



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

MUTUAL EXCHANGE PROCEDURE HOUSING

Related policy	Tenancy Management Policy
Date for review	August 2024
Procedure author	Andre Ford-Hamilton, Tenancy Services Team Leader
Procedure owner	Jodie Archer, Head of Housing Services
Approved by	Jodie Archer, Head of Housing Services

Revision history			
Version	Date	Revision description	Procedure author
1	March 2024	Review	

NEW PROCEDURE / PROCEDURE REVIEW	
New procedure	No
Early review – change in legislation	
Early review – significant changes in practice	
Review due – significant changes	
Review due – cosmetic changes or unchanged	August 2024
Other reason	

Reason for new policy / summary of changes

Revision of housing service

CONSULTATION

List of people/roles who have been consulted	Date

DISSEMINATION

Role	Awareness	Essential
Housing Officer		Y
Housing Assistant		Y

TRAINING

Role	Trainer	Date completed
Housing Officer	Tenancy Services Team Leader / Tenancy Services Manager	Completed January 2024

MONITORING AND COMPLIANCE

Method	Responsibility	Frequency
Audit	Tenancy Services Manager	Annually

1 Purpose of the Procedure

This procedure sets out the way in which South Kesteven District Council will ensure the mutual exchange process is carried out efficiently, effectively, consistently and in line with legislation.

2 Legal / Regulatory Framework

Housing Act 1985

Localism Act 2012

3 Responsibilities

Housing Assistants:

- a) To check whether exchange can go ahead in line with legislation
- b) To complete mutual exchange property inspection
- c) To prepare mutual exchange paperwork for the Housing Officers

Housing Officers:

- a) To complete the mutual exchange sign up
- b) To ensure paperwork is passed to Rents for system to be updated

Tenancy Services Team Leader:

- a) Review all documents and approve final sign off of mutual exchange

4 The Procedure

Initial Contact

- 4.1 Contact received from tenant advising they have found a household they wish to exchange properties with.
- 4.2 Mutual exchange application form (Appendix 1) is sent, along with Mutual Exchange Cover Letter (Appendix 2), to both the tenant who made contact and the proposed exchangee.
- 4.3 Notes are added to the tenant's QL tenancy notepad confirming application form sent and the details of the proposed exchangee.

5 Receipt of Application

- 5.1 On receipt of an application for mutual exchange, the Housing Assistant scans/saves the document within the mutual exchange folder in the property file.

NB. Application forms received from a non-tenant are saved within tenancy documents of the tenant whom they are exchanging with.

- 5.2 Within 3 working days of receipt of a tenant's application form, the Housing Assistant checks whether there is any immediate reason to refuse mutual exchange and refers to the Mutual Exchange Guidance notes (Appendix 14).
- 5.3 Non-Secure/Introductory/Assured-Shorthold Tenancies:

- 5.3.1 If the tenant is a Non-Secure, Introductory or Assured-Shorthold tenant, the Housing Assistant sends the tenant a Refusal Letter 1 (Appendix 3), saves a copy to the mutual exchanges folder and adds a note on the tenant's notepad on QL.

- 5.4 Secure Tenancies:

- 5.4.1 The Housing Assistant creates a Mutual Exchange Checklist (Appendix 4) for the case and saves it in the mutual exchanges folder within the property file, which needs to be updated throughout the exchange process.
 - 5.4.2 Once all parties' application forms have been received, the Housing Assistant considers the current tenant's occupancy levels, exchangee's household composition and needs to ensure best use of stock.
 - 5.4.3 If there will be under-occupancy or a property is not suitable due to disabled adaptations not being required, the Housing Assistant will consider refusal.
 - 5.4.4 If one of the parties is not a South Kesteven tenant then the Housing Assistant will send reference requests (Appendix 12), preferably via email, to their current landlord, saves a copy of the request to the mutual exchanges folder in the property folder and updates the checklist.
 - 5.4.5 On receipt, the completed reference is saved to the mutual exchanges folder in property folder.

6 Inspection

6.1 The Housing Assistant inspects each room of the property and all external areas, completing the property inspection form (Appendix 5) and taking photos where necessary. The Housing Assistant must take the following into account:

- **Health and Safety**

- Clear access and exit routes to/from each room?
- Accumulation of waste in the property?
- Ability to cook without the risk of fire?
- Evidence of human/animal faeces within the property?
- Gas/electrical appliances been tampered with?
- Evidence of pest infestation?
- Floor coverings causing slip/trip hazard?
- Stairs obstructed?

- **Damage**

- Walls, Ceilings, Floors, Doors, Windows, Bathroom Suite, Kitchen Units and/or fencing.

- **Hoarding/Clutter**

- Each room should rate below 4 on the clutter scale.

- **Cleanliness**

- Surfaces require more than a simple wipe?
- Dust or dirt visible without close observation?

6.2 The Housing Assistant notes any improvements the tenant has made and establishes if the tenant will be removing these or if they will be left for the new tenant.

6.3 The Housing Assistant advises the tenant that a schedule of works (Appendix 6 and Appendix 7) will be sent to the exchangee for them to decide whether they will accept responsibility for the condition of the property including its decoration and any improvements. ****Please note if the condition of the property is worse than the standard we would let it in, then we must consider approval with conditions (see Approval with Conditions below).****

7 Post Inspection

7.1 The Housing Assistant completes a schedule of works which is sent to the exchangee either by email or post asking for the exchangee to confirm they are happy to accept the condition of the property, the schedule of works

can be then be signed at the sign-up appointment. The schedule of works and inspection form are saved to the mutual exchanges folder.

