

Defence Committee

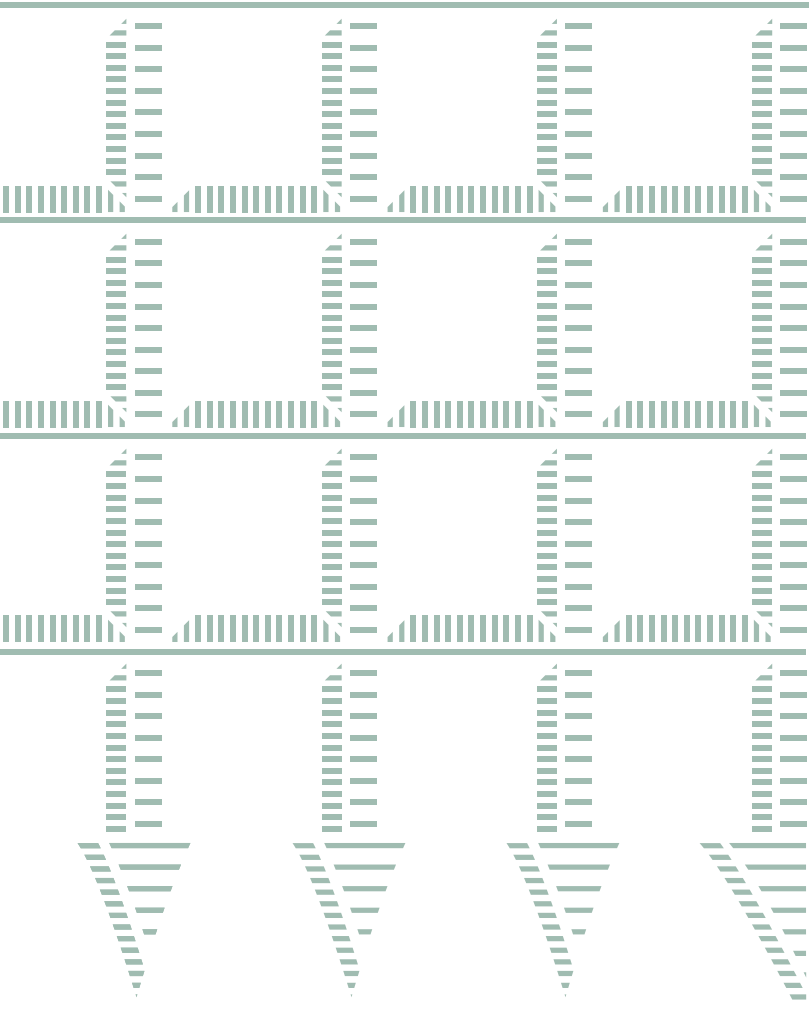
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# Service Accommodation: Government Response

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First Special Report of Session 2024–25

HC 751



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# Defence Committee

The Defence Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Defence and its associated public bodies.

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## Publication

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# First Special Report

The Defence Committee published its First Report of Session 2024–25, [Service Accommodation \(HC 406\)](#) on 11 December 2024. The Government’s response was received on 21 February 2025 and is appended below.

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## Appendix 1: Government Response

### Government Response to HCDC Report on Service Accommodation

1. *As part of its response to this Report, the Government should set out in detail its investment plans for both Service Families Accommodation and Single Living Accommodation, how far it expects these plans to address the condition of the Estate, and how it intends meanwhile to manage the human and resourcing consequences of continuing to expect personnel and their families to occupy ageing properties, often in poor condition, that do not meet their expectations. (Recommendation, Paragraph 21)*

The Ministry of Defence (MOD) is delivering our Plan for Change by renewing the nation’s contract with those who serve, and we are working hard to improve the quality of housing for our Service Personnel and their families – including developing new standards for service accommodation.

We are committed to listening to our people and are establishing an Armed Forces Commissioner to act as a strong, independent champion for personnel and their families to improve service life.

On 17 December 2024, the MOD announced we had entered into a landmark deal with Annington Homes Limited to buy back Armed Forces housing. This deal enables the first steps to be taken to fix the long-term decline in forces’ housing, and a boost for both housebuilding and economic growth. The

announcement comes as the Government kickstarts work on a new military housing strategy, to be published this year. Key principles of the strategy will include: a generational renewal of Armed Forces accommodation; new opportunities for forces homeownership; and better use of MOD land to support the delivery of affordable homes for families across Britain.

The first step in the strategy will include the rapid development of an action plan to deliver on the “once in a generation” opportunities unlocked by the deal. This work will involve independent experts, forces families and cross-government input.

## Service Family Accommodation (SFA)

2. *There have understandably been serious concerns about the Defence Infrastructure Organisation’s contract oversight of the implementation of the FDIS contracts for the maintenance and repair of Service Family Accommodation. DIO is accountable for the fact that there was no contractual relationship between the suppliers and no lead prime to take overall responsibility: this contributed substantially to the problems with the rollout of the new accommodation service. (Conclusion, Paragraph 35)*
3. *The DIO must prove it has learned lessons from the failures in the delivery of these contracts. (Recommendation, Paragraph 36)*

The MOD accepts recommendations 2 and 3. The Defence Infrastructure Organisation (DIO) continues to drive for both improved performance and increased value for money from the Future Defence Infrastructure Services (FDIS) Accommodation Industry Partners (IPs). Performance is monitored on a monthly basis including oversight at Chief Executive level.

The DIO has conducted a series of reviews to capture lessons learned from the delivery of the FDIS Accommodation contracts and commissioned external audits of IPs’ performance. The DIO is in the process of conducting its Year 3 review which will continue until June 2025. This ongoing review presents an additional opportunity to identify actions to enhance contract delivery, although delivery by FDIS IPs has significantly improved and all IPs have been removed from default. All assurance processes will be visible on the website to be launched with Defence Homes, our information will be transparent, and the DIO will be held to account.

Additionally, the DIO is carrying out a comprehensive independent review of the ‘state of the estate’ which will allow for effective baselining of stock condition and clear measurement of the improvements that FDIS will continue to bring for the next four years.

4. *The DIO and its contractors should outline the assurance processes they have in place to ensure maintenance and repairs meet the needs of service families. The DIO should also review the performance measures in the RAMS and NAMS contracts to assess how they could more effectively take account of service families' satisfaction. (Recommendation, Paragraph 44)*
5. *The MOD's claims of a recovery in performance need to be borne out in a demonstrable improvement in the customer experience and markedly increased customer satisfaction. Service families' trust has been affected and the DIO and service providers need to demonstrate a genuine "family first" approach to earn that trust back. (Conclusion, Paragraph 45)*

The MOD accepts the recommendation and agrees with the conclusion set out in 4 and 5. The DIO is working closely with its IPs, Families Federations and Service Personnel and their families to identify performance measures that better align with the aspirations of our Service families, their lived experience and drive improved service delivery.

Many initiatives are underway to improve transparency and engagement with Service Personnel and their families including the launch of a new website in Spring 2025, on which the DIO will publish its self-assessment of UK Service Family Accommodation (SFA) quality against the Regulator for Social Housing Consumer Standards biannually, alongside quarterly assessments of our compliance with the Ministry for Housing, Communities and Local Government (MHCLG)'s Decent Homes Standard (DHS), occupancy rates, and energy efficiency metrics, ensuring transparency and accountability in our commitment to maintaining high standards in SFA.

Collaborative Joint Area Offices hosted by Housing Officers, have been established to further support Service Personnel and their families and are working on initiatives to elevate their voice. As of now, there is at least one Joint Area Office open in each region, with plans to have one operational in every area by end of January 2025. Additionally, Customer Experience Indicators are being developed to better measure what matters most to families.

