

STATEMENT OF INTENT

The Saffron Group (referred to hereafter as ‘Saffron’) is committed to offering mobility opportunities to its tenants who wish to move. Saffron recognises that promoting mutual exchanges assists tenant mobility and can help to create sustainable communities through the best use of housing stock.

1.0 PURPOSE

- 1.1 This Policy is designed to set out Saffron’s position and approach to Mutual Exchange of tenancy.

2. MUTUAL EXCHANGE

- 2.1 Mutual exchange provides tenants with an opportunity to ‘swap’ their home with other Saffron tenants, or with tenants from other Registered Providers/housing associations and local authorities.
- 2.2 Saffron uses House Exchange Scheme (a national tenants’ mutual exchange scheme) to actively promote such moves.
- 2.3 Saffron will ensure that information about the right to exchange and procedures for seeking exchange partners and applying for the consent to exchange will be issued to all tenants through the tenants’ handbook and website. In addition, Saffron will publicise, from time to time, the availability of mutual exchanges.
- 2.4 Information to tenants relating to mutual exchanges will specify the effect on tenants’ rights of exchanging their tenancy, including the implications (if any) for the preserved Right to Buy.
- 2.5 Starter tenants cannot mutually exchange their home as their tenancy agreement does not permit this in the first year (or longer if this is extended). They are eligible to exchange once they have completed the probationary period of their tenancy and it has converted to a full Assured tenancy.
- 2.6 There are certain grounds on which Saffron would withhold consent for a mutual exchange. These are set out in Schedule 3 of the Housing Act 1985 and include:
- The tenant or the proposed assignee is subject to an order of the court for the possession of the dwelling-house of which he is the tenant.
 - Proceedings have begun for possession of the dwelling-house of which the tenant or the proposed assignee is the tenant on one or more of grounds 1 to 6 in Part I of Schedule 2 (grounds on which possession may be ordered despite absence of suitable alternative accommodation), or there has been served on the tenant or the proposed assignee a notice under section 83

(notice of proceedings for possession) which specifies one or more of those grounds and is still in force.

- The accommodation afforded by the dwelling-house is substantially more extensive than is reasonably required by the proposed assignee.
- The extent of the accommodation afforded by the dwelling-house is not reasonably suitable to the needs of the proposed assignee and his/her family.
- The landlord is a charity and the proposed assignee's occupation of the dwelling-house would conflict with the objects of the charity.
- The dwelling-house has features which are substantially different from those of ordinary dwelling-houses and which are designed to make it suitable for occupation by a physically disabled person who requires accommodation of the kind provided by the dwelling-house and if the assignment were made there would no longer be such a person residing in the dwelling-house.
- The landlord is a housing association or housing trust which lets dwelling-houses only for occupation (alone or with others) by persons whose circumstances (other than merely financial circumstances) make it especially difficult for them to satisfy their need for housing and if the assignment were made there would no longer be such a person residing in the dwelling-house. *(This would include breach of s.106 Planning Agreements in relation to local connection, see section 4)*

The grounds listed above are in the legal format set out in the Housing Act 1985 and can be generally described as:

- One of the tenants is involved in eviction or legal action by the landlord.
- The home one of the tenants wants to move to is much larger than required.
- The home one of the tenants wants to move to is too small for their household, and would be overcrowded.
- The occupation of the proposed new tenant would conflict with Saffron's charitable objects.
- The home is adapted for a person with special needs and nobody in the new tenant's household has such needs.

2.7 Saffron will consider the property to be 'substantially more extensive than is reasonably required' if the household seeking to exchange into its property would be considered to be under-occupying the property under housing benefit rules by more than one bedroom (whether or not they are in receipt of housing benefit).

2.8 Where this under-occupancy by one bedroom would occur as a result of the exchange, Saffron will advise the incoming tenant of the implication of such a move if they claim housing benefit now or in future, and that they must maintain any rent payments as a result.

