Solihull Community Housing
Shaping our neighbourhoods

Mutual Exchange Policy

2025

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Version Control:

Version	Date	Reason for Change
1.0	June 2025	New Policy

1. Scope

This policy sets out Solihull Community Housing's (SCH), on behalf of Solihull Metropolitan Borough Council (SMBC), to Mutual Exchange. This Policy is to promote choice and mobility for tenants and make the best use of our stock in meeting housing need.

Mutual exchange refers to the legal right of secure and assured tenants to swap their tenancies, with another customer of the Council, a local authority or another registered provider.

It outlines the responsibilities of both Solihull Community Housing (SCH) and the tenant, and the standards and obligations they both need to comply with during the mutual exchange process.

Customers on starter tenancies, shared owners, leaseholders, freeholders, those on periodic assured shorthold tenancies, licence agreements or assured shorthold tenancies where the initial fixed term was of less than two years are **not** eligible for mutual exchange.

2. Definitions

A mutual exchange is where two or more social housing customers swap homes with each other. Mutual exchanges can take place between customers of the same or different landlord but can only be carried out where all involved landlords give written consent to the mutual exchange. Not all customers are eligible for a mutual exchange and there are certain circumstances in which a landlord may refuse a mutual exchange.

Mutual exchanges are affected by either an assignment of the tenancies (a transfer of a tenancy from one person to another) or by a surrender and regrant of each tenancy in accordance with the relevant legal and regulatory provisions.

We will endeavour to give a decision on a mutual exchange request within 42 calendar days from the date of receipt of full and complete application forms from all parties.

3. Policy Objectives

The policy will:

- clarify our approach to mutual exchange
- clarify which tenancies have the right to a mutual exchange
- the type of tenancies we will grant to tenants following an exchange

- how we will manage applications
- the circumstances under which we will give or withhold consent to an exchange.

This policy provides options for customer mobility in addition to or as an alternative to a move via a local authority housing register or an internal move for exceptional reasons (managed move).

4. Policy Statement

This policy sets out our approach to mutual exchanges for all social housing tenants and licensees. It applies to SMBC, SCH and all subsidiaries.

We will maximise the opportunities available to our customers to exchange their home, subject to them meeting the requirements outlined in this policy.

We may promote opportunities available to affect a mutual exchange through such media as our websites, customer newsletters, or through social media and other specialist websites.

5. Key Policy Details

Key terms and definitions

A mutual exchange is where two or more social housing tenants swap homes by exchanging tenancies with each other. Mutual exchanges can take place between tenants of the same or different landlords but can only be carried out where both landlords give written consent to the exchange. Tenants take on the full rights and obligations of their 'new' tenancy, including the rent.

Not all tenants are eligible for mutual exchange and there are certain circumstances in which a landlord may refuse an exchange.

Assignment is the transfer of a tenancy from one person to another. When a tenancy is assigned, the rights and responsibilities of the tenancy are transferred from the original tenant to the new tenant. If a tenancy is assigned during a mutual exchange, the tenants take on each other's tenancies.

Surrender and re-grant are another method of exchanging tenancies, where both tenants surrender their current tenancies and are awarded new tenancies, not necessarily on the same conditions.

Our approach

We will consider applications for mutual exchange between our tenants or with tenants of another social housing provider. Exchanges can be two way or may involve multiple swaps in a chain. There are no limits to the number of times a

tenant may exchange, and tenants can apply to exchange again at any time after swapping homes.

We advise our tenants they must not give or receive money or any other incentive as part of an exchange and that we can take possession action if they do so.

We do not pay an incentive for downsizing for those exchanging to a smaller home or provide a removal expenses allowance.

Who can exchange – qualifying tenants

SMBC/SCH tenants qualify for mutual exchanges if their tenancy gives them a statutory or contractual right to exchange. The right to assign a tenancy is given to secure tenants by statute and to assured tenants by contract, but only for the purposes of an exchange.