6. *There needs to be better communication with service families about maintenance work. Part of the solution lies in the introduction of the promised Home Hub portal, to give families access to information about maintenance work and the ability to book their own appointments online. (Conclusion, Paragraph 52)*
7. *The DIO must prioritise the development of the Home Hub portal and roll this out to families as soon as possible. (Recommendation, Paragraph 53)*

The MOD accepts recommendations 6 and 7 aimed at enhancing communication with Service families regarding the maintenance of their homes. The DIO and its IPs recognise the importance of keeping Service Personnel and their families informed about progress in this area. Significant efforts have been made to improve the flow of information between key IT systems to ensure efficient and effective communication.

The DIO is already working closely with IPs to enhance the communications that Service Personnel and their families receive. A key initiative in this effort is the introduction of Home Hub, a platform designed to provide Service families with a choice of channels for managing their maintenance needs. The DIO believes that Service Personnel and their families should have the flexibility to address their maintenance issues through their preferred communication methods, consequently, delivering Home Hub is considered a high priority.

The DIO anticipate launching Home Hub to a closed user group in Spring 2025, with all Service Personnel and their families gaining access once user testing is complete. A roadmap for the future development of Home Hub has been established, and the DIO is committed to involving Service Personnel and their families in shaping the product's future priorities. Their feedback will be invaluable as the DIO continues to enhance the Home Hub experience.

8. *If the housing officer role is to continue being undertaken by Pinnacle, then Pinnacle's representatives must be more effective at resolving outstanding issues and complaints, working collaboratively with their contract partners. (Conclusion, Paragraph 59)*
9. *We understand that MOD were conducting a review of the complaints policy and process, and of the quality of contractors' responses to complaints to improve the customer experience. We trust that work on this review is now complete and ask the Government to summarise its findings and outcomes in their response to this Report. (Recommendation, Paragraph 60)*

The MOD agrees with the conclusion and accepts recommendations 8 and 9 which is critical for enhancing the customer experience for Service Personnel and their families. In this context, the role and responsibilities of Housing Officers becomes pivotal. Housing Officers serve as the primary point of contact for Service Personnel and their families, guiding them through the complexities of housing options and ensuring they have access to the resources and support they need. There are no current plans to move the Housing Officer role away from Pinnacle; instead, the DIO will be working with Pinnacle to review the effectiveness of the Housing Officer role and ensure that it is delivering as specified at the outset of FDIS in accordance with the National Accommodation Management Services Contract.

Throughout 2024, the DIO and its IPs have been engaging with Service Personnel and their families at SFA Roadshows in locations across the UK and are already acting on feedback. One initiative was to establish Joint Area Offices to make it easier for families to contact their local Housing Officer for support. These are being established at locations across the UK.

The MOD accepts that the current complaints process is inefficient and a new process is being devised that proposes to shorten the process to two stages, in line with the Housing Ombudsman's direction that landlords should only have a two-stage process (no more/no less) instead of the current three, so that Service Personnel and their families are provided with quicker resolution. Work continues within the Customer Experience Forum to improve the customer journey with regards to complaints. The process is not yet finalised and must be agreed through the appropriate governance channels.

10. *The process for allocating housing is a source of great frustration to many service families due to the limited choice of properties and very little information available about them prior to moving in. (Conclusion, Paragraph 63)*
11. *The Government should ensure that there are good quality photos and floorplans accessible to service families for every available SFA property, as promised. (Recommendation, Paragraph 64)*

The MOD agrees with the conclusion and accepts recommendations 10 and 11. The MOD acknowledges the frustrations expressed by many Service families regarding the housing allocation process. The DIO understands that the limited choice of properties and the lack of information available prior to moving in can create significant challenges for families during this time.

To address these concerns, the DIO is improving the quality of photographs and floor plans that are available when they apply for housing. The DIO is currently collaborating with Pinnacle, our National Accommodation Maintenance Services (NAMS) IP to enhance both the extent and quality of SFA photographs and floor plans. Approximately 50% of properties have had updated photographs since the start of the FDIS Accommodation contracts. It is important to note that not all properties have had photographs taken due to security considerations, particularly for properties located in Northern Ireland.

12. *The MOD has highlighted the preparation of homes for move-in as an area in which VIVO and Amey need to show improvement to meet their contractual Acceptable Level of Performance (ALP) requirements. (Conclusion, Paragraph 66)*



- 13.** *The DIO should clarify what improvements have been and are being made to the move-in process, to guarantee homes consistently meet an acceptable standard of decoration, maintenance and cleanliness in good time. (Recommendation, Paragraph 67)*

The MOD accepts the conclusions and recommendations as set out in 12 and 13. Void Preparation is an area of focus and the DIO has exercised its ability to request independent audits of the Regional Accommodation Maintenance Services (RAMS) IPs to review Void Preparation activity including data availability, service delivery outputs, associated costs, associated void maintenance activity, deterioration of SFA during void maintenance, supply chain management and deferred maintenance.

The DIO recognise the impact that a house move has on Service Personnel and their families and, as such, getting Void Preparation right remains a key priority. A revised Move-In specification was published on the Pinnacle website in November 2024 and Housing Officers have been trained to ensure they are delivering a level of consistency in accordance with the revised Move-In specification. Additionally, several changes to the process to support Move-In are being revised to enable earlier sight of the properties by Housing Officers to determine whether they are suitable to be allocated to Service Personnel and their families or whether extensive works are required. Additionally, safety certifications have been advanced to take place earlier in the void period in the event they might fail impacting upon availability for families. We are also looking to better involve families in the Move-In process, engaging early on requirements.

- 14.** *The MOD successfully delivered in winter 2023–24 on its preparedness planning and carried out the remediation work that it promised. However, this was only achieved through additional resources. Service families need reassurance that DIO and its contractors can continue to provide the same level of service in the future, when substantial emergency uplifts to funding may not be available. (Conclusion, Paragraph 70)*

The MOD partially accepts the conclusion 14. The additional resource was funded via the Defence Command Paper Refresh, which provided an uplift in funding of £220 million in Financial Year 2023/24. This additional funding was spent on; upgrading kitchens/bathrooms; upgrades to heating systems; and delivering packages of works to tackle damp and mould. The funding was not spent directly on preparedness for winter, albeit the investment allowed the DIO to address the worst cases of damp and mould via a surge of activity.

For winter 2024/25, the DIO undertook extensive planning with its IPs to test preparedness for winter and to learn lessons from previous years to ensure that all are as prepared as possible for adverse weather scenarios. The DIO agreed a range of activities with the FDIS Accommodation IPs,

including local/regional and national plans to respond to Business as Usual, severe, and extreme weather events over the winter period which formally commenced at the end of October 2024. So far this winter, performance has mirrored that of the successful 2023/24 season. The average NAMS call wait time on Christmas Day was 7 seconds and there were 112 engineers on call over the festive Bank Holidays. Between 21 December 2024 and 5 January 2025, 4,192 repair jobs were completed which included replacing 21 boilers and carrying out 231 cooker repairs. Feedback from Service families has been positive.

