

North Yorkshire Council

Executive Member for Culture, Arts and Housing

8 April 2026

Mutual Exchange Policy

Report of the Corporate Director Community Development.

1.0 PURPOSE OF REPORT

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| <p>1.1 To seek approval from the Executive Member for the adoption of the North Yorkshire Councils Mutual Exchange Policy, establishing a single, harmonised approach to receiving, assessing and deciding mutual exchange applications across council owned housing stock.</p> |
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2.0 SUMMARY

- 2.1 The Mutual Exchange Policy (see Appendix A) provides a single, consistent approach to how North Yorkshire Council (NYC) manages mutual exchange applications. It explains who is eligible, how applications will be assessed, and the checks that must be completed before a decision is made.
- 2.2 It confirms that decisions must be issued within the statutory 42-day timeframe and explains the possible outcomes: approval, conditional approval or refusal based on the legal grounds set out in housing legislation. The policy also covers specific considerations such as Section 106 restrictions, adapted properties, safeguarding concerns and unauthorised exchanges.
- 2.3 Overall, the policy aims to improve tenant mobility, make better use of housing stock and provide a fair, transparent and consistent service across the county.

3.0 BACKGROUND

- 3.1 The formation of North Yorkshire Council brought together the housing services of the former district and borough councils. Each legacy area had its own approach to mutual exchanges, including different application forms, processes, and communication methods. This has resulted in inconsistent experiences for tenants across the county, with some reporting delays linked to outdated or varied administrative practices such as reliance on postal correspondence.
- 3.2 As a single landlord service operating under the Housing Revenue Account, the Council must ensure that all tenants receive a consistent, transparent and efficient service, regardless of where they live. A unified approach is also necessary to ensure compliance with statutory timeframes, regulatory expectations and good housing management practice.
- 3.3 In addition, harmonisation is required to ensure that decision-making is applied fairly and legally across the entire stock, particularly in areas involving complex factors such as Section 106 restrictions, adapted homes or safeguarding considerations. A single, council-wide policy provides clarity for tenants and officers, strengthens governance, and reduces the risk of inconsistent or unauthorised practice.

- 3.4 The development of a consolidated Mutual Exchange Policy therefore forms part of the wider work to standardise landlord services following Local Government Reorganisation (LGR), improve the tenant experience, and embed clear expectations for service delivery across the new Council.

4.0 MUTUAL EXCHANGE POLICY

- 4.1 The Mutual Exchange Policy provides clear guidance for tenants and staff, ensuring that all exchanges are processed lawfully, consistently and within statutory timeframes. The policy applies to all tenants with a statutory or contractual right to exchange, including NYC secure tenants, flexible tenants, and secure or assured tenants of other social landlords who wish to exchange into an NYC property.
- 4.2 The policy explains that tenants must submit a formal application, using the harmonised council-wide form, and provide all required information before the Council can begin assessing the exchange. Once a complete application is received, the statutory 42-day decision period starts. During this time, the Council will carry out tenancy checks, including rent account reviews, information from other landlords involved, and assessments of whether the proposed exchange would result in overcrowding, under-occupation or an unsuitable match based on household need. These suitability assessments follow the same principles used within the Council's Allocations Policy, ensuring that household composition, bedroom entitlement and property type are applied consistently across all mutual exchange cases. Property inspections are carried out to check condition, identify any unauthorised alterations, and ensure that the home meets health and safety and compliance standards. If repairs or reinstatement works are needed, the policy allows the Council to issue conditional approval so that the exchange can proceed once those actions are completed.
- 4.3 The policy also explains how legal restrictions may affect exchanges. Where a property is subject to a Section 106 planning obligation, the incoming household must meet the specific requirements, such as local connection or residency criteria, or the Council cannot approve the exchange. Some S106 agreements may allow limited discretion, which the Council may apply only in exceptional circumstances, for example where there are significant safeguarding or welfare concerns, provided this remains compliant with the agreement. Tenants may need to provide evidence of eligibility.
- 4.4 At the end of the assessment process, the Council will issue a written decision confirming whether the exchange is approved, conditionally approved or refused. Refusals can only be made on the statutory grounds listed in the Housing Act 1985 and Localism Act 2011. Reasons must be provided, and tenants have the right to submit a complaint if they do not agree with the outcome.
- 4.5 The policy clearly states that tenants must not exchange keys or move into another property before formal written approval and the necessary legal documents have been completed. Exchanges are normally finalised through a Deed of Assignment, and the move only becomes lawful on the agreed completion date. Any early move is treated as an unauthorised exchange, and the occupants may be asked to return to their former home or face enforcement action.
- 4.6 Finally, the policy sets out expectations around communication, accessibility and support for tenants. It recognises feedback that communication delays can occur when relying on post and therefore encourages use of telephone and email to keep tenants informed. It also confirms that reasonable adjustments and alternative formats are available to ensure that the process is accessible to all residents. The policy will be monitored through the Housing Revenue Account Performance Framework and reviewed after one year, then every three years to ensure it remains up to date and reflects any changes in legislation or regulation.

