



National Audit Office




Improving Single Living Accommodation

Ministry of Defence

REPORT

**by the Comptroller
and Auditor General**

**SESSION 2019–2021
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Improving Single Living Accommodation

Ministry of Defence

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

26 January 2021

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Key facts

79,963

number of service personnel occupying Single Living Accommodation (SLA), as at 31 October 2020

£1.5bn

amount the Ministry of Defence's (the Department's) Commands plan to spend on upgrades and new-build SLA between 2020 and 2030

36%

percentage of service personnel who live in SLA that is assessed as Grade 4 or below Grade 4 (the lowest categories of accommodation for which charges are levied), as at 31 October 2020

103,751

the total number of SLA bed spaces the Department estimated that it owned, as at February 2020, across the 78% of UK SLA sites that had reported data

26%

percentage of the Department's estimated 103,751 SLA bed spaces which were unoccupied at that time

An estimated £200 million

the Department's estimated spend on SLA in 2019-20, excluding some costs embedded in wider infrastructure contracts, for example, soft facilities management and utilities

£32.4 million

the amount the Department spent on Substitute Service Single Accommodation in 2019-20 in the absence of available SLA

8 years

the time the Department has spent to date developing an SLA management information system to provide data on bed spaces

49%

percentage of service personnel in the 2020 Armed Forces Continuous Attitude Survey living in SLA who stated that they were satisfied with the overall standard of their accommodation

34%

percentage of service personnel in the 2020 Armed Forces Continuous Attitude Survey living in SLA who stated that 'accommodation' was a factor which increased their intention to stay in the Armed Forces. 29% stated that 'accommodation' was a factor which increased their intention to leave the Armed Forces

Summary

1 The Ministry of Defence (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 many personnel experience and the remote nature of many military bases. Single Living Accommodation (SLA) 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.

2 As at 31 October 2020, 79,963 service personnel, around 52% of the total Armed Forces, occupied SLA. For some it is their only accommodation; for others, it is used alongside periods living in their own home, for example at weekends. In the past, the Department estimated that it owned around 145,000 SLA bed spaces.¹ Recent work to gather accurate, up-to-date data on bed spaces and their location is not yet complete, as not all sites have returned data. As of February 2020, the Department estimated it owned 103,751 SLA bed spaces in the UK, across 78% of SLA sites. It also estimated it owned 8,021 SLA bed spaces overseas.

3 SLA is part of the wider defence estate, which includes sites for training personnel, storing and maintaining equipment, operational activities and administration. In 2019-20, the Department spent £4.6 billion on all infrastructure across its estate, 12% of total defence spending. Since April 2018, the infrastructure budget, including funding to maintain and upgrade SLA, has been delegated to the Commands and defence organisations to incentivise estate users to modernise and make best use of the accommodation.² The Department currently faces significant pressures across its budgets, including for infrastructure. Resolution of these challenges will depend on the outcome of the Integrated Review of Security, Defence, Development and Foreign Policy, which is expected in the early part of 2021.

¹ Figure comes from the Department's World-Wide Audit (WWA) conducted in 2012 and remains the most comprehensive source of SLA data.

² Commands consist of Navy, Army, Air and UK Strategic Command. Defence organisations include: Defence Equipment & Support and Defence Infrastructure Organisation.

4 This report examines whether the Department is providing SLA that, as far as possible, meets its needs and those of service personnel, in a way that delivers value for money. Part One describes SLA, including the types and location, and the grading system used to set charges for SLA. We then assess whether the Department:

- has established a cost-effective approach to managing its SLA (Part Two);
- has SLA of an appropriate standard (Part Three); and
- is putting in place appropriate arrangements to transform SLA in the future (Part Four).

5 We set out our audit approach and evidence in Appendices One and Two. Appendix Three summarises views gathered in discussion groups which we held with serving personnel who live in SLA. Our report focuses on SLA in the UK and not overseas. We do not evaluate Service Family Accommodation or the wider estate, nor do we examine the issue of environmental sustainability, which we have covered elsewhere.³ In a number of places we have identified significant gaps and inconsistencies in the data used to manage SLA, in particular around costs and number of bed spaces. As a result, not all reported data are comparable.