15. *It is shocking that, until a policy change in 2022, it was considered acceptable to house families in properties known to have damp and mould. However, issues with damp and mould still exist. (Conclusion, Paragraph 73)*
16. *The DIO must resolve outstanding problems with damp and mould across the estate. In its response to this report, the Government should detail the ongoing work to eliminate damp and mould in SFA, including a timeline for remediation of the Estate as a whole. Detailed statistics should be published by June 2025 on the number of properties affected by damp and mould across the whole of the Defence Estate, and its severity, and these should be updated and published annually thereafter. (Recommendation, Paragraph 74)*

The MOD accepts the conclusion and recommendation at 15 and 16. The MOD acknowledges the serious concerns raised regarding damp and mould in SFA. We recognise that despite efforts to improve conditions, challenges persist, and these challenges will continue to reoccur until the military housing estate is fully regenerated.

The DIO policy is that homes should not be allocated where there is a known damp and/or mould issue. This includes homes where a professional survey has recommended works that have not yet been completed, or where the previous family reported damp and mould, but no remedial works have been completed. Since the Damp & Mould Taskforce was established in 2023, over 9,000 families have benefitted from the delivery of damp and mould packages of works. The severity of damp and mould cases being raised is now much reduced from when the taskforce was first established. Cases at severity levels 4 and 5 (5 being the most severe) are now much less common. Detailed statistics will be published as requested by June 2025.

Historically there is an 80–85% success rate of the damp and mould packages delivered across the estate completely eradicating damp and mould, leaving a 15–20% chance that damp and mould will re-emerge after it has been treated under a first responder visit. Cases are reopened should damp and mould re-emerge.

The prevalence of damp and mould is a result of an ageing estate that has been under-invested in over many years. Decades of under-investment has resulted in assets not being replaced until the point of failure (including heating systems)

Additionally, many properties have poor thermal insulation. It is likely that cases will continue to emerge until the worst housing stock is replaced. However, following the Government's deal to buy back the military housing estate from Annington Ltd, the MOD now has the opportunity to replace to worst of its housing stock through a regeneration of the estate where thermally inefficient properties will be prioritised for upgrade or replacement. This will form part of the department's ongoing work to maximise the benefits of the Annington deal, working towards a wider forces housing strategy.

17. *In a situation in which the contractor has no way of gaining entry to service accommodation without the occupier's consent to carry out safety checks, and no option to cut supply, a very small number of properties are likely to have overdue gas safety certificates. However, the situation in 2023 with overdue certificates had clearly got out of control. The DIO must put in place measures to ensure that a similar situation cannot happen again. (Recommendation, Paragraph 80)*
18. *We welcome the offer from DIO to share its key lessons learned on gas and electrical safety inspections. (Recommendation, Paragraph 82)*

The MOD accept the recommendations regarding the management of Landlord Gas Safety Inspection (LGSI) certificates and Electrical Installation Condition Report (EICR) certificates and the need for improved access protocols. We acknowledge there are situations where contractors cannot gain entry to SFA without the occupier's consent, however, it remains crucial to address the very small number of properties that may have overdue LGSI and EICR certificates.

The DIO is pleased to report significant progress in achieving a high compliance rate for LGSI certificates, with a 99.4% compliance and a 99.9% compliance rate for EICRs. This achievement follows a comprehensive Learning from Experience (LFE) exercise that was initiated during Autumn 2023 to address the previously high number of overdue LGSIs in SFA. One of the key measures implemented following the LFE exercise, was aligning the process for notifying householders of LGSI appointment dates to streamline the activity and remove inconsistencies, transferring the 'red card' access, when an occupant fails to be home for the inspection for a third time, fully under the control of the RAMS IPs, Amey and VIVO. The chain of command is also engaged to assist with access, as required. A report on overdue LGSIs and EICRs is provided weekly to the DIO to ensure performance is held at an acceptable level and incidents of 'no access' are appropriately escalated.

Key lessons were identified and put into practice whilst also being captured to inform future transition between de-mobilisation and mobilisation at contract renewal. A report was shared with Ministers on 31 January 2024 and will be sent to the Committee with this report response.

- 19.** *While we welcome the MOD's work in parallel with DLUHC to develop a new Enhanced Target Standard (ETS) for SFA, the MOD needs to review not only the standards it uses to assess the adequacy of accommodation, but also critically the assessment process itself. It needs to have justified confidence in both. (Recommendation, Paragraph 87)*

The MOD accepts recommendation 19. The standards used to assess the adequacy of SFA are based on the Government's DHS, Housing Health and Safety Rating Systems (HHSRS) and Royal Institute of Chartered Surveyors schedules (based on surveying homes). The government are committed to developing a new enhanced Target Standard for military housing that aims to break the link between age and condition (i.e. currently assets must be both unserviceable and old before they are replaced). Key 'components' within SFA (i.e. age of kitchen, bathroom, boiler etc) are assessed against clearly defined thresholds. Target Standard also aims to reset the tolerance level for HHSRS Hazard Score Bands for Category 2 hazards and removes illogical criteria currently included within DHS to raise the quality of workmanship across SFA in accordance with industry best practice. Target Standard will aim to provide increased recognition of modernity, ensuring personnel are provided with high quality accommodation and removing the mismatch between the condition of a property and categorisation of 'Decent Homes Standard'. A stock condition survey has been initiated in response to ministerial direction to seek independent up-to-date verification of the condition of the estate. This will survey a representative sample of SFA and report its findings by 30 April 2025 providing a clear baseline of the condition of the estate. This work will inform the defence Housing Strategy, which we plan to publish later this year.

The MOD will do more than simply comply with Government standards such as meeting Energy Efficiency Targets and Awaab's Law. We will introduce higher minimum standards for energy efficiency, which are expected to become statutory in Scotland from 2028 but will be equally relevant to families serving throughout the rest of the UK, increase recognition of modernity, and work with our contractors to raise the standard of the quality of workmanship in SFA.

## Single Living Accommodation (SLA)

- 20.** *Single Living Accommodation (SLA) does not always meet the needs and expectations of today's recruits, and this is having an adverse effect on recruitment and retention. (Conclusion, Paragraph 102)*

The MOD agrees with conclusion 20. Accommodation is a crucial component supporting our Service Personnel and is an ongoing priority to address as it is cited as an important factor affecting our ability to recruit and retain our people. Whilst over 90% of Single Living Accommodation (SLA) meets the Defence Minimum Standard (DMS), significant investment is underway to ensure the condition of those SLA with serious failures against the DMS are improved so that all SLA is maintained at or exceeds the DMS. Improvements include modernised facilities with the latest technology.

- 21.** *We support plans to create much needed new-build SLA, using modular construction techniques. (Conclusion, Paragraph 109)*

The MOD agrees with conclusion 21. The SLA Programmatic Approach will drive faster delivery through the use of a common design. Modular construction techniques mean build times are reduced as accommodation units are manufactured off-site. Their energy-efficient designs minimise operational energy consumption, thus ensuring future proofing for Net Zero carbon measures.

- 22.** *We recommend that the Government provide an update on the funding and completion status of new-build SLA projects in their response to this Report. (Recommendation, Paragraph 110)*

We have multiple alliances in place to access the private sector expertise to deliver the required build and refurbishment works which take advantage of industry best practice and technological enhancements in single living accommodation. With the range of delivery mechanisms at varying levels of maturity, we accept the recommendation and following the release of the Strategic Defence Review will provide an update on funding and completion status of SLA.

- 23.** *The introduction of a new Defence Minimum Standard (DMS) for SLA is a long-awaited and very welcome step forward, if it ensures that personnel are no longer living in unacceptable conditions and does not simply result in sub-standard accommodation being recognised but not rectified. (Conclusion, Paragraph 114)*

The MOD agrees with the conclusion. An investment programme is in place to address the condition of SLA accommodation with serious failures against the DMS, supported by a range of tools to monitor and track performance to ensure SLA is maintained at or exceeds the DMS.

