

## Mutual Exchange Policy

### 1.0 Aim / purpose of the policy

1.1 Coastline is committed to offering mobility opportunities to its customers who wish to move. Mutual exchanges provide them with an opportunity to 'swap' their home with other Coastline customers, or with tenants from other Registered Providers and local authorities.

1.2 Mutual exchanges are a contractual right for customers with Assured tenancies, and allow them to move home, and are particularly useful to those who have low priority for a transfer. Customers with a Shorthold status such as those within the Probationary Period of the tenancy, Demoted tenancies or in Supported housing do not qualify for a Mutual Exchange.

1.3 Coastline has 42 days to determine whether to approve or refuse a mutual exchange.

### 2.0 Background / Introduction

2.1 The purpose of this policy is to:

- provide clear guidance to tenants and colleagues when processing mutual exchanges, so that they take place lawfully and without unnecessary delay;
- Encourage the use of mutual exchanges so Coastline achieves the best utilisation of its stock while minimising the risks of inappropriate moves;
- Enable flexibility, mobility and choice for customers;
- Provide advice, assistance and a framework for completing a mutual exchange application; and

Ensure that exchanges are carried out in compliance with current Housing Law and Good Practice.

### 3.0 Customer service

3.1 Coastline aims to provide excellent customer service in respect of mutual exchanges. To achieve this, we will:

- Subscribe to HomeSwapper so that tenants may easily find exchange partners. <https://www.homeswapper.co.uk/>;
- Make it easy for customers to apply for an exchange;
- Inspect properties and identify repairs that are the customer's responsibility within 10 working days of receiving the application;
- Keep customers and other landlords informed of the progress;
- Aim to give a decision on an exchange within 6 weeks; and

Provide a summary of the exchange process on our website.

### 4.0 Rent In Advance and Charges

4.1 All customers are required to pay one month's rent in advance at the start of the tenancy, in accordance with the terms of the tenancy being taken on. Thereafter rent and service charges will be paid in advance.

4.2 All customers are required to pay £100 towards the cost of the safety checks. This is made up of a £75 payment towards the cost of the safety checks and a £25 non-refundable

administration fee. This payment will be required when the application is made and therefore it is imperative that there are no issues with the tenancy at the time of application. Properties must be in good condition and rent accounts should be at least two weeks in credit. An exchange will not be progressed until this payment has been received.

- 4.3 In the event of an exchange being cancelled by any party or refused by any landlord before the safety checks have been undertaken, Coastline will issue a refund of £75. If safety checks have already been undertaken and the exchange is cancelled, no refund will be given.

## 5.0 Permissions and Refusals

- 5.1 To ensure that we have a consistent approach with the letting of our homes, this policy mirrors our Lettings Policy which has measures in place to ensure that new customers are able to maintain tenancies and that we create sustainable communities.

Coastline and all social landlords administering mutual exchanges will need to operate within the housing law. Section 92 of the Housing Act 1985 permits social tenants to assign their tenancy by way of mutual exchange. Under Section 92, the social landlord can only refuse the exchange on one the grounds within Schedule 3. Schedule 14 of the Localism Act 2011 also sets out the grounds for refusal. The grounds for refusal under Schedule 14 are set out in Appendix 1.

