



# Mutual Exchange Policy

<b>Approved by</b>	Senior Management Team
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<b>Policy developed by</b>	Head of Housing Services
<b>Associated procedure</b>	Mutual Exchange Procedure

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# Introduction

## 1. Purpose

- 1.1 The purpose of this policy is to set out the rules that will be applied by the landlords within Connexus when a tenant wishes to exchange with another tenant by way of assignment.
- 1.2 Scope: The policy applies to the whole of the Group. This means Connexus Homes Limited, (ultimate parent) and all of its subsidiaries.

## 2. Problem to Solve

- 2.1 Promoting mutual exchanges encourages tenant mobility and tenant choice and thereby helps to create sustainable communities. In general, therefore, it is our policy to approve exchanges provided that the incoming applicants complies with the Connexus Lettings Policy and that there are no breaches in the conditions of tenancy.
- 2.2 A mutual exchange is generally undertaken by a deed of assignment through which a tenant takes over the Tenancy Agreement of the tenant that they are exchanging with. As such, most of the obligations, entitlements and limitations of a tenancy are assigned with it. In order to comply with the Localism Act 2011 there are, however, important exceptions to this which may mean that a new tenancy is granted and the landlords exchanging tenants will need to ensure that they are aware of any potential implications on tenancy rights.

## 3. Method/s

- 3.1 We will respond to all mutual exchange applications promptly, fairly and efficiently and in accordance with the requirements of our Mutual Exchange Procedure.
- 3.2 We will make a decision about whether or not a mutual exchange has been approved and we will confirm this decision in writing. Where a mutual exchange request has been refused we will give the reasons for this.
- 3.3 Some of the reasons why we may not agree to an exchange are as follows. The list is illustrative, but not exhaustive:
  - The tenant or the proposed assignee has rent arrears or is subject to a possession order or a suspended possession order or such proceedings have begun.
  - An Anti-Social Behaviour Injunction, Anti-Social Behaviour Order (ASBO) or Demotion Order is in force against the tenant, the proposed assignee or a person living with a party to the exchange, or where any such an application has been made.
  - If any clause in the tenancy agreement has been broken or not complied with.

- The exchange would lead to a property becoming over-crowded
  - The exchange would lead to a property becoming under-occupied by more than 1 bedroom. We would only allow under-occupation if the incoming tenant could afford to live at the property.
  - One of the properties is adapted or designed for occupation by an older person and the proposed assignee is not an older person or has support needs specific to that property.
  - The property is subject to a planning restriction, for example it was built to house a local person and the proposed assignee does not fulfil the eligibility criteria.
  - The tenant is a starter tenancy
  - Where there is a local lettings policy in force and the incoming tenant does not meet the policy criteria.
  - Where our property is being considered for disposal.
  - Where the property is unaffordable to the proposed assignee.
- 3.4 Where there are rent arrears, outstanding rechargeable repairs, or some other issue with the tenancy that must be resolved before an exchange can take place, we may give provisional permission to exchange, conditional upon these issues being remedied.
- 3.5 Where the proposed exchange is with a tenant of another housing association or a local authority we cannot give permission for the exchange to proceed until the consent of the other landlord has been received. In addition, we will require a report confirming that the tenancy of the proposed assignee has been conducted satisfactorily.
- 3.6 We will give general advice on the implications of taking over the tenancy agreement of another tenant. However, it remains the tenant's responsibility to ensure that they are satisfied with the conditions which attach to the tenancy and any loss of existing entitlement that this may entail. This will include where tenants have the Preserved Right to Buy.
- 3.7 Connexus will carry out an inspection of the property to identify any repairs that are the tenant's responsibility to carry out or unauthorised improvement or alterations which must be rectified, prior to approval of the exchange. Works identified during the property inspection and/or during the gas safety checks that are deemed to be caused by the tenant's own actions will be responsibility of the tenant to rectify at their own cost, and will need to be completed to a satisfactory standard prior to the approval of the mutual exchange.
- 3.8 Connexus will issue a valid Gas Safety Certificate to the incoming tenants and an Energy Performance Certificate.
- 3.9 Connexus may choose to waive its right to refuse an exchange where there are rent arrears, and the proposed exchange would prevent further accrual of the arrears and where a payment plan can be agreed to clear the existing arrears.
- 3.10 Connexus will only consider waiving its right to refuse a mutual exchange if the exchange would improve the tenant's financial situation, resolve under-occupation and result in a repayment of outstanding arrears.

- 3.11 Prior to entering into such an agreement with the tenant, approval must be sought from an appropriate Manager.
- 3.12 There are no circumstances under which Connexus would waive the right to collect rent lawfully due or write off arrears of tenants.

## **4. Measurement**

- 4.1 Senior Management Team should ensure that Managers make all relevant colleagues in their teams aware of their responsibilities in relation to the policy.
- 4.2 It is the responsibility of all colleagues involved with mutual exchange processing to implement the policy.
- 4.3 Regular monitoring will take place to ensure that Connexus is dealing with applications in line with this policy. Monitoring will be carried out by the Senior Housing Assistant.