- 24.** *The Government should provide us with an update following the implementation of the new DMS, clarifying how they are measuring improvements to the condition of SLA and to what extent the new standards are making a difference to morale and meeting their expectations. (Recommendation, Paragraph 115)*

The MOD accepts recommendation 24. Defence is focused on ensuring SLA is maintained at or above the DMS.

The MOD has several tools to measure the improvements in the condition of SLA. The Single Living Accommodation Management Information System (SLAMIS) ensures Defence has up-to-date, accurate and assured information about the location, condition, quality, and utilisation of its SLA which in turn, ensures better management and maintenance of SLA accommodation. Facilities Condition Management data, provided through the Future Defence Infrastructure Services (FDIS) contracts, are introducing, and ensuring more preventative maintenance services are delivered to improve SLA accommodation condition. Accommodation satisfaction levels are also measured, tracked, and trends monitored in the annual Armed Forces Continuous Attitude Survey and SLA Survey which is conducted every other year. Future monitoring and tracking will ensure more specific insights can be gleaned. As SLA conditions improve, the expectation is the retention of Armed Forces personnel and impact on improved morale with accommodation meeting expectations, will also improve.

## Allocation of Housing

- 25.** *The MoD's communication of its new accommodation offer for SFA was inadequate for those adversely affected by the policy change, including those with rank-based benefits, to understand and respond to its impact on them. (Conclusion, Paragraph 133)*

The MOD partially agrees with conclusion 25. Over a six-month period, beginning in September 2023, the MOD implemented a comprehensive communications strategy to give those impacted by the New Accommodation Offer, including individuals with rank-based benefits, the opportunity to understand and respond to its implications. This included a variety of channels such as three dedicated Roadshows, targeted outreach through dial-in and on-the-ground visits, and regular updates on social media platforms. We also collaborated extensively with HIVEs, Families Federations, and single Service communications teams to cascade information effectively. At every stage, individuals were encouraged to engage with our team to seek clarification or raise concerns.

Despite these efforts, challenges arose in delivering the messaging on the ground to Service Personnel and their families. Whilst we worked diligently to provide clear and consistent communications, we faced obstacles in fully embedding our messaging at local level, which impacted the scope of our engagement. This gap underscored the need for stronger future alignment with Service leadership to ensure information is disseminated at all levels.

We recognise that our communications struggled to reach all those with an interest in the changes and lessons have been learned. Officials are working closely with the frontline commands to ensure that messages are promulgated through the chain of command to reach as wide an audience as possible to ensure that Service Personnel have an accurate idea of how any future offer might affect them.

- 26.** *We support the MOD's decision to pause and conduct a review of the accommodation offer for SFA because of concerns around retention of personnel. However, we recognise that this decision has caused potential disappointment for the 45,000 personnel in long-term relationships and/or with non-resident children, who might have hoped to become entitled to SFA in March 2024, and personnel who had expected to benefit from the new needs-based allocation. (Conclusion, Paragraph 134)*

The MOD agrees with conclusion 26. The department remains committed to widening entitlement to SFA as set out in the Defence Accommodation Strategy. Following the pausing of the planned changes to SFA entitlement, officials have been reviewing the policy, taking into account the views of Service Personnel. This review is nearing completion, and we hope to communicate its outcome in the near future.

- 27.** *The Government should provide an update to us, and more importantly to Service personnel, on its approach to allocation of SFA, with timescales and metrics for implementation. This should take into account the different needs of the three Services and include a full impact assessment of any potential revisions to the accommodation policy for SFA. (Recommendation, Paragraph 135)*

The MOD accepts the recommendation at 27. As part of the review of the planned changes, the department gave all regular Service Personnel the opportunity to have their voices heard through the MAO survey which ran in Spring 2024. The data on what personnel want, and their intentions under a future model, informed the development and assessment of the various courses of action considered under the review. The frontline commands have been a core part of the review team and were involved at a senior level in assessing the impact of proposed options on their people and the delivery of operational capability, alongside the impact on cost, risk, and the delivery of the accommodation model.

The deal struck to bring the SFA estate back into public hands presents new opportunities for how, and how quickly, the revised offer can be implemented. The implications of this are being worked through alongside the work to maximise the benefits of the Annington deal and an announcement will be made in due course.

- 28.** *By mishandling the implementation of the Modernised Accommodation Offer (MAO), the MOD has created a situation in which groups of service personnel are now more likely to feel aggrieved, whatever form the scheme takes. With a limited supply of housing, some personnel will inevitably lose out. It is vital that the Government manages the morale and retention consequences. (Conclusion, Paragraph 136)*

The MOD agrees with the conclusion at 28. Bringing the SFA estate back into MOD ownership presents new opportunities to develop an estate that reflects the wants and needs of our people into the future, but this will take time. In all cases, the Department will support our people to find accommodation that meets their family's needs. Further modelling has been undertaken to ensure we can make best use of the current estate to give as many families as possible what they want.

In wider society, there is a growing expectation that couples will be able to live together before or outside of marriage and civil partnership. We remain confident that widening entitlement to SFA remains the right thing to do, benefitting thousands of our people and improving morale and retention for the armed forces as a whole. However, we also recognise that we must do what we reasonably can to mitigate any negative impacts on individual families.

- 29.** *The former Minister of State said that the Secretary of State would report the findings from the review in the Summer; however, following the change in Government, there has as of 3 December 2024 been no announcement of a new accommodation offer for service families. (Conclusion, Paragraph 137)*

The MOD agrees with the conclusion at 29. Whilst the review has reached a recommendation, the deal struck to bring the SFA estate back into public hands presents new opportunities for how, and how quickly, the revised offer can be implemented. The implications of this are being worked through alongside the work to maximise the benefits of the Annington deal and an announcement will be made in due course.

We recognise there will be Service Personnel who are delaying major life decisions whilst waiting to hear the outcome of the review and we intend to provide an update in the coming months.



## Conclusion

30. *The MOD has acknowledged that current levels of funding are insufficient to bring all service accommodation up to decent, modern standards and that “it is investment that ultimately will lead to the change.” In the current economic climate, and with so many competing pressures on public funds, we are not confident that the sustained investment required will be forthcoming in future Defence budgets. Both the MOD and the Treasury must make substantial and ongoing funding commitments to improve the Defence estate before it deteriorates beyond repair—and before greater numbers of personnel decide to leave the military because of poor accommodation. (Conclusion, Paragraph 142). The men and women of our Armed Forces perform the ultimate public service. They make considerable sacrifices, supported by their families, to keep the rest of us safe and secure.*

## Service Family Accommodation

The MOD recognise that too many military families are living in sub-standard military housing, often with persistent problems like damp and mould, when the very least they deserve is a good home. We are working hard to address these issues and deliver homes fit for heroes.

On 17 December 2024, the MOD announced we had entered into a landmark deal with Annington Homes Limited to buy back Armed Forces housing. This deal enables the first steps to be taken to fix the long-term decline in forces’ housing, boost housebuilding and kickstart economic growth. The original deal in 1996 for £1.7 billion, did not strike an appropriate balance of risk and reward has left the British taxpayer nearly £8 billion worse off since – with the combination of rent payments and market value of the homes given away. Money which should have been better spent on maintaining and improving our service family homes. This reacquisition of 36,347 homes from Annington Homes Limited – taking back control of the military housing estate – will save the taxpayer £230 million a year in rent. These important savings to the defence budget will help fix the deep-set problems with the ageing SFA estate.

