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Improving single living accommodation for service personnel

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to the report*

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Summary

Single Living Accommodation is a key part of the overall employment ‘offer’ made to regular service personnel by the Ministry of Defence (the Department). Around 80,000 personnel, more than half of the Armed Forces, live in Single Living Accommodation. However, for many years it has not been given the attention it deserves, suffering neglect at times of wider pressures on the defence budget. A ‘fix on fail’ policy has led to a £1.5 billion maintenance and repairs backlog across all accommodation, including Single Living Accommodation. Although there is variation in the type and quality of accommodation provided, much of the estate is old, and as of 31 October 2020, 36% of personnel in Single Living Accommodation lived in the lowest-grade accommodation. Of these, 3% were not required to pay a rental charge because their accommodation was so poor. Amongst service personnel living in Single Living Accommodation, satisfaction with the overall standard of their accommodation has declined from 58% in 2015 to 49% in 2020, with some personnel experiencing problems with basic amenities such as hot water. Despite this, the Department is only spending a third of what the Royal Institution of Chartered Surveyors suggest is needed to maintain the estate. As we have previously reported, low levels of satisfaction with military accommodation risks reducing retention levels among service personnel.

Ultimately, a failure to look after armed forces personnel properly affects the ability of the services to deliver operational capability, yet the Department has taken the goodwill of service personnel for granted and has been complacent in how it has managed its Single Living Accommodation. There is no minimum standard for Single Living Accommodation, unlike for private or social housing, or for the Department’s own Service Family Accommodation. It does not have the data to make decisions on the use of Single Living Accommodation or how best to invest, as the Single Living Accommodation Management Information System, on which work started eight years ago, is still not functioning. There is also no single senior person with responsibility for Single Living Accommodation, limited coordination across the Commands and no clear departmental strategy. Commands have plans to invest £1.5 billion to upgrade accommodation over the next 10 years and intend to utilise some of the additional £16.5 billion in defence funding announced in November 2020. However, this extra funding seems to have already been spent more than once before it had even arrived with the Department, which raises questions about how much investment Single Living Accommodation will actually receive. A step change in management is needed if the Department is to meet the reasonable expectations of service personnel and be fit for the 21st century.

Introduction

The Department has stated that it will provide regular service personnel with high-quality subsidised accommodation as a condition of service. Single Living Accommodation is normally provided in the form of accommodation blocks inside military bases and is available to single and unaccompanied personnel undertaking initial training, or those serving on a regular engagement with the Armed Forces, as well as some full-time reservists. As of 31 October 2020, 79,963 service personnel, around 52% of the total Armed Forces, occupied Single Living Accommodation. For some, it is their only accommodation; for others, it is used alongside periods living in their own home, for example at weekends. Accommodation can be anything from a set of rooms with en-suite facilities to a bed space in a multiple occupancy room. Single Living Accommodation is part of the wider defence estate and, since April 2018, the infrastructure budget, including funding to maintain and upgrade the estate, has been delegated to the Commands and defence organisations.

Conclusions and recommendations

1. **The Department has neglected Single Living Accommodation for many years and has not given it anything like the priority that it has deserved, despite the clear link between accommodation and delivery of operational capability.** Single Living Accommodation is part of the overall employment ‘offer’ to service personnel. There is a close connection between the quality of accommodation and the ability of the services to do their job and, ultimately, produce the capability needed to deliver defence outputs. The views of Service personnel on their accommodation influence their intention to stay or leave the services; in the 2020 Armed Forces Continuous Attitude Survey (AFCAS), 29% of service personnel living in Single Living Accommodation stated that accommodation was a factor which increased their intention to leave. While there have been building and refurbishment initiatives over the years, a large proportion of Single Living Accommodation is now old and worn out. At a time of financial pressures, accommodation is part of an overall balance of investment choices, and we recognise that the Department has often not had the resources to invest. Since 2010, Single Living Accommodation has been subject to a ‘fix on fail’ approach to maintenance which has contributed to a £1.5 billion deferred maintenance backlog across all forms of accommodation. This is another example of the Department’s short-term decision-making, deferring difficult decisions and increasing costs in the long-term; something we recently reported on in respect of the Equipment Plan. Since 2018, responsibility has been delegated to Commands, which have developed plans for improvements, but these are long overdue, and it may be some time before they deliver significant improvements.

