

Commission finds trustees dubbed 'UK's most prosecuted landlords' may have exploited their charitable status for financial gain

The Charity Commission has found the trustees of Alternative Housing responsible for misconduct and/or mismanagement, on the conclusion of an [inquiry into the charity](#) published today. The charity has been removed from the register.

The charity's objects were to provide accommodation, support and care to those in need within Bristol.

The Commission opened an inquiry into the charity in July 2017 following the charity's conviction in November 2016 for six breaches of the Management of Houses in Multiple Occupation (England) Regulations 2006, which led to the charity being branded the 'most prosecuted landlords in the UK' by news articles.

The charity's services and accommodation provided to residents were reported in news articles at the time to include issues such as no heating, no water, broken cookers and overflowing raw sewage.

In convicting the charity, amongst other problems identified, the court determined the charity had failed to maintain firefighting equipment and fire alarms, failed to ensure the internal structure of the property was maintained and failed to ensure that the water supply and drainage system serving one property was kept in good, clean and working condition.

On opening the inquiry, the Commission found the charity looked like it had ceased to operate. The only person recorded as a trustee on the register at the time told the inquiry he had never been a trustee. None of the other trustees provided any information to the inquiry.

The charity failed to file accounts in accordance with charity law over several years. An order on the charity's bank account meant the Commission was able to determine that the charity reported their income as falling beneath the threshold of £25,000 for filing accounts with the Commission when, over several years, it had substantially exceeded this.

The inquiry also found there were links between trustees of the charity and the directors of companies the charity had paid significant charitable funds to, but the inquiry found no evidence to suggest apparent conflicts of interest, had been declared or managed appropriately. For example, one signatory on the charity's bank account was the sole director of a company that received £232,000 from the charity and owned a property, occupied by a relation, who was a former trustee of the charity.

The local authority told the inquiry it had serious concerns over the validity of the housing benefit being requested by the charity on behalf of tenants occupying the properties it managed. It therefore found the charity was not fit to receive housing benefit and stopped making payments.

The inquiry determined that the trustees had failed to ensure the charity could deliver suitable accommodation to its beneficiaries and the condition of the properties had placed people who needed support at significant risk of harm. This is mismanagement and/or misconduct by the trustees.

Charities exist to do good and ensuring beneficiaries are safe should be an absolute governance priority for all trustees. The trustees of Alternative Housing failed in this responsibility.

Instead, there are indications the trustees may have exploited their charitable status for financial gain – by paying significant funds to the companies connected to people at the charity whilst exposing beneficiaries to harm, and by failing to ensure the accommodation the charity managed was maintained. Alternative Housing has now been removed from the register.

The full report of the inquiry is available on [GOV.UK](https://www.gov.uk).

Ends

Notes to editors:

1. The Commission has [previously considered](#) charities that provide support and accommodation to individuals and continues to assess the issues and wider risks for charities in this area.
2. Registered charities with a gross income in the financial year exceeding £25,000 [must file their accounts](#) and an annual report with the Commission.
3. The Commission does not investigate criminal matters or matters of social care and health provision or the adequacy of housing; these are for the police and other agencies.
4. The Commission's role is to investigate the trustees' compliance with charity law and their duties as trustees.
5. The charity was removed from the register on 8 October 2018 as it was found to no longer be operating.