5.0 REGULATOR OF SOCIAL HOUSING CONSUMER STANDARDS

- 5.1 The Mutual Exchange Policy supports NYC's compliance with the Regulator of Social Housing's Consumer Standards, particularly the Tenancy Standard, which requires social landlords to provide tenants with clear information about options, including mutual exchange. The Standard also places an obligation on landlords to ensure that decisions relating to exchanges are fair, transparent and made within statutory timeframes. This policy provides the framework to ensure these requirements are met consistently across the Council's housing stock.
- 5.2 Following LGR, it is essential that the new Council can demonstrate robust and consistent compliance with the Consumer Standards across all former district and borough areas. Establishing a single mutual exchange policy strengthens NYC's governance and assurance arrangements, enabling the Council to evidence:
- consistent decision-making across the landlord service
 - clear and accessible information for tenants
 - timely responses within the statutory 42-day period, and
 - fair assessment processes that follow legislative requirements and avoid unlawful variation between localities.
- 5.3 As the Regulator of Social Housing strengthens its consumer regulation approach, including enhanced monitoring of landlord performance and tenant outcomes, the Council must be able to demonstrate that its policies are up to date, clearly documented, and applied consistently. The adoption of a single mutual exchange policy contributes to this wider assurance framework and supports the Council's ability to evidence compliance under the Housing Revenue Account Performance Framework.

6.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 6.1 As part of developing the Mutual Exchange Policy, the Council carried out consultation with tenants who had recently completed a mutual exchange. Officers contacted tenants directly to understand their experiences of the process, the challenges they faced, and what improvements they felt would make the service clearer and more accessible. Their feedback provided valuable insight into how communication, decision-making and coordination between services currently operate in practice. Many tenants told us that delays were made worse by reliance on letters, that contact details were not always provided, and that clearer updates by phone or email would have reduced stress during the exchange process. Issues such as confusion over safety certificates, uncertainty about Section 106 restrictions, and the lack of clarity around property condition expectations and timescales were also highlighted.
- 6.2 This direct engagement helped shape the policy, particularly the strengthened emphasis on communication, the need for accessible and consistent information at the start of the process, and the importance of officers reviewing available evidence before making decisions.
- 6.3 Internally, the policy was also shared with relevant teams to ensure that it accurately reflects operational requirements, legislative duties and the realities of cross-departmental working. This internal consultation led to the inclusion of a section on the implications of exchanges involving flexible tenancies, to make tenants aware that entering into an exchange involving a flexible tenancy may affect the level of security they hold after the move, and that it is important they understand these implications before proceeding.

- 6.4 Once the draft policy was updated following internal feedback, it was shared again with the same group of tenants who had contributed their experiences earlier in the process. This allowed tenants to see how their feedback had influenced the policy wording and provided an opportunity for further comment before finalisation. Tenants welcomed the opportunity to review the updated draft, and no further feedback was given.

