From the Chair, Rt Hon James Arbuthnot MP

Rt Hon Mark Francois MP,
Minister for Defence Personnel, Welfare and Veterans,
Ministry of Defence,
Floor 5, Zone D,
Main Building, Whitehall,
London SW1A 2HB

24th April 2013

Dear Mark,

The Armed Forces Covenant in Action? Part 2: Accommodation

The Defence Committee published the Government Response to our Report on Accommodation in September 2012. We welcomed the positive approach to our recommendations taken in the Government Response. We also recognised that many of our recommendations and the MoD’s planned work would need to be incorporated into the outcome of the MoD’s current work on the New Employment Model and the Future Accommodation Project as well as other work.

As you know the Committee routinely follows up the outcome of inquiries six months after the Government Response. I would be very grateful for a progress report on the actions detailed in the Government Response. I attach a detailed list of areas where we would like to know how the Ministry of Defence is progressing. The Committee would also find it useful if you would update us on any work undertaken since the completion of our inquiry, for example, the impact of rebasing and the return from Germany on accommodation.

I would be grateful if we could have your reply by 14 June.

Yours ever,

James

CHAIR
The Committee would like to see the findings of the MOD’s work.

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The provision of accommodation:

- Development in the policy on accommodation.
- Should regularly update Armed Forces Personnel and their families as to family accommodation as fundamental to the Armed Forces Covenant. It family accommodation is unaffordable and not suitable for service personnel and their families.

The importance of accommodation to Armed Forces Personnel:

- The MOD should fully recognise that serving Armed Forces Personnel and their families need access to affordable family accommodation in order to support the Covenant.

Mod Response and Committee follow up questions:

Committee conclusions and recommendations:

- Follow up questions
The committee would like to be able to look at the least position on the use of substitute accommodation. If so, when is it likely to be implemented?

Has the Combined Accommodation Assessment System been accepted for condition and location? If accepted, can it be used at standard 1 and 2?

The government is aware that the current system for determining grade is more costly for change. It is important that the condition of the property is clearly defined and that the grades for change are in the correct order. The GDS system is undergoing a review to ensure that it is cost-effective and that it is acceptable to all stakeholders. The government is aware that the current system for determining grade is more costly for change.

Replacement Programme in 2013-14 and 2014-15

How many properties have been upgraded through the asset management programme? There is no improvement of properties. The properties are being used as a higher standard for condition, that is, the whole of the property is budgeted and is based on the GDS standard. The cost of budgeting, estimating, and costing is far too high. The government has decided to make improvements and reduce running costs. By making improvements, including maintenance and refurbishment costs, the GDS programme is expected to reduce the costs of the programme. This investment is delivered through the annual asset replacement programme.

Service Families Accommodation

Future Accommodation Programme is special as possible from their rents. The MRO should be able to accept Germany, France, and Italy. It is not only is costly but is unacceptable. For the families to live away from home, it is not possible. We are concerned about the amount of substitute accommodation and the lack of options. The government is aware that the current system for determining grade is more costly for change.

Replace locations are no longer to encourage that the condition of the property is clearly defined and that the grades for change are in the correct order. The GDS system is undergoing a review to ensure that it is cost-effective and that it is acceptable to all stakeholders. The government is aware that the current system for determining grade is more costly for change.
7. We accept that some of the concerns about the standard of maintenance may be the result of poor communication but believe that many of them must result from the genuine experience of personnel and families. The MoD should investigate the entrenched belief amongst occupiers of Service Families Accommodation that the maintenance contractors carry out short term fixes to problems rather than provide a good quality repair. It would also be worthwhile to review the incentives and measurements of success amongst maintenance contractors to ensure that they are in line with comparable best practice in the private sector. The MoD should continue to monitor satisfaction levels with reactive maintenance carefully and deal promptly with any deterioration in performance, in particular during the three year ‘pause’ in the upgrade programme.

8. The MoD should monitor the impact on the service given to personnel and families living in Service Families Accommodation of the changes to the system of allocation and the amalgamation of the Housing Information Centres. It should act promptly to rectify any problems identified.

The Committee would like a report from the MoD of the performance of the new system administered by the Housing Allocations Service Centre.

Is the Single Living Accommodation management information system now in operation?

What is the latest position on the standard of SLA?

