**HCA REGULATORY NOTICE**

**Registered Provider**

Quadrant-Brownswood Tenant Co-operative Limited (C2157) (QBTC)

**Regulatory Finding**

The regulator has concluded that

a) QBTC has failed to meet the Governance and Financial Viability Standard;

b) the appointment of four officers to the Management Committee (Board) of QBTC under section 269 of the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011) is necessary.

**The case**

QBTC is a tenant membership co-operative, owning 141 general needs units and operating in North London. As a provider with less than 1,000 units, QBTC does not receive a regulatory judgement but was the subject of a regulatory notice published on 28 May 2014 which stated the regulator’s conclusion that the provider had failed to meet the requirements of the Governance and Financial Viability Standard.

QBTC entered into a voluntary undertaking with the regulator in July 2014 which committed it to an action plan to address issues of regulatory concern, including putting into effect the decision the membership had taken in April 2014 to outsource its management. There has been slippage in meeting the milestones set out in the action plan.

In addition, the regulator remains concerned that the Management Committee is not exercising strategic oversight of the provider and continues to be unable to demonstrate effective control of the organisation, largely due to repeated disagreements and conflict; that the Management Committee has not yet properly addressed financial and other risk factors, in particular in asset management and in the use of litigation where other less costly actions may be viable; and further that the Management Committee has no strategic plan for the management of its assets nor the detailed information on which to base such a plan. The regulator retains significant concerns about the Management Committee’s ability to operate effectively and to agree and execute a strategy that is appropriate for and in the best interests of QBTC and its residents.

The regulator is able to use the powers set out at Section 269 of the Housing and Regeneration Act where it considers that appointment of additional officers is necessary for the proper management of a provider’s affairs.  The regulator has indicated it will consider use of this power (inter alia) where there has been a failure against one or more economic standards; where the provider has failed to deal with previous regulatory interventions to the satisfaction of the regulator and where the governing body lacks the skills and experience to run the business.

In light of the concerns outlined above, the regulator considers that the appointment of officers is necessary.  Four officers have been appointed for a period of six months, after which the appointments will be reviewed and consideration given to whether the appointments need to be extended for a further period of time. The appointees are senior housing professionals with the skills and experience necessary to provide additional capacity to the Management Committee. The regulator will continue to monitor QBTC closely until it is fully assured that QBTC is compliant with the regulatory standards.