This includes tenants who:

- hold a Secure tenancy, or an Assured or Fixed Term tenancy
- do not have rent arrears
- have not broken any of the conditions of tenancy
- have not been sanctioned for Anti-Social Behaviour
- have not applied for a property through Right to Buy
- are not subject to any court action, court order or injunction

We will carry out all the above checks once all parties have submitted an application with any relevant supporting documents. You will not be eligible for a mutual exchange if you do not meet these conditions

Tenants with a qualifying tenancy have a statutory or contractual right to exchange with another secure or assured tenant whose landlord is:

- a local authority
- a registered housing association or housing trust

Who cannot exchange – non-qualifying tenants

Tenants will not qualify for a mutual exchange if they do not have a statutory or contractual right to exchange. This includes tenants on a:

- Starter or Introductory tenancy
- Intermediate market rent tenancy
- Periodic assured shorthold tenancy
- Fixed term assured shorthold tenancy where the initial fixed term was less than two years
- Fixed term secure tenancy where the initial fixed term was less than two years
- Tenancy within a demoted tenancy period

- Private Tenants
- Licence agreement

Grounds for withholding our consent to an exchange

We can refuse the exchange if the property is:

- unsuitable for your household, for example if the property is too small, too large, or has adaptions designed for people with access needs
- designated to a restricted group such as Sheltered Housing schemes
- undergoing a potential stock transfer to a new landlord
- in a clearance or regeneration area
- the property has been identified as having or is in disrepair/unfit

Note that these grounds for refusal are not exhaustive

Written consent must be provided by both landlords for an exchange to be completed.

We may refuse a mutual exchange on any reasonable ground, including any of the grounds set out in Section 158 of the Localism Act 2011. These are largely the same as those set out in the Housing Act 1985 Schedule 3.

Where our tenant holds a secure tenancy, Fixed Term Tenancy or Assured Tenancy, we will usually make it a condition of granting permission for the exchange that any arrears are paid before the exchange takes place. Under certain circumstances, such as where there may be domestic abuse.

We may agree to a mutual exchange where a customer has rent arrears, but these must have arisen because of financial hardship caused by Welfare Reform such as the underoccupancy charge and where moving would demonstrably alleviate the hardship. These will be considered on a case-by-case basis with the decision being jointly made by the Home Options Manager, or the Housing Services Manager.

We may rely on any of the statutory grounds stated in schedule 14 of the Localism Act 2011 to refuse an exchange in cases where either tenant holds an assured tenancy or an assured shorthold fixed term tenancy of two years or more (social or affordable rent).

We will withhold consent where the home requires major adaptations to meet the needs of the proposed incoming tenant or their household.

We deem a home as being too large if an incoming tenant would under-occupy the home by more than one bedroom. This is according to the size criteria set out below. We only consider allowing a tenant to under-occupy if they are already under-occupying in their current home.

We only consider allowing an incoming tenant to move into a home that is deemed too small on the condition that the move would not result in statutory overcrowding. We allow for one bedroom for each person (single adult) or couple living as a household and an extra bedroom for:

- any other person aged 16 years or over
- two children of the same gender under the age of 21, or where/if age has been changed and or amended which is set out in our allocations Policy
- any two children of opposite gender under 10
- any other child who cannot be paired with another as above
- any other child aged under 16
- a child or adult who requires overnight care from a non-resident carer
- a child or adult who is unable to share a bedroom because of a disability
- an extra bedroom for an expected child once the pregnancy is 26 weeks and over
- storing large disability-related equipment, where this space is needed
- a resident who has been accepted as an adoptive or foster parent and requires an extra room at the time of assessment.

We will not allow any overcrowding in one-bedroom properties. We will make it clear to tenants who move into a property smaller than that required by our Allocations Policy that they must be sure that the property is suitable for their family's long-term needs and that they should not expect to be able to transfer into a larger home in the foreseeable future, subject to any changes in circumstances.

We will refuse an exchange where we have reason to believe that any tenant has offered or sought a financial incentive as a condition of the exchange.

We may refuse an exchange where the accommodation has been provided as supported housing or with funding through the Rough Sleepers Initiative and the accommodation currently occupied by the prospective tenant has not been so provided.

We will refuse an exchange where there are significant safeguarding concerns or members of the public are put at risk.

We may rely on any other reasonable grounds to withhold consent where permitting the mutual exchange would put us in breach of any covenant, restriction or planning obligation.

This would apply in cases where the exchange would conflict with any relevant planning restrictions or the purpose for which the tenancy was initially granted. Examples are where:

- a local connection is required
    - If an applicant is using employment in the borough as their local connection to Solihull, the person must have worked for two years

before they apply and will need to have a permanent job and be employed for over 16 hours per week.

