

MUTUAL EXCHANGES

1 SUMMARY

- 1.1 Members to consider a change of policy on the acceptance of mutual exchanges of social housing and their impact on the Housing Revenue Account. (HRA)

2 CURRENT POSITION

- 2.1 The Council accepts mutual exchanges between its own tenants and between its tenants and other social housing providers.
- 2.2 On each occasion of a transfer the Council has a legal obligation to undertake "Landlords' checks" on the efficiency and functioning of gas and electrical supplies and fittings. The HRA bears the costs of these checks which amount to around £100 per property.
- 2.3 The Council has very little control over mutual exchanges which are generally arranged personally between tenants, or through the Housing Mobility and Exchange Services (HOMES) mechanism which is a countrywide organisation sponsored by the Government. The Council cannot unreasonably withhold agreement to a mutual exchange.

3 'NO COST' EXCHANGES

- 3.1 Tenants will wish to exchange properties for a variety of reasons:-
- moving closer to relatives, work or schools
 - "moving up" in accommodation (2 bedrooms to 3 bedrooms)
 - "moving down" in accommodation (3 bedrooms to 2/1 bedroom)

In all cases the move will be at the request and for the benefit of the tenants, yet there is a financial burden to the HRA on each occasion. This cost is generally met from rent payments.

- 3.2 Most housing authorities try to neutralise the financial impact on the HRA by recharging the cost of the landlords' checks and the administration costs associated with inspection before vacation. At Rochford this would be around £135.

4 RESOURCE IMPLICATIONS

- 4.1 The introduction of a Mutual Exchanges Arrangement Fee would mean that the cost of the move(s) would be borne by those actually involved and not spread over tenants at large through the mechanism of the HRA.

-
- 4.2 Administratively, if a charge were to be introduced, it would be levied before the Landlord's permission is granted.

5 CONCLUSIONS

- 5.1 It seems unfair that tenants, generally, should bear the cost of moves which are for the benefit of individuals and it is therefore proposed that if Members agree the recommendations of this report, a fee for this service be introduced immediately.

6 RECOMMENDATION

It is proposed that the Sub-Committee **RECOMMENDS**

- (1) That a Mutual Exchanges Administration Fee of £135 be introduced.
- (2) That the fee level be reviewed annually as part of the Budget process.

Steve Clarkson

Head of Revenue and Housing Management

Background Papers:

None

For further information please contact Steve Clarkson on

Tel:- 01702 318005
E-Mail:- steve.clarkson@rochford.gov.uk