- 2.9 Saffron will not agree the exchange if either tenant would become overcrowded as a result, using the number of recorded bedspaces as the guide.
- 2.10 Schedule 14 of the Localism Act 2011 deals with the criteria upon which Saffron may refuse to allow an exchange by surrender and re-grant. Many of the reasons for refusal mirror those in the Housing Act 1985.
- 2.11 Agreement to the exchange may be made conditional on factors including; the clearance of outstanding rent arrears, remedying the condition of the property (in relation to tenancy conditions requiring the tenant(s) to maintain the inside of the property in good condition and to undertake repairs to elements falling within the tenant's responsibility.).
- 2.12 An agreement may be made by Saffron to allow payment of rent arrears over an extended period after an exchange where they have arisen only as a result of the Housing Benefit Under-occupation deduction and the customer is moving to smaller accommodation to avoid this deduction being made in future.
- 2.13 The incoming tenant accepts the condition of the property 'as seen', however, Saffron will undertake repairs which are the responsibility of the landlord.
- 2.14 Saffron aims to process requests for a Mutual Exchange (regardless of the outcome) within 42 days as required in Section 91 of the Housing Act 1985 and the Localism Act 2011

3. THE LEGAL PROCESS

- 3.1 The legal requirements for completing a mutual exchange vary according to the type of tenancies being exchanged.
- 3.2 Section 158 of the Localism Act 2011 provides that pre 1 April secure and assured tenants will usually keep their security of tenure regardless of exchange. Where both tenants are pre 1 April 2012 secure and assured tenants the exchange may still be undertaken by assignment. However, in circumstances where a fully secure or fully assured tenant wishes to exchange with a fixed term tenant at a social rent, the exchange will be carried out by surrender and regrant of the tenancy, not by assignment. This will allow the assured or secure tenant to be granted a new assured or secure tenancy.
- 3.3 The protection provided to pre 1 April 2012 tenants does not apply where secure or assured tenants choose to exchange with a fixed term tenant who does not occupy at a social rent, so that pre or post 1 April 2012 tenants lose their existing security of tenure (and social rent status) if exchanging with a fixed term assured shorthold tenant (unless that tenant has a social rent). In these cases exchange continues to be achieved by deed of assignment.

- 3.4 While existing tenants with a tenancy starting before 1 April 2012 may retain the security of tenure enjoyed under their original tenancy before exchange by surrender and re-grant, they will only be able to retain this security once because should they exchange again they will fall outside the requirements of s.158 in that the tenancy would have commenced after 1 April 2012. Further, existing assured or secure tenants whose exchange is achieved by assignment, because they have chosen to exchange with another secure or assured tenant, should also be made aware that if the tenancy which is assigned to them commenced after 1 April 2012, they will not enjoy the protection offered by s 158 of the Localism Act should they choose to exchange again.

4. SECTION 106 PLANNING AGREEMENTS

- 4.1 Section 106 Agreements are made under Town and Country planning legislation, and make planning permission subject to certain conditions. These may restrict lettings to people with local connections to a particular village and its surrounding area. Saffron must comply with Section 106 Agreements where relevant, and will generally have to refuse applications where the local connection requirements of the Section 106 Agreement would not be met unless the local authority confirms otherwise.

5. HEALTH AND SAFETY

- 5.1 Gas, electrical, solid fuel or oil safety
- A gas, electrical, solid fuel or oil inspections must be undertaken at the time of the mutual exchange. It is the tenant's responsibility to allow the contractor into their home. If the gas, electrical, solid fuel or oil inspection is not done then the exchange cannot take place. This service is provided free of charge for tenants for the first mutual exchange application in any 12 month period.
 - If the mutual exchange application does not proceed following the gas, electrical, solid fuel or oil safety inspection of their home, checks required for further mutual exchange applications within the following 12 months (from the date of application of the first exchange) will be chargeable to the outgoing tenant and payable before the mutual exchange can proceed.

6. POLICY REVIEW

- 6.1 Saffron will review this Policy at least every 3 years or if the government revises its policy on Mutual Exchanges.
- 6.2 Saffron recognises that there may be circumstances where it will need and/or wish to take different or alternative action to that outlined in this Policy and it reserves the right to do so.

MUTUAL EXCHANGE POLICY

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