

[Press release: Charity Commission issues Official Warning to trustee of housing charity](#)

The Charity Commission, the independent regulator of charities in England and Wales, has today (5 February 2019) issued an [Official Warning](#) to a trustee of Expectations (UK) ([registered charity number 1152491](#)) due to a breach of trust and legal duties.

The charity, which operates in Birmingham to provide social housing accommodation and assistance, has been subject to a regulatory compliance case since August 2017 due to concerns about its governance and the viability of the charity.

The Official Warning, issued under section 75A of the Charities Act 2011 comes after the trustee, Mr Blanchette, failed to cooperate with the Commission and failed to comply with two formal Action Plans previously issued.

The Commission is concerned by serious governance issues within the charity and has advised of the need to strengthen the board to bring additional skills and expertise into the charity.

The Commission's previous advice required the trustee to provide a business plan as evidence of its short and long term financial viability to provide the service and manage debts. Despite several requests, that plan was not provided until the Commission took steps to impose the Official Warning.

The regulator is also concerned about decision-making around an emergency loan provided by a company whose director is an associate of a former trustee. The decision to accept the loan was not documented, and so it is unclear whether the conflict of interest and/or loyalty was identified and properly managed.

The charity is also in breach of its statutory duty to file an annual return and accounts for the financial years ending March 2016 and March 2017. It has also provided the Commission with information that was inconsistent with that provided to another regulator also engaged with the charity.

The Commission is encouraged to see that steps have been taken to address its governance concerns, and that 5 new trustees have recently been appointed to the charity's board.

Tracy Howarth, Head of Regulatory Compliance at the Charity Commission said:

The public, and those that rely on the vital support of charities, expect high standards of integrity and accountability from those that run charities. This trustee has failed to live up to those

standards, exposing their charity to serious uncertainty and risk. This warning should serve as a reminder to all charity trustees that their work is of high importance, and that they will be held to account for compliance with their legal duties and regulatory advice.

In issuing the warning, the Commission has set out action that should be taken to address its regulatory concerns, including carrying out a governance review, filing the outstanding accounts; submitting a business plan to the Commission.

The Commission expects the newly appointed trustees to address its concerns as a matter of priority.

Tracy Howarth added:

We want to see all charities thrive, so I welcome the arrival of new trustees at Expectations UK. This should signal a watershed moment for the charity, and I expect the new board to take swift steps towards tightening its governance and management. Charity trustees should at all times consider the needs of their beneficiaries, and be driven by their charitable purpose and mission in everything they do.

The regulator will be engaging with the new trustees, as well as Mr Blanchette, as part of its ongoing case. Any further breaches of charity law or regulatory advice would be of serious concern to the Commission.

The Official Warning is published in full [here](#).

Ends.

Notes to editors:

1. The power to issue charities or individuals with an Official Warning was granted by the Charities Act 2016. It is designed to ensure a charity or its trustees know that a breach, misconduct or mismanagement has taken place and that it needs to be rectified.
2. An official warning is not a statutory direction. The Commission cannot use an official warning to direct trustees to take specific action. However, it must specify any action it considers the trustees or the charity should take to rectify the breach, misconduct or mismanagement. Furthermore, failure to remedy any breach specified in a warning can be used as evidence of misconduct or mismanagement including when considering whether to exercise other specified powers.
3. Section 15(2) of the Charities Act 2011 gives the Commission the power to issue formal regulatory advice, including Action Plans, to trustees.