7.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The Mutual Exchange Policy supports several of North Yorkshire Council's strategic priorities by ensuring that tenants have fair, consistent and accessible opportunities to move to homes that better meet their needs. By setting out a single, county-wide approach following LGR, the policy strengthens the Council's ability to deliver a modern and responsive landlord service that treats tenants consistently regardless of where they live. This directly contributes to the priority of providing high-quality customer-focused services and ensuring residents receive the same standard of support across all former district areas.
- 7.2 The policy helps the Council make more effective use of its housing stock, supporting sustainable and well-balanced communities. Mutual exchange is often the quickest route for tenants to move to appropriately sized accommodation, helping reduce under-occupation and overcrowding. Several tenants highlighted how mutual exchange enabled them to resolve pressing housing needs more quickly than the allocations process alone. This contributes to efficient management of the Housing Revenue Account and supports broader priorities around meeting housing need and improving residents' wellbeing.
- 7.3 By committing to regular review cycles and performance monitoring through the Housing Revenue Account framework, the policy also contributes to the Council's aim of continuous improvement. It ensures the service can adapt to legislative changes, strengthen compliance with regulatory expectations, including the Regulator of Social Housing's consumer standards, and maintain a clear focus on tenant outcomes. This reinforces the Council's wider ambition to deliver modern, efficient and well-governed services across all areas.

8.0 ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The Council considered retaining existing approaches within the former district and borough areas, however, this was not a viable option. LGR brought together several different processes, forms and communication methods, and consultation with tenants demonstrated that this inconsistency had led to delays, confusion and varying standards of service across the county. Maintaining these differences would continue to create inequity for tenants and make it difficult for the Council to manage performance effectively across the Housing Revenue Account.
- 8.2 A further option explored was making only minor amendments to existing legacy policies rather than creating a single consolidated document. This approach would not have addressed key issues raised by tenants, particularly around communication, access to information, safety checks and the handling of Section 106 restrictions. It would also fail to provide the level of clarity and consistency expected under the Regulator of Social Housing's Consumer Standards.
- 8.3 The recommended option is to adopt a single, comprehensive Mutual Exchange Policy for North Yorkshire Council. This ensures a consistent process for tenants, provides clear guidance for officers, responds directly to tenant feedback, and strengthens compliance with legislation and regulatory expectations. It also aligns with the Council's wider priorities for service harmonisation and improved customer experience following LGR.

9.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

9.1 Implementation of the Mutual Exchange Policy will have implications for several service areas across North Yorkshire Council. The policy sets out a clearer, more structured process for assessing, inspecting and approving mutual exchanges. This will require consistent coordination across Housing Management, Repairs and Compliance, Customer Services and Legal Services to ensure applications progress smoothly and within the statutory 42-day period. Housing officers will need to follow a unified process, use harmonised application forms and adopt improved communication standards, reflecting the issues raised by tenants around delays caused by reliance on letters, difficulties contacting officers and inconsistent handling of safety checks.

10.0 FINANCIAL IMPLICATIONS

10.1 The Mutual Exchange Policy primarily formalises the Council's existing statutory duties and therefore does not introduce significant new financial burdens. The costs associated with implementing the policy are expected to be contained within existing Housing Revenue Account budgets. These include the routine officer time required to process applications, carry out tenancy checks and coordinate communication between services and external landlords. Pre-exchange property inspections and the completion of health and safety checks, such as electrical and gas certification, are already part of the Council's regulatory responsibilities and will continue to be funded through existing compliance and repairs budgets.

11.0 LEGAL IMPLICATIONS

11.1 The Mutual Exchange Policy ensures that North Yorkshire Council meets its statutory responsibilities in relation to mutual exchanges. The legal right for secure tenants to exchange their home is established under Section 92 of the Housing Act 1985, with the grounds on which a landlord may refuse an exchange set out in Schedule 3 of the same Act. The policy reflects these requirements and confirms that refusals can only be made on the statutory grounds defined in legislation.

11.2 Where exchanges involve flexible or fixed-term tenants, the Council must also comply with the provisions of the Localism Act 2011, which introduced additional statutory grounds under Schedule 14. The policy incorporates these requirements and ensures that decisions involving mixed tenancy types follow the correct legal framework.

11.3 The legal implications also extend to the completion of the exchange. Most exchanges are completed using a Deed of Assignment, which transfers the existing tenancy from one household to another. The policy sets out the legal requirement for tenants not to move or exchange keys until this documentation is completed. Moving early constitutes an unauthorised exchange, which has legal consequences including potential possession action, loss of tenancy rights and liability for use and occupation charges.

