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| Item No. 6 | Date: 5 Nov 2021 | MEETING NAME Housing and Community Engagement Scrutiny Commission |
| Report title: | Policy and practice - Mutual exchanges Housing option | |
| Wards | All | |
| From: | Ricky Bellot – Head of Housing Supply | |

Recommendation (s)

The Housing and Community Engagement Scrutiny Commission note the following:

1. Policy and practice applied by Southwark council when completing mutual exchanges
2. The performance surrounding mutual exchanges
3. Housing Mobility and Rightsizing action plan

Background

4. Following a request from the chair of the Housing and Community Engagement Scrutiny Commission, this report has been produced to provide an overview of the mutual exchange housing option available within Southwark.
5. Southwark council complete mutual exchanges in line with the legislative framework under the Housing Act 1985 section 92. This is defined when a tenant who has a secure or assured tenancy agrees to exchange with another secure or assured tenant.
6. A mutual exchange is a totally voluntary arrangement and historically a process in which residents can find it difficult to find a suitable partner who they wish to swap with.
7. Tenants' rights relating to a mutual exchange is listed within the Tenants Handbook, given to all tenants and available online via the councils website.

Mutual exchanges - policy and practice

8. Southwark council have drawn up a full procedure which sets out the processes to be followed by the relevant officers. This is summarised in the process map – Appendix 1.

9. The procedure sets out the application forms that are required for a tenant to apply for a mutual exchange by tenants. Template letters council officers will use update tenants and the landlords at each stage of the process. Checklists to oversee the overall process and ensure all required actions from both the council and the tenant have taken place.
10. An Inspection of the council property will be completed by a Technical Quality Officer who would completed a property inspection form to identify any defects and determine if they will fall under the Tenant or the Councils responsibility. The tenant will be advised the mutual exchange will not go ahead if the repairs they are responsible for are not completed.
11. The procedure further sets out the legal grounds in which Southwark will refuse an exchange. The grounds are displayed in appendix 2. The template refusal letters are also listed within the full procedure.
12. In line with the council's policy, tenants with rent arrears will not be permitted to carry out a mutual exchange until their rent arrears are paid in full. Once the arrears are cleared and all other conditions are met, the exchange can be approved. Discretion can be applied in exceptional circumstances to permit a mutual exchange with arrears.
13. These procedures are followed by council officers to ensure full compliance with the relevant legislation and to ensure residents have made an informed decision on agreeing a mutual exchange. The procedure is reviewed every year to ensure it is up to date and was last updated in August 2021.
14. All requests for mutual exchanges must be issued with a written decision within 42 days from application received from the tenant in line with legislation. If it timeframe is exceeded, it is deemed consent has been given.
15. Once agreed, the exchange partners will both need to be present when completing a deed of assignment. The council will ensure the tenancy, rent account and housing file is updated. We will also ensure equalities data is captured.

Promotion and incentives

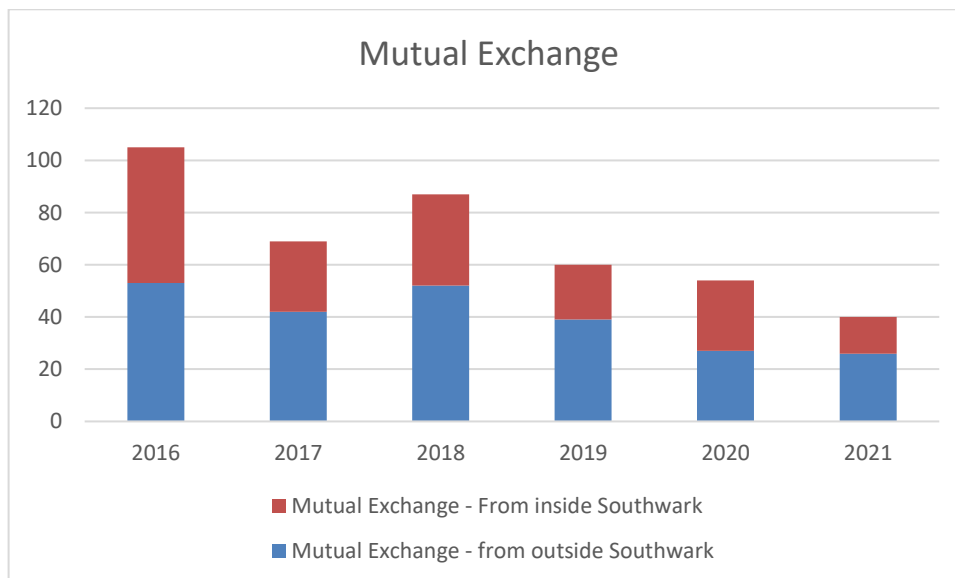
16. For many tenants wishing to move from their home, a mutual exchange is not always the first option that is explored, with the usual method of a transfer via the councils bidding system being the preferred option. Therefore the council aims to promote mutual exchanges at any given opportunity. Exploring how the mutual exchange process is sold to tenants as well as keeping them engaged to continue to search.