6 Our work was undertaken during the COVID-19 pandemic. Although this did not prevent us carrying out our fieldwork, it may have affected the experience of living in SLA for many service personnel. However, we do not consider it significantly altered longstanding views on the pros and cons of this type of accommodation.

Key findings

Managing SLA

7 Good-quality accommodation is a key element of the Department's support for service personnel but maintaining SLA has only recently been given greater priority. Although new SLA has been built in recent years and some blocks have been refurbished, accommodation has had to compete with other infrastructure demands for funding at a time when the overall estate budget reduced by 13% between 2010-11 and 2017-18. As a result, since 2010 SLA has been subject to a 'fix on fail' approach to maintenance to save costs in the short term. This approach has contributed to a £1.5 billion deferred maintenance backlog across all forms of accommodation. Since infrastructure budgets were delegated to Commands in 2018, they have increased by around 18%, and Commands have developed plans to upgrade SLA through replacement and renovation. They plan to spend £1.5 billion over the next 10 years, although it may be some time until SLA improves significantly given the decades of under-investment and the time it takes to enhance accommodation (paragraphs 1.3, 2.7, 2.9, 3.2 and 4.2 to 4.6, and Figure 13).

³ Comptroller and Auditor General, *Environmental Sustainability Overview*, Session 2019–2021, HC 318, National Audit Office, May 2020.

8 The Department has not developed a clear SLA strategy or given a single person overall responsibility, but it has started to strengthen departmental oversight.

There are multiple stakeholders involved in managing SLA across both the people and infrastructure areas of the Department, including the Commands, Head Office and the Defence Infrastructure Organisation (DIO). The Department has not set out clearly what it wishes to achieve for SLA by bringing together the aims of the various stakeholders. A lack of clear oversight has been recognised as a problem by the Department. In response, in 2019, it set up the Single Living Accommodation Expert Group (SLAEG) as the central focal point for all work relating to SLA. This group brings together key stakeholders from across the Department to identify who is best placed to tackle SLA issues, but it lacks decision-making powers. The Department also created the Accommodation Coherence Group (ACG) to bring together the relevant infrastructure and people functions. The formation of these groups is an improvement, but current governance arrangements for SLA are complicated by the number of groups and a lack of clear reporting lines, leading to some pockets of SLA-related work being developed without central coordination (paragraphs 2.2 to 2.6 and 4.12, and Figure 4).

9 The Department does not currently have all the data on SLA it needs to inform effective decision-making.

The Department lacks readily available information on the total cost of SLA so cannot fully assess what it is getting for the money it spends, where efficiencies could be made, or where it should best invest for the future. It does have some information on new builds and refurbishments, but as other SLA costs are embedded within wider infrastructure contracts, they are not all easily identifiable. The Department's best estimate for SLA spend in 2019-20 is around £200 million. It also does not have a clear picture of the number and condition of its SLA. To address this, the Department is developing a separate central SLA Management Information System (SLAMIS) to report on the quantity and quality of SLA and create a booking tool to improve allocations. However, progress has been slow, and the Department has not looked to learn lessons from authorities in other countries managing a similar challenge. To date, work has taken eight years and is due to be completed in 2022. Currently, only the pilot phase is funded, there remain risks to delivery on time, and the quality of input data remains poor. The Department estimates a fully effective SLAMIS would deliver £218.2 million savings over the life of the programme (paragraphs 2.8, 2.11, 2.12, and 2.14 to 2.16, and Figures 7 and 8).

10 The Department does not make the best use of its SLA. Based on available data, 26% of SLA bed spaces were unoccupied as at February 2020, a total of 27,125 bed spaces, and around one-fifth of sites had more than 40% of bed spaces unoccupied. The Department informed us that due to high turnover of personnel needing to move to different locations or types of accommodation it can be hard to predict the amount of SLA needed. Nevertheless, this oversupply places a cost burden on the Department. In contrast, at one site we visited we were informed that single occupancy rooms had been transformed into bunk-bed-style living. As the Department does not have a single system for efficiently allocating personnel to SLA, it is unable to make the most of nearby under-occupied SLA, although if it did want to do this, it would need to take account of well-being issues associated with personnel living away from their base. At the same time, Substitute Service Single Accommodation (SSSA) – used where there is insufficient SLA to meet demand and sourced from the commercial rental market – cost the Department £32.4 million in 2019-20. The Department believes that there would have to be a significant additional investment in SLA in those areas (such as London) where SSSA is mainly used in order to meet demand (paragraphs 1.6, 2.11, 2.13 and 2.15, and Figure 6).

