

Background to delays in Stock Condition Surveys at Anchor Village Estates:

Historically Stock Condition surveys were carried out by legacy Anchor's inhouse asset evaluation surveyors on a five year cycle. There was a team of six surveyors and a senior who managed the process. Anchor also had a policy in place that new developments did not require a survey for the first three years due to no works being needed to be planned.

A number of things have happened that have led to the delay in getting the villages surveyed, in summary here are the key reasons for the delays that have led us to this point:

- The property re-structure in 2017 resulting in the team of six surveyors being reduced to two, the duty of stock condition surveys was transferred to the delivery team.
- Anchor also upgraded their mobile phones which resulted in the new phones not being compatible with our asset management system to enable surveyors to carry out mobile surveys. Therefore, the stock condition programme was never progressed.
- The merger took place in late 2018, however, both Anchor and Hanover had their own separate asset management systems, a decision was made in early 2019 that Hanover's system would be the preferred asset management system, work started on how the data for all Anchor locations would be transferred into the Hanover Promaster system.
- During this process we quickly found that Hanover system wasn't fully operational, and the quality of the data being held for Hanover locations was limited and poor.
- As a result of this Anchor decided this was an opportunity to look at the market and see if there was a system that would deliver all the needs of the business and we started doing a soft market test of asset management solutions.
- In the meantime, it was decided that Anchor Apex system should continue to hold our asset data and this system was also evaluated to see if it offered Anchor what we needed.
- In late 2019 we realised that with only two asset evaluation surveyors to carry out stock condition surveys, would not allow us to catch up on some outstanding surveys that were now needed. It was agreed to bring in a third party to support us getting these urgent surveys completed. This included getting the villages surveyed.
- We appointed Faithfull and Gould to start doing surveys in late 2019.
- A process was agreed where F & G did the surveys and populated a data loader form that Apex produced which could then be loaded into the Apex system.
- However we then had to stop these surveys in March 2020 due to the Covid pandemic.
- When the surveys re-commence when restrictions were lifted and we started getting the first batch of data back from F & G to load into Apex, we quickly became aware the quality of the surveys were not to the standard expected, our surveyors ended up having to redo many of the surveys ourselves. It was therefore decided that due to the complexity of the villages and their size this task should not be outsourced to F & G but we needed to work out how we could do them ourselves.
- Anchor had recognised that the Hanover data was very poor and had lots of gaps and this needed addressing urgently. But this could not be done with just two surveyors.
- In late 2021 we had approval to recruit six stock condition surveyors and have 4 asset evaluation surveyors who could manage the team.
- We also recognised that this would still not be enough to get all the Hanover surveys completed quickly, so it was decided that we would bring in a partner to support us.
- We appointed Ridge Consultancy, who were one of the leading consultancy firms in carrying out stock condition surveys, in 2022.

- We also made the decision to use Ridge's system to carry out and hold our asset data because the Apex survey module was not available without some development work.
- It was decided that Ridge would train and manage Anchor surveyors to carry out the surveys on their systems.
- The surveys commenced in May 2022, and we targeted all Hanover rented locations and those Anchor locations which had the oldest data.
- Once again, we found the process of working with a third party was not smooth, we could not carry out our own quality assurance checks and getting the data back for us to start using was a slow and cumbersome process.
- When we did get the data and carried out our own checks we quickly found errors being made by surveyors were not picked up by the Ridge QA process.
- This resulted in multiple revisits by surveyors including our own team to correct survey errors.
- Because anchor was not directly managing our own team and we were not seeing that data until long after the survey had been completed any errors we identified could not quickly be addressed and some of the bad practice by the surveyors was not picked up early resulting in repeating the same errors repeatedly.

As a result of all this we have decided that Anchor needs to manage the stock condition surveys inhouse and hold that data in a system that we manage and can access instantly.

It was therefore agreed we should work with our Apex system, get the mobile survey application operational, train the team and provide the tools to get surveys carried out.

We have committed to getting all Homeownership locations surveyed this financial year, this includes the villages.

We made a conscious decision to start with Hanover Homeownership locations where we had poor data, we wanted to make sure the surveyors got used to the new way of working and the audit process to check the quality of the surveys was working and we could react to any concerns around quality quickly.

We are now confident in the quality of surveys being produced by the team, and that quality assurances are working well.

We therefore recently visited one of the villages to start scoping how we can get the villages surveyed.

One of the challenges for surveying the villages has been their size and complexity. We have decided that the best way to ensure we get all the measurement right would be to take these off the development drawings, as we don't have any inhouse CAD services that would allow us to do this we have gone to a consultancy firm to price to have this work carried out, our surveyors can then capture the asset condition and data.

We have been working with our estates and development team to pull all the drawings which are in CAD format to issue to the consultant.

The current timeframe we are working to is:

- Consultant to provide costs of getting measurements from CAD drawings early September (we have been informed we will get this quote by the 15th September)
- Issue instruction to our consultant mid-September 2023.

- Initial proposal from consultant suggested they would take six to eight weeks to complete all measurements.
- Anchor surveyors to start capturing asset condition data Mid November.
- All surveys to be complete December or January.

Depending on how we start getting the measurement back we may have an opportunity to commence physical surveys quicker, but we want to ensure we focus on the quality of the surveys and not rush them.

We are also getting condition data for all major M & E equipment for the villages from our service contractors, this will provide us condition, availability of parts, lifecycle, replacement cost and remaining life, this will all be recorded against each asset.

At the time of writing this summary our consultant was confident they would be submitting their costs to us by the 15th September.

I understand everyone's frustration on how long this has taken and the team feel the we have felt the same frustration but I am confident that we finally have a plan in place that will allow us to get the stock condition survey carried out and the data will be in a system that we manage and will then be reviewed and updated on a five year cycle of stock condition surveys.