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<th>Single Living Accommodation</th>
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<td>9. We accept that there are many uncertainties with regard to the provision of accommodation such as the return from Germany and releasing, and the Future Accommodation Project. However, it is unsatisfactory that over 60% of Single Living Accommodation is in conditions 3 and 4. It is unacceptable that over 50% of such accommodation in the top two categories.</td>
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<tr>
<td>12</td>
<td>Welcome the work of the sub-committee to review the factors which drive the costs of construction and usage.</td>
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<td>What were the results of the above work?</td>
<td>The government acknowledged the committee's endorsement of the work.</td>
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<td>The work was initiated recently by the Ministry of Defence to review the future accommodation needs of the armed forces and personnel needs of service personnel. The requirements of front-line accommodation are one of the main considerations in the context of current accommodation strategies. In particular, the Ministry of Defence, in response to Departmental budgetary restrictions, has undertaken to develop a more cost-effective approach for future projects. The work of the sub-committee is ongoing, and its findings will be reported to the committee.</td>
<td></td>
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<td>Significant</td>
<td>The work of the sub-committee is ongoing, and its findings will be reported to the committee.</td>
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<td>In paragraph 4.2, we hope to account the cost of building each en-suite room.</td>
<td>The work of the sub-committee is ongoing, and its findings will be reported to the committee.</td>
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### Home Ownership

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<td>The committee would welcome the promised update on the use of the extra £130 million and any further funding found.</td>
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<tr>
<td>24. The committee would like an update on MOD’s work to mitigate the impact of three year pause.</td>
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| The committee would welcome the publication of the updated budget announcement for extra £130 million to be spent on

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### Home Ownership

- Home ownership should be supported and resourced to carry out this additional last chance prior to leaving in the U.K. or to the U.S.A. The Joint Housing Advice Office

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### Home Ownership

- The Joint Housing Advice Office should be tasked to educate Armed Forces personnel about their future housing needs.

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<th>What is the latest position on the New Employment Model and the Future Accommodation Project?</th>
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| Project when companies and modelling the options under the Future Accommodation
| support the needs of modern family life. It should take into account the needs
| individual approaches to health and well-being, including the needs of people
| should also take account of the needs of people with different needs in their lives.
| 19. As with the New Employment Model, proposed arrangements under the Future
| variation within the model to meet different needs and aspirations.
| 18. We have not looked at work on the New Employment Model in detail but a

<table>
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| overseas should not be required to pay a contribution in lieu of council tax. A
| charged in lieu of council tax on their free property. Alternatively those living in
| the city of London should be eligible for a rateable cost of 50% of council tax if they pay a
| overseas. All asylum seekers are eligible for any property owned or lived in by
| refugees for whom the housing authorities pay. The government should explore
| 17. The government should clarify the situation as to the situation on council tax
| 16. The government should consider the extent of its work in
| and careers. |
| 15. The government should consider the extent of its work in
| 14. The government should consider the extent of its work in
| 13. We have not looked at work on the New Employment Model in detail but a
The committee would like to see the introduction of a communications strategy for the new employment model and the future accommodation project. It is felt that the MOD has developed a communications strategy for the new accommodation project, but this is not mentioned above.

The committee would like to see the details of the financial package mentioned above. The committee is aware that the details of the financial package will be provided to the committee at a later date. However, it is also anticipated that the financial package will differ from that proposed in the government's new employment model. The committee would like to see the details of the financial package.

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The committee is concerned that the introduction of any proposals for the new employment model and the future accommodation project will require significant resources.

The committee would like to see the results of the further research mentioned above. The committee would like to see the details of the financial package mentioned above. The committee is aware that the details of the financial package will be provided to the committee at a later date. However, it is also anticipated that the financial package will differ from that proposed in the government's new employment model. The committee would like to see the details of the financial package.

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| Programme | Proposal to schedule an update on the MOD Transformation Programme. | MOD 3. The MOD accepts that the Defence Infrastructure Organisation is undergoing a major transformation at the same time as managing the estates aspects of significant defence infrastructure projects. While the MOD wishes to see sufficient robust and properly staffed to carry out the work required of it while accommodation will, we want assurance from the MOD that the MOD will remain mindful of the importance of maintaining service families accommodation and single living quarters such as the return of armed forces personnel from Germany. Given the size of the MOD estate and the MOD’s overarching commitment to the MOD, the Ministry expects that the MOD will be able to satisfy a major accommodation requirement for the return of armed forces personnel from Germany. |