The standard of SLA

11 There is considerable variation in the type and quality of SLA, with more than one-third of personnel in SLA living in the lowest-grade accommodation. SLA can be anything from a set of rooms with en-suite facilities to a bed space in a multiple occupancy room. SLA is graded according to a number of attributes relating to condition, facilities and location, with the grading affecting how much personnel are charged. As at 31 October 2020, of those who lived in SLA, around half lived in accommodation considered ‘good’ (Grade 1 and 2), but 36% lived in poorer grade accommodation (Grade 4 or below), of which 3% (2,388 personnel) incurred no rental charge because their SLA was so poor. As SLA grading reflects a number of factors, the same grade of accommodation can vary in quality between, and within, site locations. Much of the SLA estate is old, with approximately two-fifths of buildings more than 40 years old. Building standards change over time and the Department told us that all SLA was built in compliance with the standards applicable at the time of construction. However, more than 50,000 bed spaces constructed prior to 2000 would not meet the current building standards if built today (paragraphs 1.5, 1.10, 3.2 to 3.6 and 3.11, and Figures 1, 9 and 10).

12 Satisfaction with the overall standard of SLA has declined. In the 2020 Armed Forces Continuous Attitude Survey (AFCAS), 49% of service personnel living in SLA were satisfied with the overall standard of their accommodation, compared with 58% in 2015. The provision of accommodation is one of a number of factors taken into consideration by service personnel about whether to remain in the services. In 2020, 34% of service personnel living in SLA stated that the accommodation provided increased their intention to stay and 29% their intention to leave. Loss of experienced personnel affects the Department’s ability to deliver defence capabilities as planned (paragraphs 3.7 and 3.13 to 3.16, and Figures 11 and 12).

13 Some service personnel report that SLA does not always meet their basic needs. Those who live in SLA vary by age, rank, gender and other circumstances. Much accommodation was designed decades ago, since when expectations among personnel and the Commands have changed. We held discussions with 14 groups of service personnel across the Commands. While some were happy with their accommodation, which they considered was convenient and good value, others pointed to common problems with basics such as heating and hot water, limited storage space, poor or expensive wi-fi, and a lack of cooking facilities. There has been a recorded decrease in satisfaction with the maintenance and repairs service over the past six years, and this was also reflected in our discussions. There is also variation in the satisfaction with the amount personnel pay for SLA. Although many recognise it is subsidised, the amount paid can relate to marital status and age (as well as SLA grading), which may be considered discriminatory (paragraphs 3.2, 3.5, and 3.8 to 3.12, and Appendix Three).

Future of SLA

14 The Department has not yet determined what is a reasonable standard for SLA. For Service Family Accommodation, the Department has identified the 'Decent Homes Standard', based on requirements, including the state of repair and facilities and services, which it feels is appropriate for service personnel. Without such a baseline for SLA, Commands have nothing against which to measure and evaluate the appropriate provision of SLA, nor to be a basis for requesting additional funds in the future. The absence of a department-set reasonable standard as a target, and the availability of cheaper poor-quality SLA, could create a financial incentive for some service personnel to choose to live in a poor standard of accommodation at a low cost (paragraphs 3.5, 3.6 and 3.11).

15 Current plans to improve SLA are not joined up and do not fully consider what will be needed across defence in the coming decades. Since the delegation of infrastructure budgets in 2018, the Commands have had to build up their own understanding of their SLA estate due to a lack of central information, with some commissioning work to gather data. Each has developed its own plans tailored to its specific needs, identified priority areas and set individual targets to reduce poor-quality SLA. These reflect the Commands' different circumstances but also risk duplication of effort and inconsistencies in approach, possibly affecting service personnel working across Commands. Without a central view on what is needed, it will be hard to ensure coherence across the plans, underlining the value of the SLAEG and ACG. The Department has started to use some modelling to inform future plans but further work is needed. In addition, the COVID-19 pandemic has affected those living in SLA and changed ways of working, which will need to be taken into account in the future (paragraphs 4.2 to 4.4, 4.7, 4.8 and 4.11, and Figure 13).