17. Southwark council have signed up to the House Exchange platform. This is an online website which allows Southwark tenants see potential mutual exchanges with social housing tenants nationwide. This platform is free to Southwark council tenants however the council pay a yearly subscription fee. Once a council tenant has seen a potential property, these households will be referred to the local authority and the relevant process will be completed in line with the councils mutual exchange procedure. Currently Southwark have 1,291 council tenants listed on this platform.
18. Prior to the pandemic, the council would host estate action days which would enable the council to engage with residents to promote housing options such as mutual exchanges. The council will aim to re-introduce actions days in the future. However in the interim, the council is now planning online virtual workshops which will promote mutual exchanges.
19. Tenants who downsize as part of a mutual exchange will receive the downsizing incentive of £1,000 for each bedroom the give up.

Performance

20. As a result of the pandemic, the council limited the number of mutual exchanges that could be completed in order to ensure the safety of both staff and residents. This resulted in a reduction in mutual exchanges for the within the last financial year.
21. Mutual exchanges fully re commenced in May 2021.
22. Over the last 6 financial years, there has been 415 mutual exchanges which is displayed in the graph below:

Graph 1 – Mutual exchanges



Please note this represents individual households that have moved because of a mutual exchange not the number of exchanges.

23. The total number of mutual exchanges is further broken up below:

| Row Labels | Bedsit | 1 bed | 2 bed | 3 bed | 4 bed | 5 bed | Total |
|--------------|-----------|------------|------------|-----------|-----------|----------|------------|
| Bungalow | | 1 | | | | | 1 |
| Flat | 17 | 126 | 81 | 29 | 4 | | 257 |
| House | | | 13 | 22 | 13 | 3 | 51 |
| Maisonette | 1 | 4 | 55 | 42 | 4 | | 106 |
| Total | 18 | 131 | 149 | 93 | 21 | 3 | 415 |

Housing mobility schemes and Rightsizing

24. In order to address housing need in the borough as well as offer additional options for residents who wish to move, the cabinet member for Council Homes and Homelessness has highlighted increasing housing mobility and rightsizing as a priority. A report has been produced by the councils Resident Services division, setting out the future actions that will be taken. This is summarised in the action plan (appendix 3). This is reviewed and updated on a monthly basis. Scheduled updates will be provided to the lead member for Council Homes and Homelessness in order to confirm progress on each of the actions listed.

25. As part of the action plan, the council has a number of actions to increase moves via a mutual exchange. This includes developing a pilot process to explore mutual exchanges limited to schemes where a dedicated council officer who will actively target households in a local area who have been listed on the housing register for a move. The officer will gather specific data to help facilitate a move with a suitable tenant.

26. As well as proving a suitable option for tenants to achieve a suitable move, mutual exchanges eliminate void periods and delivers financial efficiencies for the council. Therefore, this is favourable for both the tenants and the council to promote mutual exchanges.

Community impact statement

27. With a growing population and increasing overcrowding within households, this is causing higher density within communities and related issues such as anti-social behaviour. The work on mutual exchanges will help provide additional housing solutions for households in a housing need.