Alongside this deal, the DIO is working on a new military housing strategy, which it will publish this year. The first step will be an action plan to deliver on the opportunities unlocked by this deal, developed with forces families, independent experts and cross-government backing. Key principles of the strategy will include: a generational renewal of Armed Forces accommodation; new opportunities for forces homeownership; and better use of MOD land to support the delivery of affordable homes for families across Britain.

Following the deal, we can start work on substantive redevelopment and improvements. The agreement frees up the ability to build on the SFA estate, with a more modern estate helping reduce maintenance costs and, as part of work facilitated by the deal, programmes to build new houses are being accelerated.

The MOD cannot confirm the exact amount that will be re-invested in accommodation however, it can state that these important savings pave the way for a substantial improvement and construction programme to provide high quality homes for Armed Forces families, the scale of which will be identified through the Defence Housing Review and the Spending Review later this year.

The Defence Housing Review is currently being established, with an external challenge board already engaged. While the MOD cannot provide exact timelines at this early stage, a Spending Review submission will be made by the end of February, the outcomes of which will be published this Summer to provide the future military housing strategy.

The DIO has identified some locations where new accommodation for Service Personnel and their families simply cannot wait. Planning applications have been submitted for new houses and apartments at RAF Brize Norton, and further plans will be submitted in Spring 2025 for new houses at Catterick Garrison.

The potential for improvements to the estate can already be seen where SFA is being provided outside of the 1996 deal. At Imjin Barracks in Gloucestershire, 176 modern homes are being built which include low-carbon heating systems and solar panels, reducing energy costs for military families and improving sustainability.

This work is a fundamental part of the drive to renew the nation's contract with those who serve, improving morale and boosting recruitment and retention within the Armed Forces. It is a once-in-a-generation opportunity to fix the long-term decline in military housing and deliver homes fit for heroes.

## Single Living Accommodation

We have multiple alliances in place to access the private sector expertise to deliver the required build and refurbishment works which take advantage of industry best practice and technological enhancements in single living accommodation. With the range of delivery mechanisms at varying levels of maturity, we accept the recommendation and following the release of the Strategic Defence Review will provide an update on funding and completion status of SLA.

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# Appendix 2: DIO Technical Services Landlord's Gas Safety Inspection Learning from Experience (LFE) Report

## Document Control

|              |   |
|--------------|---|
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| Review date  |   |

**Principal Gas Engineer PGE**

**Report dated 30th November 2023**

## 1 Executive Summary

This is a report from a Learning From Experience (LFE) exercise into the large number of overdue Landlord Gas Safety Inspections (LGSIs) in Service Family Accommodation (SFA) from the onset of the Defence Accommodation Future Defence Infrastructure Services (FDIS) contracts on 1st April 2022.

DIO were requested to undertake an LFE exercise to investigate the reasons behind a significant increase in expired LGSIs and make recommendations to reduce the risk of similar occurrences in the future.

DIO Accommodation, RAMS and NAMS contractors should be congratulated for the dramatic and rapid reduction in the number of expired LGSIs once the 'surge' remediation programme was initiated.

This report highlights a number of causal factors behind the unacceptably high number of expired LGSIs on the SFA. Whilst it is probable that one of the issues, existing in isolation, may have had only a limited effect if other 'layers of protection' systems were operational, the combination of factors meant that DIO, RAMS and NAMS effectively lost control of the processes.

Factors included:

Inadequate or out of date data

Poorly defined or misunderstood processes

Immature Computer systems

Poor communication between main parties

Lack of focus on statutory requirements

Weather related pressures compounding problems

The following recommendations are made:

**Recommendation 5.1.1** - If not already launched, ensure the Home Hub App is fully tested and released for use as soon as practicable.

**Recommendation 5.1.2** - Although the number of expired LGSIs has now dramatically reduced since the peak, consider aligning the process for notifying householders of LGSIs appointment dates to streamline the process and remove the current inconsistencies that have developed.

**Recommendation 5.1.3** - Consider transferring the 'red card' process fully under the control of RAMS to avoid the further delays (at a critical point in the process) associated with unnecessary exchanges between NAMS and RAMS. It is important to reduce the number of steps with the process and streamline the transfer to chain of command for action. [Note: - This recommendation has already been implemented with effect from 1st November 2023]

**Recommendation 5.1.4** - Continue with current procedure of personally addressed appointment letters, followed up with phone calls or text messages where possible.

**Recommendation 5.1.5** - Undertake a further letter drop or alternative communication to remind householders of the importance and legal status of LGSIs.

**Recommendation 5.1.6** - Consider spot audits of Gas Safe contract engineers undertaking LGSIs for RAMS.

**Recommendation 5.1.7** - For future Early Warning Notices (EWNs) consider making them more specific – either individual EWNs or single notices including a range of specific, clearly defined aspects in order to avoid confusion and the potential for key aspects being overlooked.

**Recommendation 5.1.8** - Whilst significant health and safety concerns are deservedly responded to as the highest priority, it is also important to not lose sight of regulatory compliance issues, even if they may be perceived as being of lower priority.

**Recommendation 5.1.9** – As winter approaches and additional weather-related workload builds, it will be important to maintain focus on driving down the number of expired LGSIs

**Recommendation 5.2.1** – For future contracts, or at mid-term review, consider either re- establishing the Housing Officer roles within DIO or alternatively transferring from NAMS to RAMS to increase more local involvement with specific concerns or technical issues.

**Recommendation 5.2.2** - Consider improving control by bringing Gas Safe Engineers into the direct employ of the RAMS contractors.

**Recommendation 5.3.1** – For future contracts, ensure that incoming contractors are fully conversant with requirements of legislation, the importance of compliance and likely consequences of non-compliance prior to contract go live.

**Recommendation 5.3.2** – For future contracts ensure sufficient time is allowed to ensure all contract entities are fully aware of specific roles, processes and procedures prior to contract go-live.

**Recommendation 5.3.3** – For future contracts ensure sufficient time is allowed to ensure all computer applications are fully tested and functional prior to contract go-live.

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## 2 Introduction

### 2.1. Purpose

This is a report from a Learning From Experience (LFE) exercise into the large number of overdue Landlord Gas Safety Inspections (LGSIs) in Service Family Accommodation (SFA) from the onset of the Defence Accommodation Future Defence Infrastructure Services (FDIS) contracts on 1st April 2022.

DIO were requested to undertake an LFE exercise to investigate the reasons behind a significant increase in expired LGSIs and make recommendations to reduce the risk of similar occurrences in the future.

The investigation was undertaken using a four-person DIO Technical Services team, comprising:-

- Principal Gas Engineer – Electrical and Mechanical Team
- Building Services Lead – Asset Class Engineering Team
- Professional Lead Fuels – Asset Class Engineering Team
- Senior Gas Engineer - Electrical and Mechanical Team

During the investigation, key personnel from the DIO Accommodation Team, the Regional Accommodation Maintenance Services (RAMS) contractors and National Accommodation;-

Management Services (NAMS) contractors were interviewed; -

- DH Estate Services Accommodation (Assisted by - Estate Services HQ Data Support)
- Head of DIO Accommodation
- Head of Response & Planned Maintenance – Pinnacle
- Compliance Support Manager | Pre-Planned Maintenance - Pinnacle
- Operations Director – Pinnacle
- Strategic Asset and Compliance – Amey
- Planned Preventive Maintenance Manager - VIVO

Notes of each discussion were made but this report does not attribute any remark or comment to any of the individual contributors.

The principal objectives of the LFE exercise were to understand the reasons for the increase in numbers of outstanding LGSIs, the obstacles that delayed the rectification and to make recommendations to reduce the risk of a similar event recurring.

The terms of reference for the exercise are shown in Appendix 1.

