

Mr Jim Eadie MSP  
Convenor  
Infrastructure & Capital Investment Committee  
Scottish Parliament

19 January 2015

Dear Mr Eadie

Further to our appearance at the Infrastructure and Capital Investment Committee on 14 January 2015 we feel it necessary to restate our position on the line of questioning relating to Dumfries and Galloway Housing Partnership's (DGHP), of which we had no prior notice. You may be aware of subsequent media coverage of this issue.

We were asked at the Committee meeting about complaints from tenants of DGHP who lived in the houses affected by the insolvency of a contractor. At the Committee we stated that we had received no complaints from tenants of the houses affected by the contractor insolvency. That statement is accurate.

The Scottish Parliament empowered the Scottish Public Services Ombudsman (SPSO) to be the body that considers final stage complaints about housing associations. The SPSO has reported no complaints from DGHP tenants living in the houses affected by the contractor insolvency in relation to the quality of those houses.

We have been contacted on a number of occasions by a tenant of DGHP who raised a number of concerns about DGHP, including concerns relating to the contract with the now insolvent contractor. This tenant does not live in one of the houses which were built by the contractor which became insolvent. We responded to these and included information on how the tenant could complain to DGHP and then to the SPSO.

DGHP awarded the contract in May 2009 following consideration of submitted tenders by a six person panel comprising of reps from DGHP, Dumfries and Galloway Council and the Scottish Government. DGHP notified our predecessor organisation of the contractor's insolvency in April 2011. At that time our predecessor organisation sought and obtained assurances from DGHP on its handling of the situation and that it was acting to protect the interests of tenants. In this regard our predecessor organisation operated in the same way as the Regulator operates today.

It is our role to safeguard and promote the interests of tenants and others who use the service of social landlords. Our only objective in engaging with DGHP was to ensure that since the time of the contractor insolvency DGHP acted to protect the interests of tenants. We have appropriate assurance that is the case. In particular, we have confirmed that:

- 249 homes were completed in various locations by the now insolvent contractor. A further 221 houses have now been built following the appointment by DGHP of an alternative contractor;

- independent reports commissioned by DGHP have not identified any structural problems with the houses built by the now insolvent contractor;
- DGHP has responded to snagging on the completed houses reported by tenants, and that the level of these is around the norm for new build developments; and
- no additional public money was needed to complete the delivery of the houses originally awarded to the now insolvent contractor.

On this basis, we are satisfied that the interests of tenants are protected and there is no regulatory issue for us to pursue.

Yours sincerely

**Anne Jarvie, Board member**

**Michael Cameron, Chief Executive**

cc Mrs Margaret Burgess MSP, Minister for Housing Welfare