**Appendix 1**

**Report from the Development & Regeneration Director**

**Brickfield Cottages, Plumstead – Ground Collapse**

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#### 1.0 Update

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1.1 We now have a Project Team comprising Kerry H, Tom McC, Ben Ruse (Social Communications – PR consultant), Chris M, Steve Lee (Head of Housing), Pamela Hunte (Senior Sale Exec. Managing  resident liaison).  Kerry H is the Project Manager.

1.2 The project team are meeting weekly in light of the fast moving nature of the issue, and the need to make important decisions arising from feedback from residents and stakeholders.

1.3 At the last Board Meeting the Chair requested that the Chair of ARC be kept informed as this matter progresses. Ian Watts has been provided with an update and will receive notes of the weekly project team meetings.

1.4 Residents have now been advised of our plan to decant the entire estate to allow site wide investigations to take place. Whilst this was not well received at the meeting (26th October), they were keen to arrange appointments to discuss their individual circumstances and rehousing needs with the team who have been put in place to manage the rehousing. All residents have received a letter summarising the key points from the meeting and the next steps.

1.5 The re-housing solutions we are progressing are:

o   Purchase of 10+ street properties – We may get some Right to buy grant from the LA to maximise the number of houses we can buy.

o   Hexagon voids (Incl. 10 ex rent to homebuy in Erith)

o   LA voids in Greenwich

o   RP voids in Greenwich

* Private sector rental

We recognise that managing the rehousing is going to be challenging, and that some residents may not be willing to move, so we will be working very closely with them to find alternative housing that meets their needs. We have committed to meet their ‘out of pocket’ expenses and a ‘goodwill’ payment in recognition of the inconvenience / distress caused.

1.6 **Communications** - We have informed all of our key stakeholders of the situation – LA Chief executive and staff, local councillors and the GLA, and staff have also been briefed.

1.7 **PR** - Social Communications (Ben Ruse) will be the key point of contact for any press queries. The risk of negative PR arising from having to decant residents is captured on the risk map.

1.8 **Legal Action** - Devonshires now have a copy of the appointment letter for RSK (Original Geotechnical adviser) and have appointed an independent Geotechnical expert who will assess extent of liability with Skillcrown and / or RSK.  The insurer’s solicitors are liaising with Devonshires re: recovery. We have established that Skillcrown’s Professional Indemnity insurance on this project (which should be maintained) was at £10m.

1.9 **Works on site** - Stabilisation works are now completed to 32 and 34. Stabilisation works are continuing on at the rear of Numbers 36 and 30 (properties either side of 32 and 34).  The extent of weak ground to the rear of 36 is such that PBA have advised that we should expedite the decanting of neighbouring property No. 38. Contractors are preparing to start investigations to 33-39, once they are decanted.

PBA have issued a draft plan for the borehole investigations across the estate once it has been decanted and circa 450 holes are needed and the timescale is estimated to be 10-12 months. The lead in time for these works to start is subject to how long it will take to move people and could be 6 months or more.

1.10 **Soakaways** – Due to the risks presented, as a result of the provision of this drainage strategy on the site, an independent drainage expert from PBA has been appointed to review the soakaway provision and identify an alternative drainage solution.

We have carried out a review of all correspondence via site meeting minutes etc. and there was no follow up or concerns raised by our Employer’s Agent or the project Manager, about the provision of soakaways despite the clear reference in RSK’s report that they should be avoided. Under the terms of a design and build contract the Contractor is wholly responsible for design solutions, and are effectively tasked with complying with our contract and ensuring compliance with building regulations, planning consent and securing sign-off from the LA Building Control and NHBC. None of these 3rd parties raised concern about the provision of soakaways.

There clearly should have been more scrutiny of the content of this report, therefore since this incident I have ensured that our New Business team and PMs review the site investigation reports and ensure all and any recommendations are confirmed by the contractor as being complied with as part of the design, and this is followed through on-site.

1.11 **Costs** - Spend to date is circa £500k (of which (£400k is est. to be recoverable).  The cashflow has been revised to accommodate the likely costs involved (Investigations, decanting etc.),

1.12 Phil has established that a worst case scenario can be accommodated without breaking covenants. The worst case being site cannot be occupied and homes are demolished, with no recovery. Tom has notified the HCA of the situation, assuring them that we have assessed the financial impact of the worst case scenario and the business can withstand this.