**Hexagon Housing Association**

**Board of Management**

**29 September 2015**

**Agenda Item 16**

***Confidential* Matters arising from minute 15/87/6**

**Update on Brockley Tenants Co-operative**

**Report by the Operations Director**

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| ***1.*** | ***Summary*** |
|  | This report updates the Board on the actions taken in relation to Brockley Tenants Co-op (BTC) since the last meeting of the Board. The Co-op has now appointed new managing agents to carry out the administration of the Co-op and following a number of communications from us to their Management Committee including a meeting on 19 August and a General Meeting on 1st September, the co-op have now agreed to appoint an external organisation to carry out two independent reviews, one into allegations of impropriety and another into governance matters, with input from Hexagon.  |
| ***2.***  | ***Recommendation***  |
|  | To endorse the actions taken by officers.  |
| ***3.***  | ***Background***  |
|  | Hexagon owns 72 properties managed by BTC which also owns a similar number of properties of their own as they are a housing association in their own right. For the last 12 months or so, the day to day management of all the properties managed by the co-op (including ours) has been carried out by MBM, a company who provide management services for a number of co-ops. I reported at the Board meeting at the end of July that we had been informed on 23 July by a senior officer from MBM that they had given the co-op notice of their intention to terminate their contract early (in late August) because of their concerns about alleged impropriety by two of the co-op’s officers and the difficulties of working with them. We asked to see the evidence which was sent a few days later.  |
| ***4.***  | ***Actions taken by Hexagon***  |
| 4.1  | We have reviewed the material sent by MGM and have asked for further material both from MBM and from correspondence with the members of the Management Committee which we could identify from our records. Hexagon has communicated with the Management Committee as a whole rather than just the officers, because two of the three officers are implicated in the allegations of impropriety. Based on what we read, we posed a number of questions to the Management Committee about: * What arrangements they were putting in place for the day to day management of Hexagon-owned homes once the notice from MBM expired?
* What actions the Committee were proposing to take in relation to the alleged abuse of position of the Chair?
* Whether the Co-op had appointed any independent body to investigate the allegations and if so, who that is and what is the timescale for their report back?
* A request to inform us of who the officers of the Co-op currently are and when they were elected

We subsequently asked for a list of Management Committee members with contact details and also for the minutes of their AGM. The Chair provided by return only partial answers to some of these questions and so on 13 August , we wrote again to all Management Committee members setting out our concerns in greater detail and our view that there needed to be an independent investigation of the allegations. We also raised a new issue as having seen the minutes of the AGM on 25 July, it appeared that the Co-op was trying to operate outside its own rules by proposing to allow more members onto the Management Committee than its own rules allowed. In this letter, we proposed a meeting with all members of the Management Committee on 19 August at their offices. We met with 18 members and I am pleased to say that the Co-op has now agreed to: * Appoint CDS – a recognised co-operative managing agent - to carry out day to day management on an interim basis. CDS is now managing the properties day to day
* Have an independent investigation of the allegations to be carried out by Blasé Lambert from CCH (Confederation of Co-operative Housing) and they have agreed that we can have some input into the scope of this investigation
* Have an independent review of their governance, again with input from us on the scope

The Co-op has had a general meeting on 1 September which we attended and this meeting has agreed to hold a ballot for the election of the Management Committee in accordance with the number (15) allowed in their rules and also agreed the independent reviews of impropriety and of governance. We will continue to monitor the situation closely.  |