16 The Department's future plans for SLA require a better understanding of the priorities and needs of service personnel who will live in it. Its work on the 'lived experience' of service personnel (to understand demand and improve satisfaction) has been slow. There is no agreed understanding of what those living in SLA – a very diverse population with different needs and priorities – can or should expect, making it difficult to measure, evaluate and compare across defence. The Department does not make the most of the information in the annual AFCAS survey. It is currently unable to correlate the impact of living in SLA on its ability to retain service personnel but believes it may be a contributing factor (paragraphs 3.14 to 3.16, 4.9 and 4.10).

17 Plans to improve SLA are dependent on other initiatives within the Department, but these have not been coordinated at a central level. Developments in SLA interface with other defence estate priorities 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. The FAM pilots are expected to identify personnel housing preferences and provide an indication of future demands for service accommodation, including SLA, but these will not be complete until 2022 (paragraphs 4.12 and 4.13, and Figure 14).

Conclusion on value for money

18 Currently, the Ministry of Defence (the Department) is not meeting its commitment to provide high-quality subsidised accommodation to all service personnel. Satisfaction with SLA has declined in recent years and can impact on retention, risking the Department's ability to deliver defence capabilities. SLA has not been a priority for the Department. There has been no clear strategy, limited investment in buildings and a 'fix on fail' approach to maintenance. While this approach might help with cost saving in the short term, it has led to an overall decline in the condition of SLA and shortened the life of these buildings, thereby increasing future costs. Without greater clarity on how much it is spending on SLA and how it is used or maintained, the Department cannot show it is achieving value for money.

19 Although work is under way to improve some SLA, with Commands developing investment plans worth £1.5 billion, these are not yet based on a clear understanding of future demand for SLA, the expectations of service personnel, or knowledge of what a reasonable standard of SLA would look like. Recent efforts have been made to improve governance arrangements for SLA and coordinate all SLA work. Without these operating effectively, and SLA decisions being taken in line with other related programmes, the Department risks not achieving value for money in the future.

Recommendations

- 20** The Department needs to improve its provision of SLA to meet the needs of service personnel and deliver required capability. We recommend:
- a** **The Department should raise the profile given to SLA by appointing a senior sponsor within Defence to oversee, champion and coordinate the efforts of the Commands and defence organisations.** A further review of the governance processes for SLA should be undertaken to ensure the new oversight bodies have the powers needed to manage SLA effectively.
 - b** **The Department should give priority to developing a more comprehensive overview of its SLA provision.** This should include a more complete picture of what it costs to manage and sustain the estate, bed space availability and wider asset management data. Any systems introduced must be integrated or compatible with existing platforms and reduce any duplication of data collected. The Department must also ensure that controls are in place so that data on SLA are of a robust quality.
 - c** **The Department (and specifically, DIO) should work with the Commands to introduce, as soon as possible, a booking system that is easy to use and reduces costs.** It must ensure lessons have been learned from its previous experiences and from overseas defence bodies which have developed similar systems.
 - d** **The Department should carry out and make use of work on the 'lived experience' to better understand what personnel want from SLA and inform future accommodation plans.** The Department should look at how it can regularly collect data on experiences of SLA. The Department should also make better use of available data such as AFCAS, to understand how SLA provision links to retention, where necessary amending survey questions to capture the data required.
 - e** **The Department should agree and set out what a reasonable standard for SLA would look like, drawing on building condition standards but also the 'lived experience' work.** Progress in both improving SLA to a reasonable standard and then maintaining it, should be reported on regularly. This includes making use of current and future performance metrics and holding contractors to account for delivering against these.

- f** **The Department should review the grading system used for charging and ensure that charging policies do not discriminate between people in different circumstances.** The implementation of a minimum standard should be accompanied by a simplified and less burdensome grading system.
- g** **The Department should ensure all SLA plans are coordinated with other projects which impact on the SLA estate.** As the DEO Portfolio and FAM will take time to deliver, decisions need to be taken about what 'quick wins' can be made to provide adequate SLA to the greatest number of service personnel, including so that those on sites marked for disposal are not forgotten.