Recommendation: *The Department should report back to the Committee in six months on the changes it is introducing under its Defence Accommodation Strategy to raise the priority given to Single Living Accommodation, including implementation of the National Audit Office recommendations.*

2. **Although many service personnel live in poor quality Single Living Accommodation and are dissatisfied with their accommodation and with the maintenance and repairs service, the Department appeared surprisingly complacent about resolving this long-term issue.** There is considerable variability in the standard of accommodation, with more than one-third of personnel in Single Living Accommodation living in the lowest-grade accommodation as of 31 October 2020. Some accommodation was so poor that 3% (2,388 personnel) incurred no rental charge. The Department accepts that it is important that service personnel feel valued, but many service personnel experience problems with the basics including hot water and heating. Satisfaction rates with the overall standard of their accommodation for service personnel living in Single Living Accommodation were at 49% in 2020, a decline from 58% in 2015. Despite the Department’s claim that satisfaction has remained stable or increased since delegation of responsibility for infrastructure to the Commands in 2018, this is not true of all services, and levels are still too low. Although the Department stated that contract Key Performance Indicators (KPIs) are being achieved, service personnel satisfaction with maintenance and repairs does not reflect this. The Department expects to see improved delivery through the new Future Defence Infrastructure Services contracts, with more suppliers involved and better performance metrics.

Recommendation: *The Department should set out clearly in its Defence Accommodation Strategy:*

- *how and when it will eradicate the poorest quality accommodation.*
- *a target level of satisfaction for Single Living Accommodation and the steps it will take to achieve this; and*
- *how it plans to gather the views of service personnel on Single Living Accommodation.*

3. **The lack of a minimum standard for Single Living Accommodation means the Department has no baseline against which to make investment decisions, or to demonstrate progress towards establishing an estate fit for the 21st century.** Unlike for its Service Family Accommodation, and in contrast to elements of the housing sector, the Department has set no minimum standard for Single Living Accommodation. Without a baseline it is difficult to set a budget for improvement work or to know how much needs to be done on the estate. Without such information, Single Living Accommodation will always struggle to compete for resources with other priorities. A minimum standard should reflect changes in the reasonable expectations of service personnel; for example, access to wi-fi, and the ability to be able to cook for themselves. As more than 50,000 bed spaces constructed prior to 2000 would not meet the current building standards if built today, we have concerns about health and safety standards, although the Department tells us that fire risk assessments are completed at least every two years. With an increased focus on environmental sustainability, the Department needs to invest now to meet targets; it has some work underway, including running low carbon trials.

Recommendation: *The Department should set and publish a clear minimum standard for the condition of its Single Living Accommodation by the end of the year, taking account of best practice in civilian standards and wider thinking on sustainability.*

4. **The Department's lamentable failure to implement a Single Living Accommodation Management Information System (SLAMIS) over the past eight years means it is unable to manage its Single Living Accommodation efficiently.** Project SLAMIS was initiated in 2013 to provide basic information on the Single Living Accommodation estate of a kind that any organisation managing property would expect to have. Progress has been very slow, and the project was cancelled, then restarted, and now should be in service by 2022. We are extremely disappointed at this lack of progress for such a simple system, and have seen the Department having similar problems with other IT systems, such as that supporting army recruitment. The Department is developing a bespoke system instead of using platforms already available, which seems unnecessary given that other organisations already have systems to meet similar requirements. SLAMIS is expected to provide accommodation booking facilities and a picture of how accommodation is being used. This should aid investment decisions and help better match supply and demand of Single Living Accommodation. Although a substantial amount of Single

Living Accommodation is unoccupied, Substitute Service Single Accommodation (SSSA) cost the Department £32.4 million in 2019–20, with a large amount of SSSA located in London and Bristol.

Recommendation: *The Department should report back to the committee in six months on progress with delivering the SLAMIS system, including to confirm when in 2022 it will be fully operational.*

5. **Management of Single Living Accommodation has long suffered from a lack of coordination, ownership and strategic grip.** Currently no single person has responsibility for Single Living Accommodation, and there are many different stakeholders involved, with some groups having been set up in response to the lack of governance and ownership of Single Living Accommodation. Overall responsibility is now delegated, with all Commands having their own plans to tackle different priorities, but there is a lack of a central view. The Department is developing the Defence Accommodation Strategy to coordinate the overall approach to all accommodation needs which will also include the Defence Estate Optimisation Portfolio (to reduce the estate) and the Future Accommodation Model (to provide housing options). There is much experience in different public and private housing sectors which could be drawn on to help better manage Single Living Accommodation.