Climate change implications

28. Under-occupancy of dwellings presents an inefficient carbon usage, including disproportionate heating and building fabric maintenance i.e. where

a single person is heating a larger volume of space and requiring a greater extent of maintenance than she/he requires. Increasing mutual exchanges to allow under occupiers the ability to move into a suitable home will bring back these larger units into use for the appropriate housing need positively contribute to the climate change agenda.

Next Steps

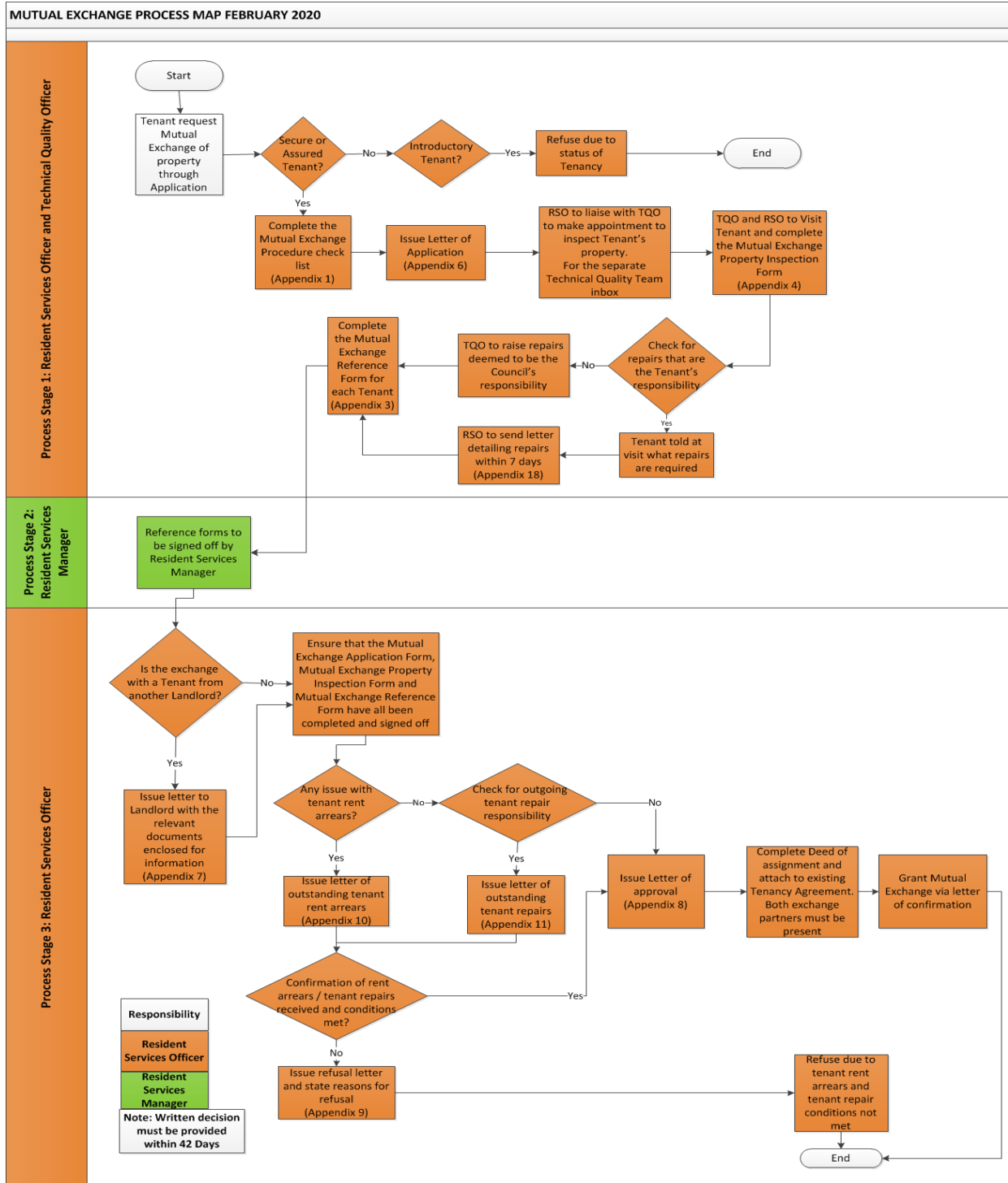
29. The council does not keep records of the number of mutual exchanges that have been refused. Therefore, the Council will be exploring additional data fields to record all mutual exchange requests.
30. The data around mutual exchanges do not capture information on housing needs of households in line with the councils Allocations scheme. This will be useful to identify any other housing groups that are benefiting from mutual exchanges this will include overcrowded households, households who need to move due to welfare needs and households who need to move to a particular area for medical reasons.
31. The council will be exploring alternative methods to promote mutual exchanges. This will include smarter targeting through an upgrade of the choice based lettings system, re introducing Estate action days as well as virtual open evenings.
32. More work needs to be completed with housing association partners to help identify tenants who can complete a mutual exchange. This will include joined up action days and virtual evenings.
33. Continue to monitor and update rightsizing action plan, specifically identifying requirements of individual households to achieve more moves via a mutual exchange.