Part One

Overview of Single Living Accommodation

1.1 The defence built estate includes more than 115,000 separate buildings, and the Ministry of Defence (the Department) owns, controls or has access to approximately 1.8% of the UK's land mass. Single Living Accommodation (SLA) is part of the wider defence estate, which is where service personnel live, work, train and, ultimately, from where they deploy and operate. It is therefore vital for delivering defence capabilities.

1.2 The Department defines SLA as “any type of purpose-built accommodation, whether permanent or temporary, owned, leased, requisitioned or provided by, or on behalf of the Department for the authorised use of single and unaccompanied service personnel”.⁴ This Part explains how SLA is part of the Department's employment ‘offer’ and outlines the different types of SLA.

Eligibility and entitlement

1.3 The Department states that its people are crucial to being able to meet policy objectives and therefore it needs to recruit and retain the right number of capable and motivated individuals. To do this, it considers it must have a credible employment offer. For many personnel this includes accommodation, which is necessary because of their mobile lifestyle. The Department has committed to providing service personnel with high-quality subsidised accommodation as a condition of service which, subject to eligibility, is either family or single accommodation at or close to their place of work, or an appropriate allowances package.

⁴ Ministry of Defence, *JSP 464 Tri-Service Accommodation Regulations Volume 2: Single Living Accommodation and Substitute Service Single Accommodation Part 1: Directive*, July 2020.

1.4 SLA is normally provided in the form of accommodation blocks situated inside military bases. It is available to: those undertaking initial training or serving on a regular engagement with the Armed Forces; full commitment reservists; and single, unaccompanied or detached personnel.⁵ It is the responsibility of the Commands and other defence organisations to provide SLA for the service personnel working for them.⁶ As at 31 October 2020, 79,963⁷ service personnel occupied SLA, around 52% of all service personnel.⁸ For some, it is their only accommodation; for others, it is used alongside periods living in their own home, for example, at weekends.

Types of SLA

1.5 Details of the different types of SLA provided by the Department are set out in the Tri-Service Accommodation Regulations. In addition, the Department's Building Performance Standards cover current technical, functional and spatial standards. Allocation of SLA is on the basis of rank or training phase (**Figure 1**).

Substitute Single Living Accommodation

1.6 Where there is no suitable or insufficient SLA available, Substitute Single Living Accommodation is provided. This can be:

- rented accommodation provided in the UK, assigned and managed by the Department's accommodation agency contractor, known as Substitute Service Single Accommodation (SSSA);
- an allowance payable to service personnel to allow them to make private arrangements to live in rented accommodation (UK only);
- appropriated Service Family Accommodation used as SLA; and
- if overseas, rented accommodation for use as SLA.

⁵ SLA is also provided for personnel undergoing marital/civil partnership breakdown.

⁶ Commands consist of Navy, Army, Air and UK Strategic Command. Defence organisations include: Defence Equipment & Support and Defence Infrastructure Organisation.

⁷ This excludes 3,521 service personnel classed as occupying SLA which is not graded, including those living on a ship or in misappropriated Service Family Accommodation.

⁸ Total number of service personnel 152,584 includes: UK regular forces, Gurkhas, volunteer and serving reservists entitled to SLA.

Figure 1 Types of Single Living Accommodation (SLA)

Service personnel are eligible for different types of SLA, dependent on rank

Rank of service personnel	Description of SLA
Senior officers (Major and equivalent) and above	A suite of rooms in the Officers' Mess consisting of a sitting room and bedroom with en-suite (shower, basin and WC).
Junior officers (Captain and equivalent) and below	A bedroom with en-suite (shower, basin and WC).
Officer cadets	A bedroom with en-suite (shower, basin and WC).
Candidates	A bedroom with shared ablutions.
Warrant officers and senior non-commissioned officers	A bedroom with en-suite (shower, basin and WC).
Other ranks	A bedroom with en-suite (shower, basin and WC).
Personnel undergoing phase two and phase three training – when there is no 'Other ranks' SLA available	Bed space in a four-person room with shared ablutions.
Personnel undergoing phase one training	Bed space in eight or 12-person rooms with shared ablutions.
Royal Navy personnel undergoing phase one training	Bed space in 24-person room with shared ablutions.