## **2.2. Background**

### **2.2.1 – Legislation**

Under the requirements of the Gas Safety (Installation and Use) (Amendment) Regulations 2018 (GSIUR), there is a legal requirement for all rented properties to have annual inspections undertaken to ensure that gas systems and appliances are in a safe state. These inspections, known as Landlord’s Gas Safety Inspections (LGSIs) must be completed by qualified ‘Gas Safe’ engineers.

In 2018, when the original 1998 regulations were reviewed by the HSE, there was a clause added which enabled the LGSIs to be undertaken up to two months prior to the twelve-month anniversary whilst retaining the original date for the next inspection. There is no ‘grace’ period and once the renewal date passes without a new inspection, this represents a regulatory breach.

Whilst house occupiers must be provided with copies of the LGSI certificates, it should be pointed out that the existence of a certificate cannot guarantee that every gas appliance and all pipework is in a safe condition.

### **2.2.2 – Contractual Arrangements**

Prior to the newly established FDIS contract taking place (on 1st April 2022) the entire DIO Accommodation estate was managed by Amey under the National Housing Prime (NHP) contract. At this time local activity was overseen by Housing Officers.

The new FDIS contracts, effective from 1st April 2022, have been established such that overall management services are provided centrally by Pinnacle, the NAMS contractor with regional maintenance activity being shared between the two RAMS contractors, Amey (North) and VIVO (South).

### **2.2.3 – LGSI Performance**

In recent years LGSIs have been generally well managed. Whilst the ideal target is for 100% LGSI compliance, this is perhaps unrealistic due to various logistical issues surrounding access difficulties, deployment of troops etc. At



the time of FDIS go-live there were 146 expired LGSIs, against a population of ~43,000 houses – this represents a compliance rate of 99.7%. During the Covid pandemic the compliance rate dropped significantly due to difficulties with gaining access to properties, unavailability of qualified gas engineers etc.

During the first months of the FDIS contract the reported number of missing or expired LGSIs (report date - 24 November 2022) had increased to 11,239 – a compliance rate of 76%.

Once the problem was fully understood and effective remediation measures implemented the compliance rate increased significantly over the following months. On 21st July 2023 the reported number of missing or expired LGSIs had decreased to 114 – a compliance rate of almost 99.8% - slightly higher than the position at contract change. During the discussions, it was mentioned that the historical normal compliance level is greater than 99.9% with some 30 to 40 LGSIs outstanding.

The figures referenced above include all houses, both occupied and unoccupied. Although the legislation only applies to occupied dwellings, it is MOD policy for all SFAs to have a LGSi completed as part of standard 'Move In' protocol and for a copy of the certificate to be issued to the family within 28 days of their move in date. At the peak of the non-compliance, the LGSi compliance rate for occupied properties was 79% - slightly higher than the overall rate.

## **3 Investigation Structure**

### **3.1 General**

The investigation was conducted by a 4-person Technical Services team and comprised a series of discussions with senior managers from DIO Accommodation and the RAMS and NAMS contracts.

Terms of Reference were developed – see Appendix 1. A standard set of questions was used as the starting point for the discussions with frequent departures as required.

Interviewees were asked if they wished the discussions to be recorded but none requested this.

One of the interview team took no part in the interviews other than acting as note taker. Notes, rather than minutes, were taken from each meeting.

No specific comment or observation has been attributed to any individual interviewee, but content from each interview amalgamated to reach the following findings.

## 4 Findings from Investigation

### 4.1 Legislation Awareness

The first area of discussion during the interviews was around the general level of awareness of the statutory requirement for annual LGSIs to be carried out. The DIO and NAMS managers interviewed had a very clear understanding of the legislative requirements of GSIUR, the changes made in 2018 regarding timings and the need to issue an LGSi certificate to the occupiers. Although the RAMS managers had since made themselves aware of the requirements post-surge, the interview team believed that the importance of full compliance had been overlooked to some extent.

#### **Recommendation**

- For future contracts, ensure that incoming contractors are fully conversant with requirements of legislation, the importance of compliance and likely consequences of non-compliance prior to contract go live.

### 4.2 Contractual construct

A major contributory factor to the large volume of missed LGSIs is considered to be the rushed introduction of an inherently more complex contract structure which appears to have been implemented with inadequate processes and controls in place.

Prior to the newly established FDIS contract taking place (on 1st April 2022) the entire DIO Accommodation fleet was managed by Amey under the National Housing Prime (NHP) contract. At this time local activity was overseen by Housing Officers.

The transfer from NHP to FDIS had been planned to occur on 1st March 2022, but was postponed by one month. The new FDIS construct, post 1st April 2022, was managed centrally by Pinnacle, the customer facing NAMS contractor with regional maintenance activity being shared between the two RAMS contractors, Amey (North) and VIVO (South). At this time the Housing Officers role was now being taken over by Pinnacle (NAMS).

There was apparently no provision to postpone the “go-live” date beyond one month so it was a hard start on 1st of April. FDIS started in IOC (Interim Operating Capability) and not FOC (Full Operating Capability) at this time, with poor data, records and low resource levels.

At the time of FDIS go live it is apparent that there was a lack of clarity of the specific roles of each Industry Partner, sub-optimal communication between the partners, delays caused by the additional contractor hand-offs and confusion around specific roles of each contract partner.

Although Pinnacle were already a specialist property management service provider, neither of the RAMS contractors were. It is felt that this caused some delays whilst Amey and VIVO became accustomed to the nuances of interactions with domestic, rather than commercial or industrial properties.

### **Recommendations**

- For future contracts ensure sufficient time is allowed to ensure all contract entities are fully aware of specific roles, processes and procedures prior to contract go-live.
- For future contracts, or at mid-term review, consider either re-establishing the Housing Officer roles within DIO or alternatively transferring from NAMS to RAMS to increase more local involvement with specific concerns or technical issues.

## **4.3 Data**

The transfer from NHP to FDIS contracts had been delayed by one month, primarily because the DIO and suppliers’ IT systems had not been fully built and tested. However, it was widely reported during the course of the LFE that these systems were still not ready or fully tested at the time of go live on 1st April 2022.

Views were expressed by most interviewees that data quality was poor, they were difficult to navigate, and the DIO, RAMS and NAMS systems did not effectively communicate with each other. This significantly contributed to the overall poor performance regarding LGSi completion.

One particular sub-system that has the potential to improve data quality and communications is the ‘Home Hub App’ (which, apparently, is not actually an app) – This should have been live on day 1 of the FDIS contract, but, at the time of undertaking the interviews was still not fully functional.

This will enable access to existing jobs and the raising of new jobs via a mobile phone. It is expected that this will provide an opportunity to get more up to date details from the families.

## Recommendations

- For future contracts ensure sufficient time is allowed to ensure all computer applications are fully tested and functional prior to contract go-live.
- If not already launched, ensure the Home Hub App is fully tested and released for use as soon as practicable.

## 4.4 LGSi Scheduling Process

Under the previous Amey NHP contract, the following steps were taken to schedule and undertake an LGSi:-

- Initial letter sent to householder, advising of a date and time bracket for an engineer to call to undertake the LGSi and providing a contact number to rearrange if inconvenient.
- If a gas engineer could not gain access to the property due to the occupier being absent, a 'yellow card' was left with the occupant, referencing the missed appointment, and requesting they contact Amey to rearrange.
- If no contact was received from the occupant another letter was sent with a new date (also requesting response if inconvenient).
- If the occupant was out when the engineer called for the second time a 'red card' was left which requested another appointment be made, and informed the occupant that no further non-emergency work could be carried out in their home until the LGSi had been completed.
- If the occupant was out on the third visit the missed appointments were referred to their chain of command. (This last stage of the process was more effective for military occupants with the minority of civilian occupied houses being more difficult to resolve as chains of command are much more tenuous).