Recommendation: *The Department should review and simplify the governance structures for Single Living Accommodation, including clarifying overall responsibility, and ensuring that those making decisions have the necessary capability and capacity.*

6. **We are concerned that, although Commands have plans to improve Single Living Accommodation, this will only address the worst problems, and available funding may be used to meet other demands.** The Commands have set out plans to spend a total of £1.5 billion on upgrades and new-build accommodation between 2020 and 2030. However, much of this is backloaded and focuses on the worst quality accommodation. The Department's 'fix on fail' approach to maintenance has led to a huge backlog of works required, £1.5 billion across all accommodation, which will take time and money to reverse. The Department's current expenditure is estimated to be only a third of what it should be spending to maintain the estate. Funding for Single Living Accommodation is not ring-fenced and it must compete with other demands on the defence budget, including equipment (which is around 40% of the total budget), which always takes priority. Depending on the outcome of the arbitration relating to the rents for service family homes leased from Annington Property Limited, there could also be further pressures on the overall budget and, in particular, on the amount set aside for improving accommodation. Since we took evidence, the Integrated Review of Security, Defence, Development and Foreign Policy has been published so the Department should now be clear about what additional funding is available for Single Living Accommodation.

Recommendation: *In the light of the publication of the Integrated Review, the Department should reassess its plans and the funding needed to improve Single*

Living Accommodation, taking account of the promised minimum standard, and focusing on making as much money available as soon as possible to start addressing years of underinvestment.

1 The quality of Single Living Accommodation

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Ministry of Defence (the Department) about Single Living Accommodation for service personnel.¹

2. The Department has committed to providing regular service personnel with high-quality subsidised accommodation as a condition of service. This is in recognition of the inherently mobile lifestyle which many personnel experience and the remote nature of many military bases. Single Living Accommodation is normally provided in the form of accommodation blocks inside military bases, and is available to single and unaccompanied personnel undertaking initial training, or serving on a regular engagement with the Armed Forces, as well as some full-time reservists. Single Living Accommodation can be anything from a set of rooms with en-suite facilities to a bed space in a multiple occupancy room.²

3. As of 31 October 2020, 79,963 service personnel occupied Single Living Accommodation, around 52% of the total Armed Forces. For some it is their only accommodation; for others, it is used alongside periods living in their own home, for example, at weekends. As of February 2020, the Department estimated it owned 103,751 bed spaces in the United Kingdom, across 78% of Single Living Accommodation sites. The Department was still waiting for data returns from Commands and defence organisations on the remaining 22% of UK sites. It also estimated it owned 8,021 Single Living Accommodation bed spaces overseas.³ Single Living Accommodation is part of the wider defence estate, which includes sites for training personnel, storing and maintaining equipment, operational activities and administration. Since April 2018, the infrastructure budget, including funding to maintain and upgrade Single Living Accommodation, has been delegated to the Commands and defence organisations, with the aim of incentivising estate users to modernise and make best use of the accommodation.⁴

Priority

4. The Department states that its people are crucial to being able to meet its policy objectives and it therefore needs to recruit and retain the right number of capable and motivated individuals.⁵ The Department told us it recognises that Single Living Accommodation is a very important part of its employment ‘offer’ to personnel. It said that it believes that accommodation is still a net attraction for people in the Armed Forces; in the 2020 Armed Forces Continuous Attitude Survey (AFCAS) results, 34% of service personnel living in Single Living Accommodation stated that accommodation was a factor which increased their intention to stay in the services and 29% that it was a factor which increased their intention to leave.⁶ However, the Department said that its analysis suggested that accommodation was only around the eleventh highest reason why people

1 C&AG’s Report, *Improving Single Living Accommodation*, Session 2019–21, HC 1129, 3 February 2021

2 Q 14; C&AG’s Report, paras 1, 11, 1.3, 1.4

3 Qq 30, 75; C&AG’s Report, paras 2, 1.4, 1.7

4 Qq 29, 52; C&AG’s Report, paras 3, 1.1, 2.9

5 C&AG’s Report, para 1.3

6 Q 14; C&AG’s Report, para 3.15

leave.⁷ We reiterated the importance of Single Living Accommodation because of the link with retention rates, and the risk that if Single Living Accommodation is not managed properly it can directly undermine operational capability.⁸