Notes

- 1 The Ministry of Defence (the Department) defines SLA as "any type of purpose-built accommodation, whether permanent or temporary, owned, leased, requisitioned or provided by, or on behalf of the Department for the authorised use of single and unaccompanied service personnel".
- 2 Phase one training includes all new entry training to provide basic military skills.
- 3 Shared ablutions include bathroom facilities: WC, shower, bath, basin.

Source: National Audit Office analysis of Ministry of Defence data

Bed spaces and location

1.7 Accommodation is located on military sites owned by one of the Commands or defence organisations. While a site may belong to one Command, it may operate on a tri-service basis where, for example, there is an exchange of service personnel between Commands. In 2012, the Department estimated that it owned around 145,000 SLA bed spaces.⁹ Recent work to provide accurate, up-to-date data on bed spaces and their location is not yet complete. As at February 2020, it estimated it owned 103,751 SLA bed spaces in the UK (**Figure 2**), across 78% of SLA sites.¹⁰ 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 SLA bed spaces overseas.¹¹

Figure 2

Single Living Accommodation (SLA) bed space capacity in the UK

As of February 2020, the Ministry of Defence (the Department) estimated it had 103,751 bed spaces across 78% of sites

Command or defence organisation	Bed spaces	Percentage of bed spaces (%)
Army	47,422	46
Air	27,167	26
Navy	21,952	21
UK Strategic Command	6,781	7
Defence Equipment & Support	429	1
Total	103,751	100

Notes

- 1 Data are based on the Department's estimate of bed spaces using a survey conducted in February 2020. The Department had received returns from 78% of 190 sites.
- 2 Numbers do not include the training estate.
- 3 Excludes Defence Infrastructure Organisation and Head Office bed spaces.
- 4 Percentage values are rounded to the nearest whole number and do not sum to 100% due to rounding.
- 5 This analysis uses information provided by the project developing the SLA Management Information System.
- 6 These figures do not reconcile to all those presented elsewhere in the report as they are from different data systems. We have not been able to quality-assure these differences.

Source: National Audit Office analysis of Ministry of Defence data

9 Figure comes from the Department's World-Wide Audit (WWA) conducted in 2012 and remains the most comprehensive source of SLA data.

10 Numbers do not include the training estate.

11 Overseas figures were supplied to the Department during May and June 2020.

1.8 The Department estimated it had 190 sites situated across the UK. Data returns indicate that Army and Air Commands have the most dispersed SLA of the four Commands (**Figure 3** on pages 18 and 19). Army Command has the most sites overall, with 128 (67%) of the total SLA estate.

Charging by grade of accommodation

1.9 The Tri-Service Accommodation Regulations provide policy guidance on the provision of permanent and substitute equivalents of SLA to trained service personnel.¹² All service personnel living in SLA pay a daily charge according to the type and grade of accommodation they occupy, unless they qualify for a waiver condition that exempts them from the requirement to pay (paragraph 3.12). The guidance outlines how to determine SLA charges. The Armed Forces' Pay Review Body provides independent advice on accommodation charges, although the Department ultimately sets them. This charge will cover:

- rent and furniture;
- water and sewerage; and
- fuel and light.

1.10 To determine the charge rate for each bed space, each site undertakes a four-tier grading assessment. The assessment considers how SLA performs against a number of features – for example, provision of plug sockets and furniture, the condition of the internal and external building, location (for example, ease of access to essential amenities) and environment. Points are allocated across 14 categories which determine the grade. Points are awarded, for example, where the SLA does not meet a standard or an item is missing. The more points awarded, the lower the grade allocated.