11.4 Where properties are subject to Section 106 planning obligations, the Council must comply with the specific legal requirements attached to the dwelling. The policy confirms that an exchange cannot be approved if the incoming household does not meet these requirements, as this would place the Council in breach of a binding planning agreement. Limited discretion may only be applied where explicitly permitted within the terms of the S106 agreement itself.

11.5 The policy also supports compliance with the Regulator of Social Housing's Tenancy Standard, which requires landlords to provide tenants with clear information about mobility options and ensure transparent, timely and fair decision-making. Embedding these requirements in a unified policy reduces legal risk and strengthens the Council's ability to demonstrate regulatory compliance.

12.0 EQUALITIES IMPLICATIONS

- 12.1 An Equality Impact Assessment (see Appendix B) has been completed for this policy and has identified no negative equalities implications. The assessment confirmed that the policy can be applied fairly and consistently across all tenant groups and does not adversely affect anyone with protected characteristics.

13.0 CLIMATE CHANGE IMPLICATIONS

- 13.1 A Climate Change Impact Assessment (CCIA) screening form (see Appendix C) has been completed for this policy and has identified no climate change implications. The policy relates to the administrative and legal process for mutual exchanges and does not introduce any new activities, operational changes or service practices that would have a measurable impact on emissions, energy use or climate resilience

14.0 PERFORMANCE IMPLICATIONS

- 14.1 The Mutual Exchange Policy will contribute to more consistent and transparent performance monitoring across North Yorkshire Council's landlord service. The policy confirms that mutual exchange activity will be monitored through the Housing Revenue Account (HRA) Performance Framework, enabling the Council to track application volumes, timeliness of decisions and overall service delivery on a county-wide basis. This will help ensure compliance with the statutory 42-day decision period and allow the Council to identify and address any delays or variations between localities.

15.0 POLICY IMPLICATIONS

- 15.1 Adoption of this Mutual Exchange Policy will replace any existing mutual exchange policies, procedures or local practices that were previously in place across the former district and borough councils. Following LGR, the Council has a responsibility to ensure that all housing policies operate consistently across the county. A single, unified policy ensures that tenants receive the same standard of service regardless of where they live and that officers apply the same legal requirements, assessment principles and communication standards.
- 15.2 The policy aligns with other key documents within the Council's landlord service, including the Allocations Policy, by ensuring that assessments of suitability, bedroom need and property type are applied consistently across all mutual exchange cases. It also strengthens compliance with the Regulator of Social Housing's Tenancy Standard, which requires clear, accessible information and fair decision-making.
- 15.3 Replacing legacy policies with a single consolidated document also improves internal governance. It strengthens the Council's ability to monitor performance through the Housing Revenue Account Performance Framework and provides a clear foundation for future procedural guidance, training and policy reviews. This unified approach ensures that mutual exchange activity is delivered in a legally compliant, transparent and customer-focused way across all of North Yorkshire.

16.0 RISK MANAGEMENT IMPLICATIONS

- 16.1 Adopting a unified Mutual Exchange Policy helps reduce several risks that currently arise from inconsistent legacy processes across the former district and borough councils. Without a single policy, there is a risk of uneven decision-making, variable standards of communication and delays in progressing applications, all of which were highlighted by tenants during consultation. A consolidated approach provides clearer expectations for officers, supports compliance with statutory requirements and prevents conflicting practices across different localities.