5. The Single Living Accommodation estate has developed over many years, with approximately two-fifths of buildings more than 40 years old and one in ten beds situated in buildings built before 1940. The last major build and refurbishment project for Single Living Accommodation was completed in 2015 at a cost of £1.2 billion.⁹ The Department explained that some of its stock is very old and its financial position led it to a point where it had to adopt a policy of ‘fix on fail’, which has led to a deterioration in housing stock.¹⁰ This policy has contributed to a £1.5 billion deferred maintenance backlog across all accommodation.¹¹ The Department told us that the wider financial pressures meant that a number of defence projects had slipped or been knocked off their budgetary controls because of the constant attempt to live hand-to-mouth, with Single Living Accommodation also suffering as a result of these pressures.¹² This is something we have also reported on recently in relation to the Equipment Plan.¹³

6. The Department also explained the need to balance investment choices, and that infrastructure and accommodation may come lower down the list than it would like.¹⁴ We asked the Department for reassurance that that it will make improvements in Single Living Accommodation sooner rather than later. It responded that the Services are working to this end and that Single Living Accommodation is the Chief of the General Staff’s number one infrastructure priority.¹⁵ The Department also stated that since it had delegated Single Living Accommodation budgets to the Commands in 2018, expenditure on ‘hard’ facilities management—upgrading and renewing rooms—has increased by two-thirds. However, it acknowledged that it is hard to overstate the impact that the ‘fix on fail’ policy has had on Single Living Accommodation and infrastructure more generally, and it will take time and money to reverse that.¹⁶

Quality and satisfaction

7. The standard of Single Living Accommodation is very variable, and the Department agreed that it is not acceptable that more than one-third of personnel in Single Living Accommodation are living in the lowest-grade accommodation (Grade 4 or below).¹⁷ We asked why the number of service personnel living in poorly rated accommodation had been growing. The Department acknowledged that expectations had been changing and that what constituted poor quality had moved on.¹⁸ It also explained that the grading system used includes a number of factors, not just the condition of accommodation. As a

7 Qq 30–31

8 Qq 66, 95

9 C&AG’s Report, para 3.2

10 Q 14

11 C&AG’s Report, para 4.6

12 Q 6

13 Public Accounts Committee, *Defence Equipment Plan 2020–2030*, Fiftieth Report of Session 2019–21, HC 693, 16 March 2021

14 Q 15

15 Q 20

16 Q 29

17 Qq 1, 14, 28; C&AG’s Report, para 11

18 Qq 15; C&AG’s Report, paras 11, 3.4

result, it is possible to have a very high standard room in a poor location, such as close to a runway, that has a low grade for charging purposes. This is because the charge reflects that whole experience.¹⁹

8. We were concerned as to whether all the poorest quality accommodation meets minimum health and safety standards and asked why, if the accommodation used by 3% of personnel (2,388 individuals) was so poor that no rental charge was applied, it was not withdrawn from service. The Department told us that it depended on the reason why the accommodation had been downgraded to that level, but stated that if a building did not meet health and safety standards, personnel would be moved out.²⁰ More than 50,000 Single Living Accommodation bed spaces constructed prior to 2000 would not meet the current building standards if built today. The Department explained that this related to features such as the capacity of the power systems. It said that where standards are applied retrospectively, it brings its buildings up to this level, but the majority of standards are introduced at a point in time and thereafter buildings are built to the new standard.²¹ The Department said it was confident that its buildings meet fire safety regulations, with formal fire risk assessments on every Single Living Accommodation building performed at least every two years.²²

9. While the Department told us that it is tremendously important that personnel feel valued for what they are doing, we pointed out that some are living with problems with basic facilities including heating and hot water. The Department agreed that people should have access to these facilities and explained that it had tried to tackle problems using ‘stubs and sockets’ to make heating and hot water quickly available where there had been a failure in the system. In the Royal Air Force this method meant that this year, some 900 people, who would otherwise have been adversely affected by disruptions, had had the problem fixed within 24 hours of it arising.²³ However, given the age of many of these systems, the Department said that fixing a problem can take weeks and unreliable heating is probably present in around 50% of Single Living Accommodation. We questioned the reliance on quick fixes and the Department told us it aims to balance this approach with major rebuild and refurbishments.²⁴

10. We enquired as to what the Department is doing in response to the decline in levels of satisfaction reported in the 2020 Armed Forces Continuous Attitude Survey (AFCAS). This showed that 49% of service personnel living in Single Living Accommodation were satisfied with the overall standard of their accommodation, compared with 58% in 2015.²⁵ The Department agreed that Single Living Accommodation is an important part of the lives of personnel, particularly those for whom it is their home, and suggested that satisfaction levels have been broadly the same or rising since delegation to the Commands in 2018.²⁶ We highlighted that satisfaction rates had moved around in the Royal Navy, continued to decline in the RAF, and although there may be a slight increase from the Royal Marines, this was from an appallingly low level in 2018 of 38%.²⁷ The Department