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|---|---|--------------------------|
| Cabinet Member | Councillor Stephanie Cryan Cabinet Member for Council Homes and Homelessness | |
| Lead Officer | Michael Scorer Strategic Director of Housing & Modernisation, Housing and Modernisation and | |
| Report Author | Ricky Bellot Head of Housing Supply and Cheryl Russell, Director of Resident Services and | |
| Version | V2 | |
| Dated | 5 Nov 2021 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Strategic Director of Finance and Governance | No | No |
| Director of Law and Governance | No | n/a |
| Cabinet Member for Council Homes and Homelessness | Yes | No |
| Cabinet Member for a Safer, Cleaner Borough | No | No |
| Date final report sent to Constitutional/Community Council/Scrutiny Team | 12 Nov 2021 | |

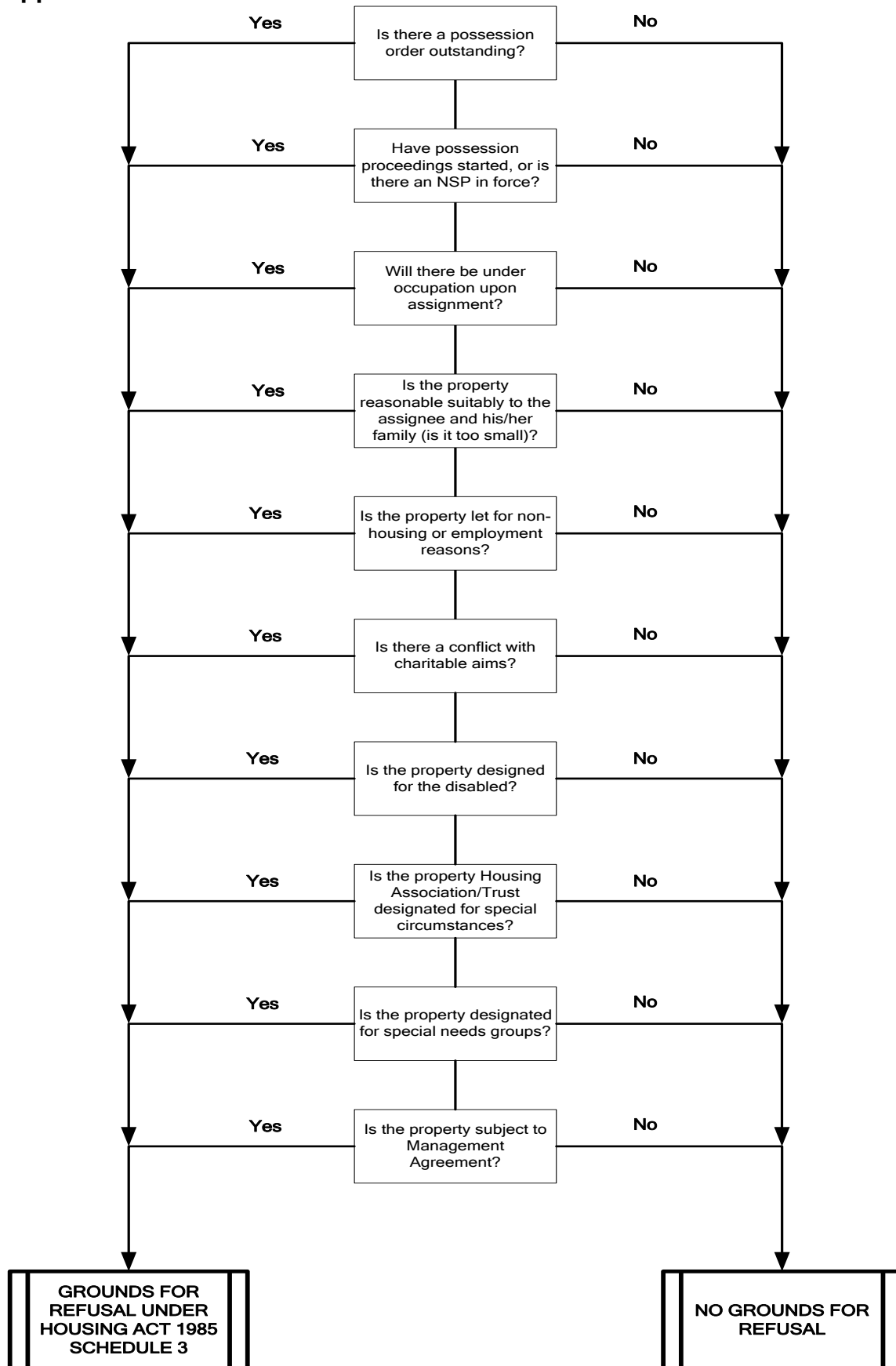
APPENDICES

| No | Title |
|------------|------------------------------|
| Appendix A | Mutual exchange process map |
| Appendix B | Grounds for refusal. |
| Appendix C | Housing Mobility action plan |

Appendix A – Mutual exchange process map



Appendix B – Grounds for refusal.



Appendix C – Housing Mobility action plan

| Action | Prospective outcome | Timeframe/ Milestone |
|--|---|----------------------|
| Housing Solutions to advertise 2 properties per quarter on the Housing Moves website. | To prevent our tenants from being blocked from bidding for Housing Moves properties | August 2021 |
| Analyse the effectiveness of the current incentives to downsize such as Smart Moves. Explore offering a personalised service | To encourage more under-occupiers to give up large properties | Dec 2021 |
