplete forms, forms not signed by a signatory authorised to make revenue grant claims or forms not received by the designated date will be returned unprocessed to the RSL and an on-account payment in respect of that year may not be made.

7.8 RSLs may replace the annexes to Form MOA 2 with their own spreadsheets. In these instances RSLs must ensure that all the required information is included, otherwise the claim will be returned unprocessed.

8 TREATMENT OF MOVE-ON UNITS IN THE SHMG REVIEW

8.1 Both existing move-on accommodation and new accommodation will be included in the cyclical SHMG Review procedures, and their eligibility for and the level of continued funding will be assessed in accordance with these review procedures.

8.2 The procedure for inclusion of units of Move-On Allowance in the SHMG Review is as follows:

Move-on units approved after 1st April 1998 - these will be eligible for review providing the date of first letting is such that the units have received, or been eligible for, SHMG, for a minimum period of twelve months by the end of the RSL’s accounting period immediately preceding the period in which the review is taking place.

8.3 The rules for the review of these schemes will be the same as for other units of supported housing. The Corporation will usually expect all of an RSL’s move-on units to be grouped into a single management group, one group for each Corporation Region, subject to the usual rule regarding grouping of schemes managed by different managing agents. Also the Corporation will not allow ADP and RSI funded projects to be included in the same management group.

8.4 Move-on units subject to the transitional arrangements - these units will be included in the RSL’s portfolio of supported housing subject to the review arrangements from the date when the RSL next participates in the Review process, and will continue to be subject to the cyclical review procedures.

8.5 These units will be subject to the same process of assessment in setting the level of funding as other supported housing schemes. However, the Corporation will not expect the RSL to provide outturn financial year information for the management group at the time of their first SHMG review. At subsequent reviews however, such information will be required.

9 GUIDANCE ON COMPLETION OF A FINAL CLAIM FOR MOA

Part 1 - General Details

9.1 Please complete this section in BLOCK CAPITALS, giving the name of the person who should be contacted regarding any queries that may arise.
9.2 Please indicate whether or not the claim relates to properties capitally funded under the Rough Sleepers Initiative (RSI). Separate claims must be made for ADP and RSI funded projects.

**Part 2 - Calculation of Move-on Allowance and Claim**

9.3 This part of the form draws information from the annexes. You will find it easier to complete the annexes before proceedings. Please enter the allowances claimed as calculated in the annexes, and calculate the annual entitlement using the appropriate rate throughout.

9.4 The VAT enhanced rate only applies if a VAT-registered agency is managing the property on behalf of the owning claimant RSL.

9.5 Note that the annexes may be replaced by spreadsheets. Please ensure that all the required information is included, otherwise your claim will be returned unprocessed.

**Part 3 - Start and End of Year Positions**

9.6 This section collects data to enable the Corporation to record net changes in move-on units in management over the year.

**Part 4 - Certifications**

9.7 Please ensure compliance with eligibility as described in the attached documentation. The signatory must have been authorised by the RSL’s governing body and have been included on form SIG1 submitted annually to Investment Division at the Housing Corporation’s headquarters.

**Part 5 - Auditor’s Report to the Housing Corporation**

9.8 If the total MOA entitlement for a year (part 2, line 3) exceeds £2,500 please ask your auditor to sign the report, entering the total claimed.

**Annex Part 1 - Purpose built move-on accommodation**

9.9 Please list here all property specifically developed as move-on accommodation, whether purpose built, rehabilitated or re-improved.

9.10 Use Part 1 to enter the details of any purpose-built move-on accommodation in management during the year, either for part or all of the year, to which the per project maximum does not apply (see below).

9.11 Enter the Housing Corporation’s account number in column 1 and the address by which the project is known in column 2. Payment will not be issued in respect of any property for which incomplete or incorrect details are submitted. This will lead to disallowance of the relevant part of your claim and may lead to recovery of part or all of the on-account payment.
9.12 Enter dates in and out of management, entering the start date and end date of the appropriate financial year if the property was in management all year.

9.13 Enter the number of complete months during which the property was in management in column 5. This is obtained by applying the following rules:

- The month during which a property came into management will be eligible for MOA, regardless of the date;
- The month during which a property went out of management, regardless of the date, will not be eligible. For example,

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9.14 Any single property in management for two or more periods during the year should be listed on two or more separate lines, one for each period of management.