19 Qq 39, 53; C&AG’s Report, para 3.3

20 Qq 72–73; C&AG’s Report, para 3.11

21 Q 74; C&AG’s Report, para 3.5

22 Q 74

23 Qq 16, 56–57

24 Qq 20, 21

25 Q 30; C&AG’s Report, paras 12, 3.7, Figure 11

26 Qq 30, 36

27 Qq 36–37; C&AG’s Report, Figure 11

provided anecdotal evidence of accommodation being seen in a positive light, but this did not convince us that it was getting to grips with the problems that personnel can experience with Single Living Accommodation.²⁸ The Department suggested that its benchmark for satisfaction should be to deliver accommodation that is seen as a positive to more people than as a negative in terms of reasons to join, stay or leave.²⁹ It apologised if it had given the impression that tackling the problems with Single Living Accommodation was not a very far up its list of priorities.³⁰

11. Over the past six years (from 2015 to 2020) there has been a decrease in satisfaction with both the response to requests for maintenance and repairs work for Single Living Accommodation, and the quality of that work.³¹ Nevertheless, the Department believes the performance of contractors is actually getting much better, with improvements in the response time Key Performance Indicators.³² We advised the Department that given this contradiction it was important to listen to consumers and service users.³³ The Department informed us that current contracts are scheduled to run until 2021–22 and it is working to introduce replacements – Future Defence Infrastructure Services (FDIS) – for maintenance services. It told us these contracts would be split across a number of suppliers and draw on a wider supply chain, and there would be a greater emphasis on performance linked payments.³⁴ The new contracts aim to deliver a preventative maintenance regime with faster response times for issues.³⁵

Minimum standard

12. We questioned why in contrast to properties rented from other providers such as local authorities, housing associations or private landlords, where there is a legally required standard for the accommodation, there is no specified standard for Single Living Accommodation. This is also in contrast to Service Family Accommodation where the Department has committed to meet the government’s ‘Decent Homes Standard’.³⁶ The Department told us it will define a minimum standard for the condition of the accommodation this year. We noted that without a baseline for what was an acceptable condition, the Department would not be able to set a budget for repairs or refurbishments.³⁷ In addition, having a minimum standard would help in making the case for prioritisation of funding to maintain the estate.³⁸

13. The Department acknowledged that expectations of service personnel are changing, and that what they needed at different points of their career varied.³⁹ We are aware, for example, that there are concerns about poor or expensive wi-fi, and a lack of cooking facilities.⁴⁰ We were interested to understand what the Department was doing about the complaints by some personnel about the food on offer and the lack of self-catering facilities.

28 Qq 31–32

29 Q 35

30 Q 38

31 C&AG’s Report, para 3.9

32 Q 22

33 Q 23

34 Qq 22–24

35 C&AG’s Report, para 4.6

36 Qq 53, 69; C&AG’s Report, para 3.5

37 Qq 53, 69–71, 101

38 C&AG’s Report, para 3.5

39 Qq 14–15

40 C&AG’s Report, para 13

The Department told us that it recognises that the ability to self-cater was a common requirement but, in many cases, accommodation was not built with such facilities. It is working towards offering this choice and provided an example of the Army, which is investing £77 million over the next 10 years in this area. However, it said the Army will be unable to upgrade around 25% of buildings because of fire or other safety regulations.⁴¹

14. We raised concerns that, given sustainability targets, in two or three years the Department will have to retrofit much relatively new accommodation. It told us that it is running a number of low-carbon trials across Single Living Accommodation properties and considers that a 5% to 7% uplift can deliver a much higher standard of energy efficiency performance for new build accommodation. It said it is in the process of implementing this through its building standards. It also told us it is putting in place about 2,000 bed spaces on the training estate that are in modular build, 50-personnel blocks, which are effectively carbon positive, generating a surplus of green energy.⁴²

41 Q 19; C&AG's Report, para 4.10

42 Q 45

2 Oversight and funding

Management Information

15. There is no single source of data on Single Living Accommodation, and the Department lacks central data on its location, condition and usage.⁴³ The Department said it recognises that its ability to track who is using what accommodation is poor at the moment, with it only having data from a snapshot survey.⁴⁴ It told us that it is developing an Single Living Accommodation Management Information System (SLAMIS) to enable people to book accommodation, and to enable it to understand how accommodation is being used, which will also inform investment decisions. We asked the Department what it had learnt from similar commercial booking systems, for example, those used by hotels, but it said it is trying to develop a simple system and would not necessarily need all the functionality that such organisations would use.⁴⁵