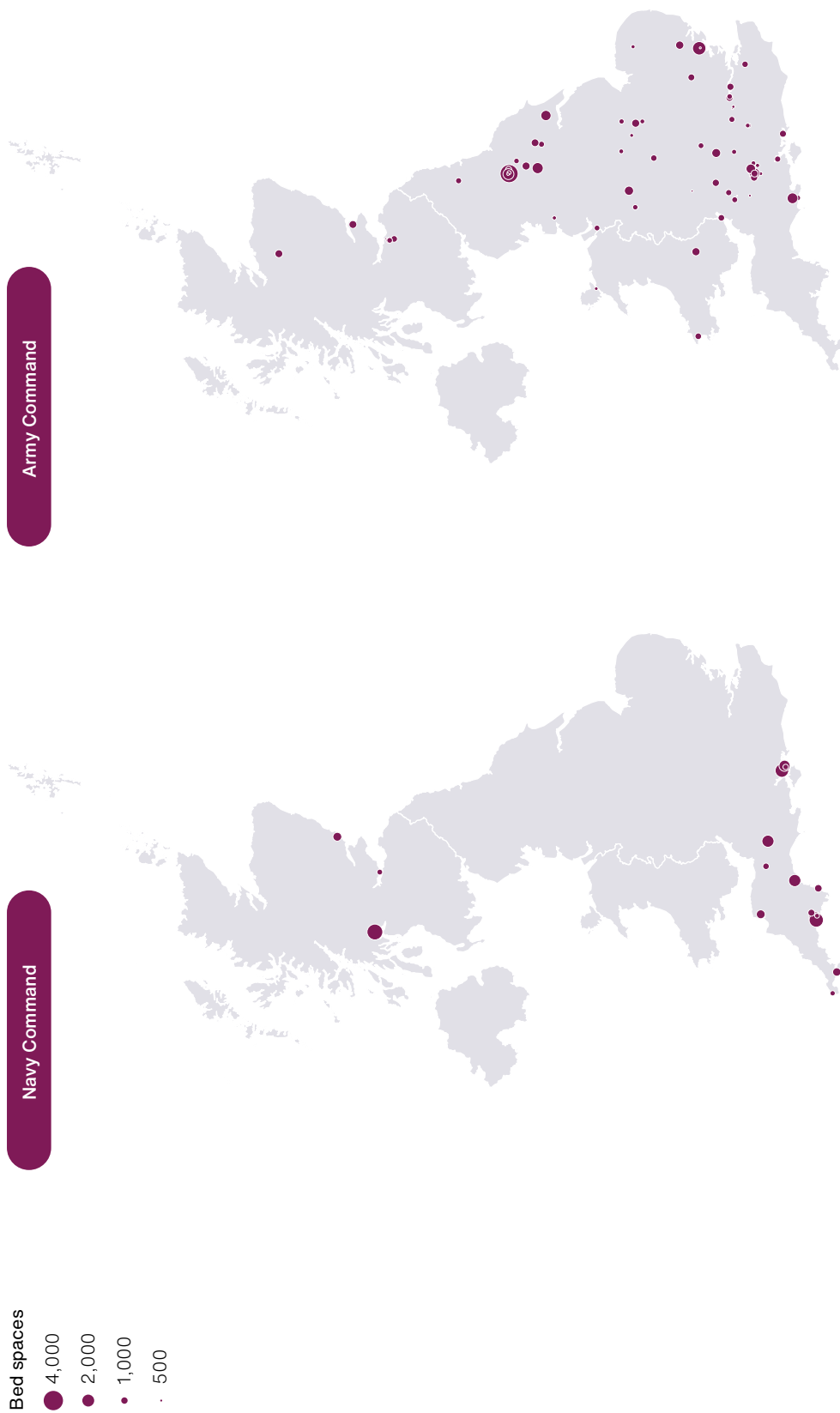
1.11 Each category has a maximum number of points which can have more or less weight in determining the grade of accommodation. For example, more points are awarded for a smaller bed space than for poor heating. Where the total score is 26 points or more, the Command has the option to reduce further or, in some cases, remove charges. A review of accommodation grading should be conducted at least once every four years.

