

Mutual Exchange Policy

1.0 Introduction

- 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 The purpose of this policy is to provide clear guidance to tenants and staff when processing mutual exchanges, so that they take place lawfully and without unnecessary delay.

2.0 Customer service

- 2.1 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 in the Customer Handbook and on the website.

3.0 Rent in advance

All customers are required to pay 2 weeks in advance at the start of the tenancy. Thereafter rent and service charges will be paid in advance, with rent accounts remaining at least two weeks in credit.

4.0 Safety check charge

All customers are required to pay £100 towards the cost of the safety checks from January 2017. There will be an annual increase subject to CPI. 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.

4.1 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 Before exchanging, applicants need consent from their landlord and the landlord of their 'exchange partner'. Coastline will only withhold consent where there is good reason.

5.2 If an exchange is refused the reasons will be made clear and the customer will have the right to a review of the decision.

5.3 Coastline may refuse an exchange on grounds set out in the list at 3.5 below, or schedule 14 of the Localism Act 2011. Where applicable, we will have regard to the grounds listed in the Housing Act 1985.

5.4 Coastline will generally refuse an exchange where:

- The tenancy is still within the probationary period or the probationary period has been extended;
- The tenancy has been demoted; The customer is under Notice or a Possession Order, or there is on-going action for anti-social behaviour involving any household members or invited guests;
- There would be overcrowding or under-occupation;
- The incoming customer has requested under-occupancy of more than one additional bedroom;
- The customer has not been able to demonstrate that the rent is affordable, under the terms of the Housing Options Review Form (HORF);
- The incoming exchange partner would breach 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 Coastline money on other debts;
- The Coastline customer, their household or invited guests has damaged the property;
- There is a pond or water feature at the property which will need to be removed and filled before an exchange will be considered;
- 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; or
- The exchange partner:
 - has a history of antisocial behaviour, including domestic abuse or Hate Crime with Coastline in the past, or with their current landlord as a tenancy holder or household member
 - has support needs that cannot be met;

- has any outstanding debts with Coastline, including re-charges;
- has a history of persistent rent arrears with Coastline in the past, or with their current landlord;
- cannot reasonably afford the rent; or
- needs disabled adaptations that cannot reasonably be put in or which cannot be paid for.

5.6 Coastline will exchange references with any other landlord involved. The other landlord may also have reasons to refuse the mutual exchange.

5.7 The grounds for refusal set out in schedule 14 of the Localism Act 2011 are:

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.

6.0 Property sizes, tenancy types and associated fees for safety checks

6.1 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.

6.2 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 HORF.

6.3 Customers who exchange into a Coastline home will be given a 'lifetime periodic' tenancy unless they are coming from a 'fixed term' tenancy or exchanging with a tenant with a 'fixed term' tenancy on an affordable rent.

6.4 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 4.0.

6.5 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;
- Exchanges between lifetime periodic customers should normally be achieved by mutual assignments of tenancies;
- An exchange between lifetime periodic customers may be achieved by accepting the surrender of the tenancy and the grant of a new tenancy where one customer has rent arrears due to the bedroom tax. This is necessary to ensure that the exchanging customer retains liability for rent arrears and meets the objectives of under-occupation and downsizing;
- Exchanges where one or both customers hold a fixed term tenancy should be achieved by accepting the surrender of all tenants involved, and the granting of a new fixed term tenancy agreement.

7.0 Gas Appliances

Gas appliances that the customer has purchased and has had installed in their home, such as gas cookers, gas fires etc. must not be left at the property for the new customer unless;

- It has been purchased by the incoming customer for a nominal fee;
- The incoming customer has advised us in writing that they have purchased a gas appliance from the person with whom they are exchanging;
- The incoming customer details in writing that they accept full responsibility for the items that they have purchased;
- The purchase cost of the item is detailed in their correspondence.

7.1 If a gas appliance is not required by either customer, it will be removed by Coastline and the cost will be re-charged to the outgoing customer.

7.2 All gas appliances have to be disconnected and the supply capped off by a registered Gas Safe engineer, and a certificate supplied on the day of exchange.

7.3 Coastline is not responsible for these items and will not repair or replace them in the

future.

- 7.4 All customer owned gas appliances will, during the annual service visit, have a safety check carried out on them, in-line with the gas safety (Installation & Use) Regulations 1998, and if any faults or issues are identified, the customer will be informed, and the appliance shut down and capped off, and all repairs will be the responsibility of the customer

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 Permissions and Recharges

This policy works in conjunction with the permissions and recharge policies.

10.0 Procedures, Monitoring and Review

- 10.1 Where a tenant disagrees with a decision made during the mutual exchange process, they should appeal in writing to the Tenancy Manager.
- 10.2 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.
- 10.3 If the tenant remains unhappy following this reply, the matter may be processed through the Company's Official Complaints Procedure.

11.0 Definitions

- 11.1 **Exchange partner** – Tenant with whom the applicant wishes to exchange. This may mean a tenant from another organisation.
- 11.2 **Assignment of tenancy** - The transfer of a tenant's rights and duties under the tenancy agreement to a qualifying person. The tenancy does not end, but is merely transferred to another person.
- 11.3 **Bedroom Tax** - Provisions in the Welfare Reform Act to cut the amount of Housing Benefit where tenants are deemed to under-occupy their home.
- 11.4 **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.
- 11.5 **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.

- 11.6 **Size criteria** – The number of bedrooms that a family can reasonably occupy without falling foul of the ‘bedroom tax’.
- 11.7 **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.