16. Given the Department stated it is looking for a simple solution, we questioned why, after eight years of development, SLAMIS was not yet in service. The Department acknowledged the poor performance and that the SLAMIS project that commenced in 2013 failed to deliver, was cancelled and then was restarted in 2019.⁴⁶ When pushed to explain why the project had failed, the Department said one of the issues was that it had tried to make the solution too complicated in the first instance, and that it probably did not have the right calibre of people working on the programme.⁴⁷ The Committee has seen long delays in other IT systems being developed by the Department, such as that with Capita on army recruitment.⁴⁸ The Department confirmed that it will bring SLAMIS into service by 2022. It told us it has run a pilot programme, which is now live; that it expects the system development to be completed by the end of this calendar year: and it will start the roll-out through the course of 2022.⁴⁹

17. Data from the last snapshot on 26 February 2020, showed a quarter of Single Living Accommodation is unoccupied, and one-fifth of sites had more than 40% of Single Living Accommodation bed space unused.⁵⁰ The Department agreed that a substantial amount is unoccupied and that it has more Single Living Accommodation than it needs across the estate. This meant that it is in the difficult situation of having to decide whether to spend its limited funds demolishing infrastructure that it does not need or on improving the infrastructure that is in use. We asked what an appropriate level of under-occupancy would be, and the Department responded that it would be location-specific and could not set a single percentage across the whole estate.⁵¹ At the same time as having unoccupied accommodation, the Department spent £32.4 million in 2019–20 on Substitute Service Single Accommodation (SSSA).⁵² It told us that the money spent on substitute accommodation is almost entirely in locations where it has a deficit of Single

43 C&AG's Report, para 2.12

44 Qq 41, 75

45 Qq 59, 60

46 Qq 61, 65, 67; C&AG's Report, para 2.4, Figure 7

47 Qq 61, 63–64

48 Committee of Public Accounts Report, *Capita's contracts with the Ministry of Defence*, Eightieth Report of Session 2017–19, HC 1736, March 2019, para 11

49 Q 62

50 Q 89; C&AG's Report, paras 10, 2.13

51 Qq 89, 92

52 C&AG's Report, para 2.11

Living Accommodation, with approximately 60% of that in London and Bristol, two areas where it would be very costly to invest in the necessary level of capacity to be able to provide all the Single Living Accommodation that it needs.⁵³

Oversight and coordination

18. The management of Single Living Accommodation encompasses both people and infrastructure, and involves multiple stakeholders across defence. There is no overarching strategy for Single Living Accommodation setting out what the Department wishes to achieve or bringing together the aims of the various stakeholders.⁵⁴ The Department has acknowledged a lack of governance and ownership and in response set up a Single Living Accommodation Expert Group (SLAEG) in 2019. This body acts as the central focal point for all work relating to Single Living Accommodation but lacks decision-making powers. The Department also created the Accommodation Coherence Group (ACG) to bring together the relevant infrastructure and people functions.⁵⁵ The Department told us it will consider appointing a senior sponsor for Single Living Accommodation, look at the roles and responsibilities the post should have, and include it in the Defence Accommodation Strategy later this year.⁵⁶

19. Since the delegation of infrastructure budgets in 2018, each Command has developed its own plans tailored to its specific needs and priority areas, and it has set individual targets to reduce poor-quality Single Living Accommodation.⁵⁷ We questioned the lack of a central view on what is needed for Single Living Accommodation, which could make it hard to ensure coherence across plans.⁵⁸ There is also much variety in the accommodation offered and personnel may not pay for their accommodation depending on the service to which they belong and their personal status. The Department has 24 separate waiver charges across five personal status categories including on marital status and age. The Department told us this reflects the slightly different nature of each service, and the different ways in which policies have evolved between the services. It told us that these policies are under continuous review and, as part of the Defence Accommodation Strategy work, it will need to look at them again.⁵⁹

20. Improvements to Single Living Accommodation cannot be carried out in isolation because they overlap with wider departmental programmes such as the Defence Estate Optimisation (DEO) Portfolio (to create an estate of a more appropriate size and better quality) and the Future Accommodation Model (FAM) (to provide personnel with a range of housing options). Interdependencies have been identified but the initiatives run to different timetables and are not always joined up.⁶⁰ The Department informed us that the Defence Accommodation Strategy it is producing will draw together policy, infrastructure and delivery elements, and coordinate the dependencies between the infrastructure plans for Single Living Accommodation, the DEO Portfolio and current investments. It confirmed that the strategy will be written by the end of 2021 and will be published.⁶¹