• Applicants will now need to demonstrate **(a)** that their close relative/s (mother, father, brother, or sister) have lived in the Solihull borough for at least five continuous years, and **(b)** that they have a close meaningful relationship with that relative such as giving care or receiving care. We will request evidence to support this need.

• the incoming customer/tenant must meet necessary criteria such as age criteria.
• tenants must have specific support needs to meet the intended purpose of the housing.

Any decision not to allow an exchange due to age related or support requirements will be made by the Housing Services Manager or Housing Options Manager.

Before deciding on whether to give or withhold consent, we will inspect the tenant's property to check for any damage or breach of tenancy which could give grounds to refuse the application.

The grounds for refusal are not exhaustive and each application will be assessed on its own merit, but we will not unreasonably withhold consent for a mutual exchange.

Unauthorised Mutual Exchange

If a mutual exchange takes place without our written consent or after the mutual exchange was refused, the exchange of tenancies will be unlawful, and both exchange partners will lose security of tenure.

We will not allow the mutual exchange to take place in these circumstances, and we will take legal action to evict.

Our responsibilities and requirements

We will subscribe to an online national mutual exchange service which allows tenants to register their interest in a mutual exchange and find suitable exchange properties. We will publicise the availability of this service on our website and through resident publications.

We will endeavour to give written notification of approval or refusal of an application for mutual exchange within 42 calendar days of receiving a completed application. A completed application means that all required parts of the application have been completed in full by all tenants/customers.

We will endeavour to carry out several eligibility checks prior to consenting to the mutual exchange within the 42-day period.

We will ensure our property has valid gas and electrical certificates before approving the exchange and will arrange for the necessary checks to obtain them. We won't allow the mutual exchange to proceed until any required works have been completed and the valid gas and electrical certificates are obtained.

We will carry out one non-invasive visual inspection of the furnished home, however, on occasion we may have to carry out additional inspections but this will be assessed on a case by case basis. This inspection is limited in scope.

We inspect the quality and condition of the property including all standard and non-standard fittings left at the property.

If we find a property in a poor state of repair because the customer has failed to report repairs to us, this may result in a refused application to do a mutual exchange as it is a breach of tenancy conditions.

You must make sure that you are happy with the property and the condition it is in before you swap. We are not responsible for any property disrepairs that are discovered after the exchange.

We will maintain responsibility for any landlord repair obligations, and will complete any repairs that are our responsibility when they are reported to us, before the exchange takes place, unless the surveyor advises in their report that the repairs can be carried out once the new tenant has moved in.

When we inspect the condition of the property to identify any repairs that may be needed and any damage or alterations that have been made. We will notify both the outgoing and incoming tenant of any repairs that they will be responsible for or that need to be carried out after the move takes place.

We will require the outgoing tenant to repair any damage, neglect or alterations that they, their household or their visitors have made to the property and to complete any repairs that we consider to be their responsibility. These should be completed before the exchange.

We may carry out repairs that are not our responsibility in exceptional circumstances – for example, where there is a health and safety risk – and will recharge the outgoing tenant for all costs of the work carried out.

Following a mutual exchange, we will continue to meet all our repair and maintenance obligations for the property in line with the law and the tenancy agreement.

Tenants' responsibilities

Tenants are responsible for finding their own mutual exchange partner, and for making an application to us when they have found someone they want to exchange with. We will provide guidance and support to customers where this is required.

If there are multiple parties involved, for example 3 or more tenancies involved in a chain, we must receive applications from all parties. We cannot start to process applications until all have been received by us.

Incoming tenants must make truthful applications and must agree to accept the condition of the property they are exchanging to. They are responsible for carrying out their own inspection of the property prior to the exchange, and for making any agreements or arrangements regarding the condition of the property with the outgoing tenant.

Following the exchange, incoming tenants will assume responsibility for any damage or alterations made to the property by the outgoing tenant and for all repairs that we consider to be the tenant's responsibility that were not completed by the outgoing tenant. This includes internal decoration or minor repairs needed, cleaning and refuse disposal. A full list of tenant repair obligations is available on the SCH website.

Tenants must not move until they have received written confirmation from each landlord and signed the necessary paperwork to complete the exchange. If tenants move without our consent and without signing the required legal documents, we will treat the occupants as unauthorised occupiers in line with our Tenancy Policy and may seek possession of our property.