- 5.2 In most cases the mutual exchange will be approved, there are some instances where permission will be refused, if there are reasonable grounds to do so. Refusal for a mutual exchange will be on the following areas:
- Any exchange partner has outstanding debts with Coastline relating to current or previous arrears or recharges. Where extenuating circumstances apply including Domestic Violence, under-occupation, over-crowding, persons at risk, or persons occupying a property identified as a disposal, the Income Theme Lead may authorise these debts to be paid through an ongoing agreement;
  - The tenancy is still within the probationary period or the probationary period has been extended;
  - The tenancy of either party has been demoted, under Notice or a Possession Order, or there is on-going action for anti-social behaviour involving any household members or invited guests;
  - There have been reports of anti-social behaviour against the proposed incoming exchange partner within the last three years of application;
  - Either property would be overcrowded or under-occupied as a result of the exchange;
  - The customer has not been able to demonstrate that the rent is affordable, or returns a 'High Risk' or 'Very High Risk' score on the credit check and they are unable to demonstrate that they are effectively managing their debts;
  - The incoming exchange partner would breach or conflict with Coastline's charitable rules;
  - The incoming exchange partner would not need existing disabled adaptations in a Coastline home, or would not meet the conditions for special housing types.
  - The Coastline customer, has rent arrears or owes any other money to Coastline.
  - The Coastline customer, their household or invited guests has damaged the property;

- The Coastline customer has carried out DIY that in the view of Coastline poses a Health and Safety risk. If the issue is resolved/repaired permission will usually be granted.
- The incoming customer has a support need or vulnerability that means they would be unable to meet the terms and conditions of their tenancy without additional support which it has not been possible to secure;
- There is a local lettings plan in place and it is deemed inappropriate to rehouse an applicant in an area where there have been issues which would exacerbate an existing neighbourhood problem or exacerbate the issues identified;
- Failure to meet or evidence the local connection criteria where a property has a s106 attached to it;
- Inappropriate conduct towards staff.

5.3 For those tenants who have either mutual exchange refused, for one of the reasons stated above, Coastline will administer an Appeal process, whereby the mutual exchange application is reviewed by the Tenancy Manager.

## 6.0 Affordability

6.1 To ensure we have a consistent approach with the letting of our homes, this policy mirrors our Lettings Policy which has measures in place to ensure that new customers are able to afford the rent charged on the property and maintain tenancies.

## 7.0 Property sizes, tenancy types and associated fees for safety checks

7.1 Coastline will usually ensure that mutual exchanges are carried out in accordance with the accommodation size criteria, stated in its Lettings Policy. This will protect customers from potential benefit caps and unaffordability issues.

7.2 However, Coastline will occasionally allow a household to under-occupy by not more than one bedroom after an exchange, if the incoming customer can reasonably afford the rent. The tests for making sure a customer can afford the rent are the same as those contained in the Housing Option Review (HOR).

7.3 All exchanges involve extra gas and electrical safety checks to guarantee health and safety. Customers will be asked to pay a fee to contribute towards the cost of these, as set out in 3.0.

7.4 Given the statutory framework that governs some tenancies, it is recognised that different factors need to be considered in making an exchange happen, and the methods used may differ. In particular:

- Exchanges should not be permitted where customers have yet to successfully complete the Probationary period, or any extended Probationary period, under their tenancy agreements;

- An exchange between may be achieved by accepting the surrender of the existing tenancy and the granting of a new tenancy. A new tenancy agreement will be issued to the exchanging customer/s.

## 8.0 Section 106 Agreements

- 8.1 Section 106 Agreements are made under town and country planning legislation, and make planning permission subject to certain conditions. In the context of lettings and exchanges these may seek to restrict lettings to people with local connections.
- 8.2 Coastline will have regard of Section 106 Agreements where relevant, and will refuse applications where the Section 106 Agreement principles would be broken.

## 9.0 Appeals

- 9.1 Where a tenant disagrees with a decision made during the mutual exchange process, they should appeal in writing to the Tenancy Manager.
- 9.2 The Tenancy Manager will review the mutual exchange process taken and the decisions reached, and will reply to the tenant within 10 working days with a determination.
- 9.3 If the tenant remains unhappy following this reply, the matter may be processed through the Company's Official Complaints Procedure.