53 Qq 33, 88–89

54 C&AG's Report, paras 8, 2.3, 2.2

55 Q 76, C&AG's Report, paras 8, 2.4–2.6

56 Q 76

57 C&AG's Report, paras 15, 4.2–4.3

58 Q 68; C&AG's Report, para 15

59 Qq 42–43; C&AG's Report, para 3.12

60 C&AG's Report, paras 17, 4.12, 4.13

61 Qq 85–87

Future funding

21. The Department explained that under the delegated responsibilities for infrastructure, including Single Living Accommodation, the Commands will decide how much to spend in this area, alongside other areas within their remit. In the 2020 Annual Budget Cycle, the Commands set out plans to spend £1.5 billion on upgrading and replacing Single Living Accommodation across the estate over the period 2020–2030.⁶² The Department said that there is also additional funding from the DEO Portfolio and the Army Basing Plan.⁶³ We asked the Department if its planned expenditure was adequate and it responded that it would allow it to upgrade the poorest accommodation as required. The majority of the expenditure will fall in the later years of the plans, and the Department informed us that it takes a number of years from identifying the need to putting an infrastructure solution in place.⁶⁴ We therefore questioned how long it would be before the Department has a plan for the whole Single Living Accommodation portfolio including what needs to be sold, demolished or repaired. The Department said it was in the process of preparing the Defence Accommodation Strategy which would include policy, infrastructure and delivery elements, and the various dependencies.⁶⁵

22. The funds for improving Single Living Accommodation are not ring-fenced. While the Department stressed that Single Living Accommodation was a very high priority in Defence, it also stated there are other priorities.⁶⁶ It faces wider affordability challenges, and the equipment portfolio, which is 41% of the entire defence budget, is unaffordable. In addition, the Department's Infrastructure Plan 2020–2030 faces a £1.4 billion shortfall. Historically, the Department has struggled to maintain its accommodation against wider affordability pressures and it has re-directed funding allocated to the estate to meet other financial pressures. This led to a 'fix on fail' maintenance regime being adopted in 2010, which has contributed to a £1.5 billion deferred maintenance backlog across all accommodation.⁶⁷ The Department stated that its figures show it currently spends about a third of what the Royal Institution of Chartered Surveyors (RICS) suggests is needed to maintain the estate.⁶⁸ We questioned whether the funds available for Single Living Accommodation were anything like enough, given the backlog. The Department could only state that the funds would allow it to deal with the poorest accommodation.⁶⁹

23. The Integrated Review of Security, Defence, Development and Foreign Policy was delayed until March 2021, but in November 2020 the government announced it would provide an additional £16.5 billion of defence funding over the next four years.⁷⁰ The Department said that the recent funding settlement gives it the opportunity to address the challenges of Single Living Accommodation more fully.⁷¹ We asked how much of this additional money would be used on Single Living Accommodation, and the Department told us "a significant amount", although it was unable to give a precise figure until the Review was published. The money will be spread across equipment procurement and

62 Q 52; C&AG's Report, para 4.2

63 Q 77

64 Qq 79, 82–84; C&AG's Report, para 4.2, Figure 13

65 Q 85

66 Qq 102–103

67 C&AG's Report, paras 4.5, 4.6

68 Q 52

69 Qq 77–79; C&AG's Report, para 4.6

70 C&AG's Report, *The Equipment Plan 2020 to 2030*, Session 2019–21, HC 1037, January 2021

71 Q 14

support, people and infrastructure.⁷² The Department did add, however, with reference to the £2 billion that consultants had estimated was needed to get all of the Single Living Accommodation into line with the Department's Building Performance Standards, that it is unlikely to be at that kind of level. The Department stated that it needed to reduce the size of the estate and will work to free up money in that way.⁷³ We expressed concern that the additional £16.5 billion of funding seemed to have been spent more than once before it had even arrived with the Department. The Department stated that it would be spent on a combination of areas, including remedying financial problems and further investment in people, equipment and infrastructure.⁷⁴

Annington Homes

24. We asked for an update on the renegotiation of rents for service family accommodation leased from Annington Property Limited, on which the Committee last reported in 2019.⁷⁵ The Department currently benefits from a 58% reduction in the market rent that Annington charges for these homes, but this is due to end in 2025. The Department said that it and Annington had differing views as to what was an appropriate level of discount and as a result, the matter was subject to formal arbitration. The Department agreed that the sums of money potentially at stake are very significant and could, depending on the result of the arbitration, put significant additional pressure on the Department's finances. The Permanent Secretary suggested that, if the decision went against it, the Department will expect the financial pressure to be absorbed by Defence as a whole, and not just infrastructure and accommodation. In an extreme situation, the Department might draw on its departmental contingency.⁷⁶