This process had been in place for a considerable time and was generally working effectively, although there were often some difficulties, especially with the civilian occupied properties.

Under the new FDIS contractual arrangements (at the start of the contracts) the process was more confused: -

- RAMS provide details of LGSi appointments to NAMS.
- NAMS send Initial email to householder, advising of a date and time bracket for an engineer to call to undertake the LGSi and providing a contact number to rearrange if inconvenient.

- If a gas engineer could not gain access to the property due to the occupier being absent, a 'yellow card' was left with the occupant, referencing the missed appointment, and requesting they contact the RAMS contractor to rearrange.
- If no contact was received from the occupant RAMS sent a letter with a new date (also requesting response if inconvenient).
- If the occupant was out when the engineer called for the second time a second card was left which requested another appointment be made, and informed the occupant that no further non-emergency work could be carried out in their home until the LGSI had been completed.
- If the occupant was out on the third visit a 'red card' was left and the matter passed back to NAMS who would refer the occupant to their chain of command to address.

Problems with this new approach under FDIS included: -

- Interchanges of information between NAMS and RAMS without clearly defined and understood processes being put in place.
- The occupier contact details had been originally compiled by Amey on DIOs behalf during the previous NHP contract. These details had fully accurate postal addresses but data quality for email addresses and phone numbers was poor. In the absence of any instruction to the contrary, NAMS used the email contacts provided, believing these to be accurate. A large proportion of the email and phone details were later found to be incorrect, and in some cases where they were correct the emails did not elicit a response from the occupier for a variety of reasons. As a result, many initial emails were not received, or not answered.
- Communications failures resulted in delays in RAMS sending LGSI appointment dates to NAMS which sometimes resulted in appointment letters not arriving until after the date of the appointment.
- There appeared to be inadequate feedback loops in place to monitor the effectiveness of the initial contacts and it was not until February 2023 that NAMS started to send letters instead of emails.
- When letter communication came into effect the standard addressee used was 'The Occupier' this was a positive choice by NAMS as it was believed that the use of names would contravene GDPR. More recently NAMS have been instructed to address the letters to the named occupier as it was felt that 'The Occupier' may lead householders to believe the letter was 'junk mail'.

- Both the RAMS contractors use sub-contract companies to provide the Gas Safe engineers to carry out the LGSIs. There have been reports that the quality of engineers has been inconsistent, and it has been suggested that there have been occasions where engineers left a card at the property when the occupiers has waited in for their visit. This issue has not been corroborated or quantified.
- After the third visit the referral to NAMS was not consistently effective as there was confusion between RAMS and NAMS regarding the responsibility to escalate following a third failed visit.
- Due to confusion over the ‘red card process’, VIVO RAMS in the South have taken on the role of sending out initial letters and dealing with the entire process themselves. This now leaves a process that has been adapted from the original structure and is now inconsistent.
- Private Rental Sector (PRS) is wholly operated by the NAMS and therefore adds slightly more complications to the overall consistency of communicating and gaining access.

Deriving accurate and up-to-date contact details from householders has been a perennial problem – when the Secretary of State asked DIO to send a questionnaire to families requesting updated details, only 14% answered, and of those only 80% provided their current contact details.

#### **Recommendations:**

- Although the number of expired LGSIs has now dramatically reduced since the peak, consider aligning the process for notifying householders of LGSI appointment dates to streamline the process and remove the current inconsistencies that have developed.
- Consider transferring the ‘red card’ process fully under the control of RAMS to avoid the further delays (at a critical point in the process) associated with unnecessary exchanges between NAMS and RAMS. It is important to reduce the number of steps with the process and streamline the transfer to chain of command for action.
- Consider improving control by bringing Gas Safe Engineers into the direct employ of the RAMS contractors.

## **4.5 Access Issues**

One of the main reasons for the large number of expired LGSIs has been cited as the difficulty in gaining access to properties to undertake the inspections.

All MOD houses in England and Wales are owned by, and leased from, Annington Homes. In Scotland MOD own all houses. In addition to the standard service family occupation arrangements of military housing there are also other categories of occupation including Private Rental Sector (PRS), misappropriated property and non-entitled occupation. Access arrangement is more difficult for these minority categories because of the convoluted interfaces to effect entry/access due to nature of tenant, difficult personal circumstances or political sensitivities. In normal circumstances it is estimated that access problems for these minor categories of housing attribute around 80% of the total number at any one time, despite only accounting for approximately 10% of the housing asset base. It is understood that access can be more problematic in these cases as the house occupants, being typically non-military, can be more difficult to incentivise to provide access to gas engineers.

Factors that give rise to access difficulties include: -

- Out of date contact data.
- Emails not received by the house occupier due to email 'overload' etc.
- Occupants not motivated to open mail addressed to 'The Occupier'.
- Lack of understanding of legal requirements - occupants not interested in providing access as they may not see any benefit to them.
- Busy schedules – forgetting appointments.
- Units/occupants are deployed and therefore away from their property.
- Cited examples of Gas Safe engineers not being able to find properties, believing property is unoccupied, or just leaving a card rather than attempting access.

**Recommendations:**

- Continue with current procedure of personally addressed appointment letters, followed up with phone calls or text messages where possible.
- Undertake a further letter drop or alternative communication to remind householders of the importance and legal status of LGSIs.
- Consider spot audits of Gas Safe contract engineers undertaking LGSIs for RAMS.

## 4.6 Early Warnings

During the first few weeks of the new contracts becoming established the difficulties described earlier led to a general decline in contract performance. After approximately 6 weeks an Early Warning Notice was raised which formally notified of unacceptable performance regarding statutory and mandatory tasks. This led to a risk reduction meeting being held and escalation to the Supplier Alliance Forum. At this stage there was no specific focus given to gas compliance as the problems were more general with a range of statutory and mandatory matters getting missed. It appears that the collective contract startup issues were being addressed as a single problem rather than focussing specifically on individual key areas, such as LGSIs.

### **Recommendation:**

- For future early warning notices consider making them more specific – either individual EWNs or single notices including a range of specific, clearly defined aspects in order to avoid confusion and the potential for key aspects being overlooked.

## 4.7 Distraction Effects

Despite a gradual improvement in processes and procedures, the winter of 2022/23 brought some cold weather, and with it some urgent housing issues such as:-

- Flooding
- Gas outages (e.g. caused by frozen boiler condensate discharge pipes)
- Damp
- Mould

These issues inevitably led to a dramatic increase in the level of complaints received. In the light of concern about householder's health and safety and some considerable interest in the media, there was a concerted effort to concentrate on these issues which were considered to be of a higher immediate priority than the general maintenance backlog (which included expired LGSIs and some statutory requirements). This led to a further increase in the number of expired LGSIs.

### **Recommendation:**



- Whilst significant health and safety concerns are deservedly responded to as the highest priority, it is also important to not lose sight of regulatory compliance issues, even if they may be perceived as being of lower priority.
- Consideration should be given to scheduling LGSIs during the warmer months as this will free up resources meaning the increased requirement for 'winter repairs' will not affect the completion of the LGSIs.

## 4.8 Final resolution

During Spring / Summer 2023, a rectification exercise (known as 'Surge'), was launched. This was driven by a parliamentary question / freedom of information request. Again, this was a wide-ranging exercise dealing with outstanding inspections, maintenance, complaints etc. and although not specific to outstanding LGSIs, included these within the scope of the exercise.