- 7.2 If the exchangee indicates they do not wish to accept responsibility for the condition of the property then the Housing Assistant sends the tenant the Withdrawal Letter (Appendix 13) and informs the Housing Officer so they can consider enforcement action against the tenancy due to poor property condition.
- 7.3 The Housing Assistant completes a landlord reference for the tenant and sends to other landlord. A copy of the reference is saved in the mutual exchanges folder.

8 Decision Making

- 8.1 The Housing Assistant considers whether there are grounds for refusal under Schedule 3 of the Housing Act 1985 or Schedule 14 of the Localism Act 2011.
- 8.2 If the Housing Assistant establishes ground(s) for refusal, the Housing Officer will consider refusing the exchange, taking into account the tenant's current circumstances and best use of stock.
- 8.3 If the Housing Assistant decides to refuse the exchange, the refusal process is now followed.
- 8.4 If the mutual exchange is not to be refused, the Housing Officer considers if the exchange may be approved with conditions, as per subsection 5 of section 92 of the Housing Act 1985.

Approval with Conditions

- 8.5 There may be some situations in which we do not have grounds to refuse a mutual exchange but there are outstanding issues on the property which must be resolved. This can include rent arrears and rechargeable repairs. We should not allow a mutual exchange to take place between properties if our property does not meet a standard that we would be happy to let it in.
- 8.6 In these cases, we should approve the exchange but note and inform the applicant(s) that this is subject to certain conditions being met. Where there are rent arrears, we should approve the exchange subject to the rent arrears being cleared. If arrears have not been cleared prior to the date of proposed sign up, we will not proceed with the sign up.
- 8.7 If the condition of the property is worse than the standard we would let it in, we should advise the applicant(s) that the exchange is approved subject to

the property meeting a lettable standard. Repairs must provide a breakdown of rechargeable repairs and we should advise the applicant of the cost to bring the property back up to standard. The tenant has the option to pay the Council for the cost of the works cost and we will arrange for these works to take place or alternatively arranging for these works to be completed themselves. Applicants must be informed that any works they arrange will be subject to inspection by our Repairs Team. If we complete the works or are satisfied that the works have been completed to an acceptable standard, then a date for sign up can be arranged after this.

- 8.8 No sign ups should take place until conditions have been met.
- 8.9 If the mutual exchange involves another landlord, the Housing Assistant liaises with the landlord to confirm the exchange has been agreed by them. If the exchange has been refused by the other landlord, then the Housing Assistant informs the tenant and sends out "Refused by 3rd Party" letter (Appendix 16).
- 8.10 The Housing Assistant establishes, in line with Housing Act 1985 and Localism Act 2011 and Mutual Exchange Guidance Notes (Appendix 14), if the exchange will take place through assignment or surrender and issue of new tenancy and informs the tenant accordingly.
- 8.11 If all landlords have consented to exchange, the Housing Assistant liaises with all parties involved to agree a date to sign the paperwork and the commencement date of the assignment/tenancy before passing to the Tenancy Services Team Leader for final sign off.

9 Refusal

- 9.1 The Housing Assistant contacts all involved parties by telephone to advise the mutual exchange has been refused.
- 9.2 The Housing Assistant amends and sends Refusal Letter 2 (Appendix 8) to all parties, confirming the exchange has been refused and the grounds under which this decision has been made. The refusal letter is then saved to mutual exchanges folder in property files folder.

10 Pre Sign up

- 10.1 The Housing Assistant will prepare all paperwork prior to the sign up appointment taking place:
 - 10.1.1 Exchange by Assignment
 - Mutual Exchange Sign up Checklist (Appendix 9)
 - Deed of Assignment (Appendix 10) for each Council property x 3

- Signed Schedule of Works for each Council property x 3
- Copy of Tenancy Agreement being assigned x 2
- Tenancy Handbook (for each Council property)

10.1.2 Exchange by Surrender and New Tenancy

- Mutual Exchange Sign up Checklist
- Tenancy Surrender (Appendix 11) x 2
- Tenancy Agreement x 2
- Signed Schedule of Works for each Council property x 3

11 Sign up

11.1 The Housing Officer ensures the mutual exchange sign up checklist is followed and all parties sign all documents as required.

11.2 The Housing Officer ensures all new tenants retain a signed deed of assignment and a copy of the assigned tenancy agreement or signed new tenancy agreement and a signed schedule of works.

11.3 Housing Officers ensure all former tenants retain a signed deed of assignment or signed tenancy surrender, and a signed schedule of works.

11.4 Housing Officers retain a signed deed of assignment and copy of the assigned tenancy agreement or signed tenancy surrender and signed new tenancy agreement; a signed schedule of works; the completed and signed mutual exchange sign up checklist.

12 Post Sign up

12.1 The Housing Officer passes the deed of assignment, or tenancy surrender and new tenancy agreement, to Housing Assistants who scan the documents to the property folder in Nassau.

12.2 Housing Assistants send a request of tenancy change to the Rents Team who terminate the current tenancy and create a new tenancy on QL.

NB. All appendix documents are contained within the Nassau (V:) Drive Mutual Exchanges Folder under Forms & Templates