72 Q 49

73 Q 50; C&AG's Report, para 4.7

74 Q 51

75 Committee of Public Accounts, *Military Homes*, One Hundred and Second Report of Session 2017–19, HC 2136, June 2019

76 Qq 8–9

Formal minutes

Thursday 15 April 2021

Virtual meeting

Members present:

Meg Hillier, in the Chair

Sir Geoffrey Clifton-Brown Mr Richard Holden

Barry Gardiner Nick Smith

Peter Grant James Wild

Draft Report (*Improving single living accommodation for service personnel*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 24 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Fifty-fourth of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 19 April at 1:45pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 25 February 2021

Sir Stephen Lovegrove, Permanent Secretary, Ministry of Defence; **Charlie Pate**, Director General, Finance, Ministry of Defence; **Lieutenant General James Swift**, Chief of Defence People, Ministry of Defence; **David Brewer**, Chief Operating Officer, Defence Infrastructure Organisation

[Q1-103](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

ILS numbers are generated by the evidence processing system and so may not be complete.

1 House, Graham ([ILS0003](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–21

Number	Title	Reference
1st	Support for children with special educational needs and disabilities	HC 85
2nd	Defence Nuclear Infrastructure	HC 86
3rd	High Speed 2: Spring 2020 Update	HC 84
4th	EU Exit: Get ready for Brexit Campaign	HC 131
5th	University technical colleges	HC 87
6th	Excess votes 2018–19	HC 243
7th	Gambling regulation: problem gambling and protecting vulnerable people	HC 134
8th	NHS capital expenditure and financial management	HC 344
9th	Water supply and demand management	HC 378
10th	Defence capability and the Equipment Plan	HC 247
11th	Local authority investment in commercial property	HC 312
12th	Management of tax reliefs	HC 379
13th	Whole of Government Response to COVID-19	HC 404
14th	Readying the NHS and social care for the COVID-19 peak	HC 405
15th	Improving the prison estate	HC 244
16th	Progress in remediating dangerous cladding	HC 406
17th	Immigration enforcement	HC 407
18th	NHS nursing workforce	HC 408
19th	Restoration and renewal of the Palace of Westminster	HC 549
20th	Tackling the tax gap	HC 650
21st	Government support for UK exporters	HC 679
22nd	Digital transformation in the NHS	HC 680
23rd	Delivering carrier strike	HC 684
24th	Selecting towns for the Towns Fund	HC 651
25th	Asylum accommodation and support transformation programme	HC 683
26th	Department of Work and Pensions Accounts 2019–20	HC 681
27th	Covid-19: Supply of ventilators	HC 685

Number	Title	Reference
28th	The Nuclear Decommissioning Authority's management of the Magnox contract	HC 653
29th	Whitehall preparations for EU Exit	HC 682
30th	The production and distribution of cash	HC 654
31st	Starter Homes	HC 88
32nd	Specialist Skills in the civil service	HC 686
33rd	Covid-19: Bounce Back Loan Scheme	HC 687
34th	Covid-19: Support for jobs	HC 920
35th	Improving Broadband	HC 688
36th	HMRC performance 2019–20	HC 690
37th	Whole of Government Accounts 2018–19	HC 655
38th	Managing colleges' financial sustainability	HC 692
39th	Lessons from major projects and programmes	HC 694
40th	Achieving government's long-term environmental goals	HC 927
41st	COVID 19: the free school meals voucher scheme	HC 689
42nd	COVID-19: Government procurement and supply of Personal Protective Equipment	HC 928
43rd	COVID-19: Planning for a vaccine Part 1	HC 930
44th	Excess Votes 2019–20	HC 1205
45th	Managing flood risk	HC 931
46th	Achieving Net Zero	HC 935
47th	COVID-19: Test, track and trace (part 1)	HC 932
48th	Digital Services at the Border	HC 936
49th	COVID-19: housing people sleeping rough	HC 934
50th	Defence Equipment Plan 2020–2030	HC 693
51st	Managing the expiry of PFI contracts	HC 1114
52nd	Key challenges facing the Ministry of Justice	HC 1190
53rd	Covid 19: supporting the vulnerable during lockdown	HC 938