This exercise led to greater control being applied, better and more regular communication between various parties and a higher level of resourcing. This resulted in a general improvement in most statistics, and a dramatic decrease in the number of expired LGSIs.

As of the date of this report the number of expired LGSIs remains low at 128 for occupied properties.

### **Recommendation:**

- As winter approaches and additional weather-related workload builds, it will be important to maintain focus on driving down the number of expired LGSIs.

## 5 Conclusions and Recommendations

DIO Accommodation, RAMS and NAMS should be congratulated for the dramatic and rapid reduction in the number of expired LGSIs one the 'surge' remediation programme was initiated.

It is clear that with the benefit of hindsight the FDIS Accommodation contract was not fully ready for go live on 1st April 2022 and should have been delayed further to enable an effective transition from the previous NHP contract, including full testing of the computer systems which were vital to ensuring adequate data quality and effective communication in the critical early days of the contract. (Although it is understood that certain contract obligations may have prevented this).

As the contractual construct necessitated effective and rapid communication between the various key parties, the poorly performing computer systems coupled with imprecise processes and procedures in place (or contract partners' lack of understanding of those processes) this hampered maintaining the initial flow of LGSIs at contract start and also their ability to address backlogs once they started to develop.

A reduction in the number of DIO technical personnel meant that although overall performance levels were recognised as being poor, visibility of specific critical areas such as LGSIs were overlooked to some degree. As the majority of performance standards were being missed, there was no effective strategy to concentrate on certain critical and legislative areas such as LGSIs but to review the problem as a whole.

Once early slippage has been established a backlog of LGSIs quickly began to develop and became increasingly problematic to deal with.

Some bad weather in the winter of 2022/23 brought some health and safety issues to a large number of householders which redirected remedial efforts to addressing these problems, resulting in further increasing in the LGSIs backlog.

Although the current number of expired LGSIs remains relatively low at 128 for occupied property, this is still higher than it should be and the recent considerable efforts need to be continued to reduce the number further. Of the 128, 69 inspections have been rescheduled and contact has not been achieved for 30 properties. The remaining 29 expired LGSIs have resulted a range of other issues.

The following recommendations are made: -

## 5.1 – Recommendations to consider for immediate implementation

**Recommendation 5.1.1** - If not already launched, ensure the Home Hub App is fully tested and released for use as soon as practicable.

**Recommendation 5.1.2** - Although the number of expired LGSIs has now dramatically reduced since the peak, consider aligning the process for notifying householders of LGSIs appointment dates to streamline the process and remove the current inconsistencies that have developed.

**Recommendation 5.1.3** - Consider transferring the 'red card' process fully under the control of RAMS to avoid the further delays (at a critical point in the process) associated with unnecessary exchanges between NAMS and RAMS. It is important to reduce the number of steps with the process

and streamline the transfer to chain of command for action. [Note: - This recommendation has already been implemented with effect from 1st November 2023]

**Recommendation 5.1.4** - Continue with current procedure of personally addressed appointment letters, followed up with phone calls or text messages where possible.

**Recommendation 5.1.5** - Undertake a further letter drop or alternative communication to remind householders of the importance and legal status of LGSIs.

**Recommendation 5.1.6** - Consider spot audits of Gas Safe contract engineers undertaking LGSIs for RAMS.

**Recommendation 5.1.7** - For future early warning notices consider making them more specific – either individual EWNs or single notices including a range of specific, clearly defined aspects in order to avoid confusion and the potential for key aspects being overlooked.

**Recommendation 5.1.8** - Whilst significant health and safety concerns are deservedly responded to as the highest priority, it is also important to not lose sight of regulatory compliance issues, even if they may be perceived as being of lower priority.

**Recommendation 5.1.9** – As winter approaches and additional weather-related workload builds, it will be important to maintain focus on driving down the number of expired LGSIs

## **5.2 – Recommendations to consider for implementation at contract review stage**

**Recommendation 5.2.1** – For future contracts, or at mid-term review, consider either re- establishing the Housing Officer roles within DIO or alternatively transferring from NAMS to RAMS to increase more local involvement with specific concerns or technical issues.

**Recommendation 5.2.2** - Consider improving control by bringing Gas Safe Engineers into the direct employ of the RAMS contractors.

## 5.3 – Recommendations to consider for future contracts

**Recommendation 5.3.1** – For future contracts, ensure that incoming contractors are fully conversant with requirements of legislation, the importance of compliance and likely consequences of non-compliance prior to contract go live.

**Recommendation 5.3.2** – For future contracts ensure sufficient time is allowed to ensure all contract entities are fully aware of specific roles, processes and procedures prior to contract go-live.

**Recommendation 5.3.2** - For future contracts ensure sufficient time is allowed to ensure all computer applications are fully tested and functional prior to contract go-live.

| Terms of Reference  |  |
|---|--|
| MOD Accommodation – Expired Landlord Gas Safety Inspections – Learning from Experience Exercise |  |
| <b>Purpose</b>  | To Carry out a Learning from Experience (LFE) exercise to consider the recent excessive number of expired LGSIs on the MOD Accommodation Estate.   |
| <b>Scope</b>  | The Scope of the exercise will be restricted to the Accommodation LGSi backlog and the processes around attempting to eliminate the backlog. It will exclude any other processes or complaints that may have been made.  |
| <b>Methodology</b>  | <p>The exercise will take the form of a series of face-to-face discussions with managers and directors of DIO Accommodation, National Accommodation Management Services (NAMS) contractor; Pinnacle, and Regional Accommodation Maintenance Services (RAMS) contractors; Amey and VIVO.</p> <p>Anticipated locations for discussions will be:</p> <ul style="list-style-type: none"> <li>• RAF Wyton,</li> <li>• DIO Head Office at DMS Whittington,</li> <li>• Pinnacle Head Office at Speke</li> </ul> <p>Discussion panel will consist of four DIO Technical Services employees, including a dedicated notetaker.</p> |

| Terms of Reference  |   |
|---|---|
| MOD Accommodation – Expired Landlord Gas Safety Inspections – Learning from Experience Exercise |   |
| <b>Team Members</b>   | <p>DIO - Electrical and Mechanical Team - Principal Gas Engineer (Lead)</p> <p>DIO - Electrical and Mechanical Team - Senior Gas Engineer</p> <p>DIO Asset Class Engineering – Building Services Lead</p> <p>DIO Asset Class Engineering – Fuels Lead</p>   |
| <b>Topics of discussion</b>   | <p>The exercise will consider:-</p> <p>Understanding of the legal status of LGSIs</p> <ul style="list-style-type: none"> <li>• The root causes for significant number of missed or late LGSIs</li> <li>• Effectiveness of Communications between DIO, RAMS and NAMS contractors</li> <li>• Early efforts made by various parties to address the backlog</li> <li>• Current situation and timeline to full compliance</li> <li>• Measures put in place, or being considered, to prevent similar occurrences in the future</li> </ul> |
| <b>Subordinate Forums</b>   | None anticipated.   |
| <b>Frequency and duration</b>   | Initial meetings to be held during July and August. Further meetings may be required following completion of all initial meetings.  |
| <b>Lead</b>   | Principal Gas Engineer, Electrical and Mechanical Team, Technical Services  |
| <b>Outputs</b>  | LFE Report to be prepared as soon as practicable after all discussions have been completed.   |
| <b>Do TORs comply with DIO Governance Design Principles: Yes/No</b>                             |   |
| <b>Date for TORs Review: N/A</b>  |   |