



PRIMA
GROUP

**Mutual Exchange
Policy**

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Mutual Exchange Policy

1 Aim of the Policy

Prima Group will promote Mutual Exchanges to encourage tenant mobility and to make the best use of our homes. Prima Group will:

- Encourage tenants who need to move to seek a mutual exchange.
- Make available an online facility for tenants to seek a mutual exchange free of charge (currently House Exchange: www.HouseExchange.org.uk).
- Ensure that mutual exchanges are carried out by way of assignment and that they comply with the law.
- Reinforce the express terms of tenancy agreements relating to the right to exchange properties and tenancies.
- Approve requests for exchange of homes wherever possible, and will only withhold permission if one or more of the grounds contained in Schedule 3 of the Housing Act 1985 apply.
- Advise tenants who apply for an exchange of any changes in their rights and terms of tenancy resulting from an exchange with a tenant with a different type of tenancy.
- Ensure that officers grant the correct type of tenancy to those who exchange; including those tenancies with preserved right to buy and do not confer rights on tenants who exchange to which they are not entitled.

2 Scope of Policy

This policy applies to both secure and assured tenancies. It does not apply to temporary tenancies, introductory tenancies granted under the terms of the Housing Act 1996, licensees, leaseholders or shared owners.

Tenants who exchange, accept the new home “as seen” and any damage caused by the outgoing tenant will become the responsibility of the incoming tenant.

The Housing Manager will authorise all requests for Mutual Exchanges.

3 Financial Liability & Rent

The exchanging tenants will meet any financial liability involved in repairing or reinstating the property that is the tenant’s obligation. The tenants will meet any financial liability in moving home, this includes payment of a fee to Prima Group for gas and electric safety checks prior to moving.

Before an exchange is allowed, we would need to make sure all parties rent is paid up to date and that there is no Court action against the tenants for possession of the property. We also check that the properties involved are the right size for the new tenants, not

overcrowded or under-occupied.

4 Mutual Exchanges

A mutual exchange is an exchange of 'rented' property where tenants mutually agree to swap their homes and tenancies, with the permission of their landlord.

The mutual exchange can be between any combination of tenants of the landlords listed below:

A tenant of Prima Group tenant can mutually exchange with:

- Another tenant of Prima Group.
- A tenant of another Registered Provider.
- A tenant of a local authority.

Most mutual exchanges are between two tenants, but they can be between any number of tenants provided that the series of assignments is self-contained. For clarity: each tenant must assign their tenancy to and receive an assignment of a tenancy from another tenant within the mutual exchange.

Examples:

- **Between two tenants:**
 - o A assigns their tenancy of house 1 to B; and
 - o B assigns their tenancy of flat 2 to A.
- **Between three tenants:**
 - o C assigns their tenancy of house 3 to D; and
 - o D assigns their tenancy of house 4 to E; and
 - o E assigns their tenancy of flat 5 to C.

In a mutual exchange, no new tenancies are created. This means that no new tenancy agreements are issued. If a new tenancy agreement is issued then there will not be an assignment, so there can be no mutual exchange. There would be a surrender of the existing tenancy and the creation of a new tenancy.

5 Right to Exchange

The Tenant has a right to exchange their tenancy by assignment with that of another assured or secure tenant of a registered provider or a secure tenant of a Local Authority or new town. This right is subject to the prior written consent of the Landlord, which can only be withheld on one or more grounds specified in Schedule 3 to the Housing Act 1985. Prima Group must notify the Tenant in writing, within 42 days of the date the Tenant's

application was received; specifying if the application is approved or if consent has been refused, and if refused on what grounds.

Under the terms of the tenancy agreement the Tenant agrees not to pay or accept a premium in connection with the assignment.

Secure tenants have a statutory right to mutual exchange under section 92 of the Housing Act 1985. This right cannot be overridden by the terms of their tenancy agreement.

Assured tenants - It is usual for Registered Providers to grant a right of mutual exchange to assured tenants (but not to assured shorthold tenants) that is equivalent to the right enjoyed by secure tenants. Prima Group's current assured tenancy agreement includes the right to mutual exchange for assured tenants; this is the same as the secure tenants as detailed above.

Prima Group's introductory tenants do not have the right to mutual exchange during the introductory period. However, this right is conferred once the tenancy has converted into an assured tenancy.

6 Effect of a mutual exchange

Following a mutual exchange, each tenant has been assigned the other tenant's tenancy, this includes all the rights and responsibilities associated with that tenancy; even if each tenant has a different type of tenancy.

Example:

A has a **secure** tenancy of house 1 and **B** has an **assured tenancy** of flat 2.

Following the mutual exchange:

- A will have an assured tenancy of flat 2 (even though they were previously a secure tenant); and
- B will have a secure tenancy of house 1 (even though they were previously an assured tenant).

Where there is a Right to Buy associated with the tenancy, it is important to note that this stays with the tenancy – it does not follow the tenant. A secure tenant who mutually exchanges with an assured tenant will lose their Right to Buy.

Succession rights and status follow the tenant and do not stay with tenancy. A tenant who is a successor remains a successor following the mutual exchange, even if there has been no succession in respect of their new tenancy. A tenant who is not a successor will not be a successor in respect of their new tenancy, even if there has already been a succession under that tenancy.

Example:

Tenant **A** holds the tenancy of property **1** following a succession. Tenant **B** lives in property **2** and has never succeeded to any tenancy. After the mutual exchange:

- Tenant B is not a successor so there may be a succession in respect of property 1 in the event of their death (even though there has already been a succession under this tenancy); and
- Tenant A is a successor so there can be no succession in respect of property 2 in the event of their death (even though there has been no previous succession under this tenancy).

7 Monitoring, Implementation and Performance

This policy will be reviewed as and when needed but as a minimum of every three (3) years.

This policy will be adhered to for every request for a mutual exchange.

Every request for a mutual exchange must be approved and signed by the Housing Manager or in their absence, the Group Head of Housing. Any requests that are dealt with outside of the legal timescales will be reported to Board.

8 Equality Impact Assessment

Prima welcomes feedback on this policy and the way it operates. We are interested to know of any possible or actual adverse impact that this policy may have on any groups in respect of gender or marital status, race, disability, sexual orientation, religion or belief, age or other characteristics.

The policy has been screened to determine equality relevance for the following equality groups: gender or marital status, race, disability, maternity or pregnancy, sex, sexual orientation, religion or belief, age or other characteristics.

9 Data Protection

In taking applications under the policy, we are aware that we will be handling personal information. All handling of the personal data will be conducted under the Group's Data Protection Policy ensuring compliance with the Data Protection Act 2018.

Personal data that is inappropriately accessed or disclosed may constitute a data breach. The GDPR (General Data Protection Regulation) requires organisations to keep a record of all data breaches and, where the breach is likely to result in a risk to the rights and

freedoms of individuals, the organisation must notify the Information Commissioner within 72 hours of becoming aware of the breach. If the data breach results in a high risk to the rights and freedoms of individuals, those individuals must be notified without undue delay.

10 Document Control Data

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Owner of the Policy:	Director of Customers & Insight
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