**Update on independent investigations into BTC**

Following Hexagon’s intervention and recommendation for two independent reviews to be undertaken, BTC agreed in the autumn to commission the Confederation of Co-operative Housing (CCH) to carry out two investigations:

1. An investigation into the allegations of a lack of probity by two officers of the Co-op, the Chair and Secretary.
2. A review of the governance arrangements of the Co-op.

Blasé Lambert at CCH carried out the investigations and early in December produced two reports plus a set of draft governance documentation. These reports are due to be considered by the Management Committee of the Co-op on 5 January 2016, and Hexagon’s Resident Involvement Manager will be in attendance to observe the meeting.

**Probity Investigation into breaches of Code of Conduct**

The first investigation found that both the Chair and Secretary breached the co-op’s code of conduct. In the case of the Chair, the report finds that he failed to declare or act on a familial conflict of interest in relation to an investigation into a sub-letting matter. In the case of the Secretary, the report finds that she breached the code in relation to tenancy matters and trying to influence allocation decisions in relation to her family.

The report recommended that the Management Committee should consider this report, its findings and what action to take regarding the Chair and Secretary at their next meeting. These Officers must not be present at that meeting due to their ongoing conflict of interest. It further recommended an updating of the Code of Conduct (which was also a recommendation from the governance review), that the Co-op should consider outsourcing their minute taking and that Members of the Co-op need to have a greater understanding of what “conflicts of interest” might mean.

**Investigation into governance**

The second investigation on governance arrangements made the following recommendations:

**R1** The Code of Conduct should be updated to reflect current good practice and to contain clauses relating to breaches, their investigation and the consequences for serious breach (including suspension and removal of an Officer or Management Committee member).

**R2** The Rules of the co-operative are outdated and are not fit for purpose; the co-operative should consider adopting the new joint CCH / Co-operatives UK Fully Mutual Housing Co-operative Rules.

**R3** The co-operative should adopt the joint CCH / NHF Code of Governance for Housing Co-operatives and should draw on the guidance produced under the CCH Accreditation programme to ensure compliance.

**R4** The co-operative should agree role specifications for Management Committee members and Officers.

**R5** The co-operative should establish a process for undertaking skills assessments for Management Committee and sub-committee members and devise an appropriate training plan to address areas of weakness.

**R6** The co-operative should implement annual Management Committee member assessments which link to their role within the co-operative’s governance and establish a process for assessing the effectiveness and suitability of its sub-committees.

**R7** When appointing managing agents or contractors, the co-operative must ensure that they are procured through an appropriate process and that contracts / management agreements are in place before any works commence.

**R8** The process for allocating properties should be updated to ensure fair and consistent outcomes, minimise void periods and compliance with the Tenancy Standard.

Hexagon will be encouraging the Management committee and subsequent General Meeting to follow these recommendations.