Once an exchange has been approved, both tenants must give us seven days' notice of the preferred exchange date to allow time to prepare the necessary documents.

Method of exchange and tenancies granted during an exchange

The exchange mechanism is dependent on when tenancies were granted and what type of tenancy is held by each party.

If a mutual exchange is between customers who both have either a periodic assured tenancy or a secure tenancy, whenever so granted, then the mutual exchange will take place via a Deed of Assignment. The incoming customer takes on the same tenancy as the outgoing customer and no new tenancy agreement is signed

We will always advise our tenants of the type of tenancy they will receive in the exchange when we approve their application.

We will grant tenants that have held an Assured or Secure Tenancy (also known as a protected lifetime tenancy) since 12 April 2012, a tenancy with no less security when they move to a an SMBC/SCH home.

Where an exchange takes place between an assured shorthold fixed term tenant and an assured periodic or secure tenant, the exchange will be by way of surrender and re-grant. This means that each tenant will surrender their existing tenancy and be granted the new appropriate tenancy. In all other cases, the exchange will take place by way of assignment.

If one tenancy is not assigned, the other cannot be assigned.

The right to exchange by assignment can be enforced against the landlord by the tenant. One landlord cannot enforce the right against another landlord. If the other landlord refuses to assign the tenancy without good reason, SMBC and SCH has no direct recourse.

Appeals and Complaints

There is no appeal process if a mutual exchange is refused. Customers should consider the reasons given for the refusal and remedy any circumstances that led to the refusal if possible. Customers may reapply for a mutual exchange.

SCH aims to meet the needs of its customers by providing an excellent service. However, it is acknowledged that occasionally things go wrong, and customers may wish to complain. Should the need arise to make a complaint, please refer to the SCH Complaints Policy.

6. Communications

Communication This policy is available to view by all tenants, Solihull Council and stakeholders on the Solihull Community Housing website and will be updated with any changes. Internally this policy will be viewable and accessible by all staff and stored on Solihull Community Housing intranet site. The policy owner will be responsible for ensuring any changes are communicated internally to key staff members delivering the service.

7. Meeting individual needs and reasonable adjustments

All staff are trained in Equality, Diversity, and Inclusion to embed understanding about where we may need to adapt normal policies, procedures, and ways of working to accommodate resident's individual needs.

Reasonable Adjustments

We will support the needs of our diverse residents by making reasonable adjustments to our processes, which could be a physical change or change in work practices to avoid any disadvantage to a resident in accessing this policy.
Examples of reasonable adjustments include but are not limited to:
• We will provide information in appropriate alternative formats (e.g. large print, coloured paper, Braille etc.)
• We will communicate through a representative.
• We will provide additional support such as a sign language interpreter or translator.

8. Equality, Diversity and Inclusion summary

We will ensure equal and fair access to our services; we will do this by taking into consideration the individual needs of our tenants, their family or other persons living with them. We will ensure that individual needs are considered throughout the mutual exchange process and make reasonable adjustments where necessary. We will treat people fairly and with dignity and respect.

This Policy has undergone a Fair Treatment Assessment to evaluate how this policy might affect different groups of people within the community. This ensures that services are inclusive and accessible to everyone and mitigates any potential adverse impact as far as is reasonably practical, having regard for the Legislative requirements of the policy.

9. Legislative & Regulatory Framework

The main legislation and regulations governing this policy are

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- Housing Act 1985 (as amended)
- Localism act 2011
- Regulatory Framework for Social Housing in England and Wales
- Fire Safety Act 2021
- Building Safety Act 2022 and,

  the Regulator of Social Housing’s Tenancy Standard

10. Related Policies & Procedures

This policy has links to some of our other policies, and we've thought about these links when reviewing the policy. This policy should be read in conjunction with the following:

- Allocations Policy
- Repairs Policy
- Tenancy Policy
- Income Management Policy
- The Mutual Exchange procedure
- Equality and Diversity
- Complaints Policy