| Promotional campaigns – work with the Communications Team to publicise the incentives to downsize: council website, estates through T&RAs, posters, leaflets, noticeboards, Estate Action Days, Etc. | Raise more awareness | Feb 2022 |
| Consultations/surveys with under occupying tenants Benchmarking with other local authorities | Get more informed about why some tenants don't want to downsize | March 2022 |
| Upgrade the Homesearch website. A section on mutual exchanges to be added | <ul style="list-style-type: none"> • Utilize a central mutual exchange portal • Raise more awareness • Reduce the requests for temporary accommodation and save the council some money since there are no void costs involved. | Dec 2021 |
| Regular verification/approval of Housing Moves and Seaside & Country applications. Organise training for RSOs | <ul style="list-style-type: none"> • More applications being verified • Increased housing mobility opportunities | Ongoing |
| Explore external mutual exchange platforms. HomeSwapper | <ul style="list-style-type: none"> • More opportunities for our tenants to exchange properties within or out of Southwark • Our tenants can join and search for over 500,000 other social tenants | Nov 2021 |
| Promote and encourage our tenants to register with 'House Exchange' for mutual exchanges | More opportunities for our tenants to exchange properties within or out of Southwark | Ongoing |
| Update the council website to promote the above. | <ul style="list-style-type: none"> • Raise more awareness | Feb 2022 |