## 10.0 Definitions

- 10.1 **Exchange partner** – Tenant with whom the applicant wishes to exchange. This may mean a tenant from another organisation.
- 10.2 **Housing Options Review Form (HORF)** - The form used to assess an applicant's circumstances to identify whether he or she has sufficient income to sustain rental payments. The HORF was introduced by the Company's Tenancy Policy in July 2012.
- 10.3 **Tenant mobility** - The ability of tenants to secure moves to different areas or to properties of different type or size, whether with the same landlord or between landlord, without giving up significant security of tenure.
- 10.4 **Size criteria** – The number of bedrooms that a family can reasonably occupy without falling foul of the 'bedroom tax'.
- 10.5 **Bedroom tax** – This is the benefit cap applied when a family under-occupies a home, based on the 'size criteria' in Coastline's Lettings Policy and Department of Works and Pensions definitions.

### Legal influences on this policy:

**Localism Act 2011**

**Housing Act 1985**

**Housing Act 1988**

**Housing Act 1988 (as amended)**

### Appendix 1 – grounds for refusal, Schedule 14 of the Localism Act 2011

Ground 1 - Rent which is lawfully due from any tenant has not been paid.

Ground 2 - An obligation under the tenancy agreement of any tenant has been broken or not performed.

Ground 3 – Any tenant is subject to a Court Order for possession.

Ground 4 – This Ground relates to secure tenants only, wishing to mutually exchange into a Coastline home from a Council, who is subject to the following –

Proceedings have begun for possession, and possession is sought on one or more of grounds 1 to 6 in Part 1 of Schedule 2 to the Housing Act 1985; or

A notice has been served under section 83 of Housing Act 1985, and the notice specifies one or more of these grounds, and is still in force.

Ground 5 - This Ground relates to assured tenants only, wishing to mutually exchange, who is subject to the following -

Proceedings have begun for possession, and possession is sought on one or more grounds in Part 2 of Schedule 2 to the Housing Act 1988; or

A notice has been served under section 8 of Housing Act 1988 (As amended), and the notice specifies one or more of these grounds, and is still in force.

Ground 6 - Either of the following conditions is met:

- A relevant possession order or suspended possession order, granted for anti-social behaviour, is in force in respect of the tenant or a person residing with the tenant;
- An application is pending for such an order, or a demotion order in respect of the tenant or a person residing with the tenant;
- An injunction has been applied for, or granted under
- Section 153A, 152, 153B or 153D of the Housing Act 1996 for anti-social behaviour;
- Section 1 of the Crime and Disorder Act 1998; or
- Section 91 of the Anti-social Behaviour Act 2003;
- Anti-social Behaviour, Crime and Policing Act 2014

Ground 7 - the mutual exchange will result in one tenant substantially under-occupying a property.

Ground 8 - the extent of the accommodation is not reasonably suitable to the needs of the tenant (and family) to whom the tenancy is proposed to be granted.

Ground 9 - The dwelling house proposed to be let on the new tenancy:

Forms part of a building that is held mainly for purposes other than housing, and consists mainly of accommodation other than housing accommodation, or is situated in a cemetery; and was let because the tenant was in the employment of:

- The landlord under the tenancy;
- A local authority;
- A development corporation;
- A housing action trust;

- An urban development corporation; or
- The governors of an aided school.

Ground 10 - The landlord is a charity and the proposed assignee's occupation would conflict with the objects of the charity.

Ground 11 - The dwelling is adapted for a physically disabled person and if the exchange took place, no such person would be living in the dwelling.

Ground 12 - The accommodation is for persons whose circumstances make it especially difficult for them to satisfy their housing needs, and if the exchange took place there would be no such person living in the dwelling.

Ground 13 - The dwelling is one of a group which is let to persons with special needs and a social service or special facility is provided close by in order to assist the tenants, and if the exchange took place there would be no person with special needs living in the dwelling. This would apply to the sheltered complexes in particular.

Ground 14 - The dwelling is the subject of a management agreement where the manager is a housing association of which at least half of the members are tenants subject to agreement, and at least half of the tenants of the dwelling are members of the association, and also that the proposed assignee is not such a member nor is willing to become one.