11. Key Roles and Responsibilities

Role	Responsibilities
SCH Board	• Responsible for delegating approval of this policy to Executive Team. • Ensuring residents' voices are heard.
Chief Executive	• Responsible for approving this policy and overseeing compliance with this policy
ELT	• Overall responsibility for the implementation of this policy and ensuring that adequate resources are made available to enable the policy objectives to be met. • To ensure that appropriately qualified and suitably experienced people are employed to implement this policy.
Housing Services Manager/ Home Options Manager	• Responsible for overseeing the operational delivery and service quality of mutual exchange applications and reviewing regularly the appropriateness and reasonableness of the appeal and mutual exchange decisions. • Responsible for the implementation of this policy; management of the Neighbourhood Team in processing mutual exchange applications and hearing appeals against a decision on a mutual exchange application.
Neighbourhood Team Leader/Line Manager	• Responsible for ensuring compliance with this policy, the management of the Neighbourhood Team in processing succession applications, and for approving applications.

Neighbourhood Officers	• Responsible for the receiving, assessing and processing mutual exchange applications. • Responsible for ensuring compliance with this policy.
Neighbourhood Customer Service Assistants.	• Responsible for supporting Housing Officers in processing mutual exchange applications, ensuring tenancy records are updated on our software systems and any appropriate documents are properly completed and signed. • Responsible for receiving and dealing with general enquiries about mutual exchange applications and transferring residents to Neighbourhood Officers for further information and support

12. Monitoring & Review

Performance against Key Performance Indicators (KPI's) will be reported regularly to the Executive Leadership Team, Our Board and Solihull Metropolitan Borough Council.

The Policy will be monitored by the Neighbourhood Services Team Leaders/Line Managers, Housing Services Manager and Home Options Manager.

This policy will be reviewed every **2** years by **Housing Services Manager** unless there are any significant changes to current legislation or regulation, good practice or guidance, or as the result of the outcome of an incident review or Ombudsman determination.

Approved documents are valid for use after their approval date and remain in force beyond any expiry of their review date until a new version is available.

13. List of Appendices

Appendix 1 – Grounds for Withholding Consent in Statute

Section 115 of the Localism Act 2011 sets out the grounds under which a Mutual Exchange can be refused. These are broadly the same as those set out in Schedule 3 of the Housing Act 1985.

The table below shows what grounds under both Acts.

Schedule 3 of the Housing Act 1985	Schedule 14 of the Localism Act 2011	Grounds for refusing consent to exchange
-	*Ground 1*	When any rent lawfully due from a tenant under one of the existing tenancies has not been paid.
-	*Ground 2*	When an obligation under one of the existing tenancies has been broken or not performed.
Ground 1	*Ground 3*	A court order for possession or a suspended possession order has been made for either property.
Ground 2	*Ground 4 & 5*	The landlord has served a notice of seeking possession and the notice is still in force, or possession proceedings have commenced.
Ground 3	*Ground 7*	The property is substantially larger than is reasonably needed by the proposed assignee.
Ground 4	*Ground 8*	The property is not reasonably suitable to the needs of the proposed assignee and their household.
Ground 5	*Ground 9*	The property is part of or close to a building that is held for non-housing purposes, or it is situated in a cemetery and was let in connection with employment with the landlord or with a local authority, a new town corporation, housing action trust, an urban development corporation, or the governors of a grant-aided school.
Ground 6	*Ground 10*	The landlord is a charity and the proposed assignee's occupation of the property would conflict with the objects of the charity.
Ground 7	*Ground 11*	The property has been substantially adapted for occupation by a physically disabled person, and if the assignment went ahead a physically disabled person would not be living there.
Ground 8	*Ground 12*	The landlord lets properties to people in difficult circumstances (other than merely financial circumstances) and the proposed assignee would not fulfil this criteria.
Ground 9	*Ground 13*	The property is let to people with special needs and there is a social service or special facility nearby to the properties to assist people with those special needs, and if the assignment was to go ahead no person with those special needs would be living there.

Ground 10	*Ground 14*	The dwelling is the subject of a management agreement where the manager is a housing association of which at least half the members are tenants subject to the agreement, and at least half of the tenants of the dwellings are members of the association, and that the proposed assignee is not such a member nor is willing to become one.
Additional ground (Housing Act 2004)	*Ground 6*	An injunction order under Section 153 Housing Act 1996 or an anti-social behaviour order or a Demotion Order or a possession order under Ground 2 for secure tenancies or Ground 14 for assured tenancies is in force or an application for one of those is pending either against the tenant, the proposed assignee or a person who resides with either of them.