- 16.2 There is a legal and regulatory risk if mutual exchange cases are not handled in line with the statutory framework, including the Housing Act 1985 and Localism Act 2011. The policy mitigates this by setting out the grounds on which an exchange may be refused, ensuring decisions remain lawful and defensible. The policy also supports compliance with the Regulator of Social Housing's consumer standards, reducing the risk of regulatory challenge or findings of poor practice.
- 16.3 Operational risks also exist where communication is unclear or inconsistent. Tenant feedback showed that reliance on postal communication, delays in responses, and lack of direct contact details created confusion and stress, which can escalate complaints or lead to breakdowns in the process. The policy mitigates this by emphasising more proactive communication and by setting out clear expectations for how and when tenants are updated during the assessment period.
- 16.4 Another risk relates to properties with Section 106 restrictions or specialist adaptations. If these homes are not matched appropriately, there is potential for breaches of legal obligations or for homes designed for disabled residents to be allocated inappropriately. The policy reduces this risk by clearly setting out the checks required before approval and by ensuring that incoming households meet relevant criteria.
- 16.5 There is also a risk associated with unauthorised exchanges, where tenants move without approval or before legal documentation is complete. This can create legal uncertainty, expose the Council to enforcement action and complicate tenancy management. By clearly stating the consequences of unauthorised exchanges and outlining the correct legal process, the policy reduces this risk considerably.
- 16.6 Overall, the adoption of this policy strengthens both governance and operational control, reducing the likelihood of legal challenge, regulatory non-compliance, avoidable delays, and negative impacts on tenants. It also provides a firmer basis for consistent practice, which will help reduce service-related risks and support more effective performance management across the Housing Revenue Account.

17.0 CONCLUSIONS

- 17.1 The development of a single Mutual Exchange Policy provides North Yorkshire Council with a clear, consistent and legally compliant framework for managing mutual exchange applications across the county. It brings together legacy approaches from former district and borough councils and addresses the issues raised through tenant consultation, including delays, inconsistent communication and a lack of clarity around expectations. By clarifying the application process, strengthening communication standards and embedding statutory requirements, the policy ensures that tenants receive a fair and transparent service and that decisions are made within the required 42-day timeframe.
- 17.2 The policy also supports the Council's wider strategic aims by improving the efficient use of housing stock, strengthening governance and compliance, and contributing to a better tenant experience. Consultation with tenants who have recently been through a mutual exchange highlighted areas in need of improvement, and their feedback has been used to shape the final policy, ensuring it reflects real-world experience as well as legislative requirements.
- 17.3 Overall, the policy provides a robust foundation for delivering a modern, consistent and customer-focused mutual exchange service across North Yorkshire. Its adoption will reduce risk, support improved performance and ensure the Council continues to meet its statutory and regulatory responsibilities.

18.0 REASONS FOR RECOMMENDATIONS

- 18.1 The Mutual Exchange Policy is recommended for approval because it provides North Yorkshire Council with a single, clear and consistent approach to managing mutual exchange applications following LGR. A unified policy is essential to replace the differing processes previously used across the former district and borough councils and to ensure that all tenants receive an equitable, transparent and reliable service.
- 18.2 The policy ensures the Council meets its statutory and regulatory obligations, including the requirements set out in the Housing Act 1985, Localism Act 2011 and the Regulator of Social Housing's Tenancy Standard. By clearly setting out the grounds for decision-making, the required checks and the legal process for completing an exchange, the policy reduces risk and strengthens the Council's ability to demonstrate compliance.
- 18.3 The policy also supports the Council's wider strategic priorities by improving the effective use of housing stock, supporting mobility for households with changing needs and enabling earlier resolution of housing issues that may otherwise increase demand on other services. It provides a robust foundation for future performance monitoring through the Housing Revenue Account Framework and includes a clear review cycle to ensure it remains up to date.
- 18.4 For these reasons, legal compliance, service consistency, improved customer experience and stronger governance, the adoption of the Mutual Exchange Policy is recommended.

19.0 RECOMMENDATION(S)

- 19.1 That the Executive Member approves the North Yorkshire Council Mutual Exchange Policy for implementation across the Council's landlord service, replacing all previous mutual exchange policies and local procedures used by the former district and borough councils.
- 19.2 That the Executive Member delegates authority to the Corporate Director Community Development to make any minor amendments required to support implementation of the policy, including updates to operational guidance, harmonised forms and communication processes, provided these do not alter the substantive policy content.

APPENDICES:

Appendix A – Mutual Exchange Policy

Appendix B – Equalities Impact Assessment (EIA)

Appendix C – Climate Change Impact Assessment (CCIA) Screening Form

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Northallerton
24 March 2026

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.