9.15 Please note that all claims will be processed according to these rules. Claims based on any other calculation, including a daily basis, will be returned unprocessed and on account payments will be recovered in due course.

9.16 Enter the number of units (tenancies) eligible for receipt of MOA in column 6.

9.17 Calculate the annual entitlement per property (Column 5 x Column 6) in column 7.

9.18 Total column 7 to obtain the total units x months in management for the year for purpose built move-on accommodation, to which the per project maximum does not apply, Box A.

9.19 Multiply Box A x B to obtain C, the total MOA claimed for this category of accommodation. Note that any properties which the VAT enhanced rate applies must be annotated in column 7 (indicate using a V in brackets) and calculated separately, using the VAT enhanced monthly rate.

**Annex Part 2: Re-let move-on accommodation**

9.20 Please list here all property not specifically developed as move-on accommodation, but used for this purpose for part or all of the year.

9.21 Enter the Housing Corporation’s account number in column 1 and the address by which the project is known in column 2.
9.22 Payment will not be issued in respect of any property for which incomplete or incorrect details are submitted. This will lead to disallowance of the relevant part of your claim and may lead to recovery of part of all of the on-account payment.

9.23 Enter dates in and out of management, entering financial year start and end dates, if the property was in management all year.

9.24 Enter the number of complete months during which the property was in management in column 5. This is obtained by applying the following rules:

- The month during which a property came into management, will be eligible for MOA, regardless of the date;

- The month during which a property went out of management, regardless of the date, will not be eligible. For example,

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<td>15.6.99</td>
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Any single property in management for two or more periods during the year should be listed on two or more separate lines, one for each period of management.

9.25 Please photocopy part 3 and continue on a separate sheet if necessary.

9.26 Please note that all claims will be processed according to these rules. Claims based on any other calculation, including a daily basis, will be returned unprocessed and on account payments will be recovered in due course.

9.27 Enter the number of units (tenancies) eligible for receipt of MOA in column 6.

9.28 Calculate the annual entitlement per property (column 5 x column 6) in column 7.

9.29 Total column 7 to obtain the total units x months in management for the year for re-let move-on accommodation, Box A.

9.30 Multiply Box A x B to obtain C, the total annual MOA claimed for this category of accommodation. Note that any properties which the VAT enhanced rate applies must be annotated in column 7 (indicate using a V in brackets) and calculated separately, using the VAT enhanced monthly rate.
1 GENERAL PRINCIPLES

1.1 SHMG is a revenue grant intended to contribute towards the additional costs incurred by RSLs in managing supported housing (that is, expenses above the costs of managing general needs housing). SHMG is not therefore available to fund items of capital expenditure.

2 INTRODUCTION

2.1 The Corporation’s Performance Standards require Registered Social Landlords providing both general needs and supported housing to know the condition of their stock and to demonstrate that they are making adequate financial provision for planned maintenance and re-improvement works to keep it in reasonable condition and fit for letting.

3 SINKING FUND PROVISION FOR MAJOR REPAIRS

3.1 From 1 April 2000 RSLs have been asked to start setting up sinking funds for major repairs in respect of all supported housing schemes. Consequently, we expect Submissions for Grant Confirmation (excluding floating support) to include provision for a sinking fund. However, SHMG is not able to contribute to these costs.

3.2 Costs associated with provision for a major repairs sinking fund will be expected to be met through rents, which are eligible for the ‘bricks and mortar’ element of Housing Benefit under transitional arrangements. Supported Housing rent levels must continue to comply with the Corporation’s rent influencing regime.

3.3 In 1999, the Corporation invited bids for major repairs funding under a three year programme known as the Major Repairs Initiative. Following allocation of all moneys under the Initiative, limited capital is still available under the ADP to fund major repair work which should be bid for in the usual way.

4 FURTHER GUIDANCE

4.1 RSLs should consult the Housing Corporation publication ‘Setting up sinking funds for supported housing’.

4.2 In conjunction with SITRA the Housing Corporation has issued ‘Managing Change: a guide to remodelling supported housing’.

4.3 Please also read the guidance ‘Treatment of Major Repair Sinking Funds in the Review’ found in Appendix 26 of this Guide.