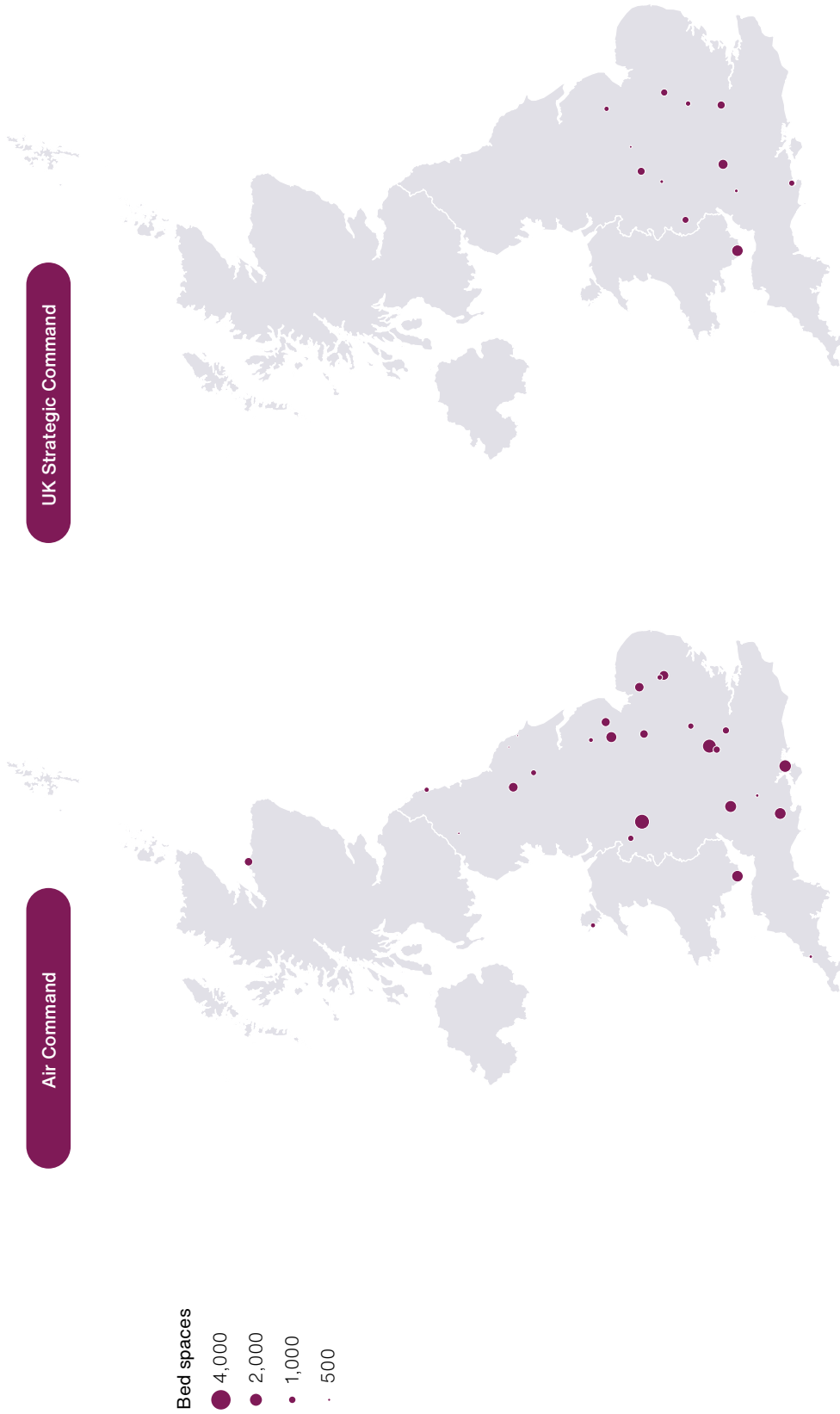
¹² Trained personnel living in SLA are those undergoing initial training, phase one to phase three training or serving in front-line units.

Figure 3

The location of Single Living Accommodation (SLA) by Command in the UK as at 26 February 2020.

All four Commands own and manage SLA across many locations in the UK





Notes

- 1 Accommodation is also provided by the Defence Infrastructure Organisation, Defence Equipment & Support and Head Office.
- 2 Data are based on the Ministry of Defence's (the Department's) estimate of bed spaces based on a survey conducted in February 2020. The Department had received returns from 78% of 190 sites. Only one data return related to Northern Ireland, which had zero bed spaces listed.
- 3 This analysis draws on SLA Management Information System (SLAMIS) data. Project SLAMIS is an enabling project being delivered by the Department; one of its key aims is to ensure the availability of accurate SLA Management Information.
- 4 Three sites were merged with other sites which shared the same location or name.
- 5 Three sites suggesting over-occupancy were excluded from analysis as the Department could not provide assurance on their data accuracy.
- 6 In addition, two sites were excluded from analysis for reporting having neither bed spaces nor occupants.
- 7 Numbers do not include the training estate.
- 8 These figures do not reconcile to all those presented elsewhere in the report as they are from different data systems. We have not been able to quality-assure these differences.

Source: National Audit Office analysis of Ministry of Defence data

Part Two

Managing the delivery of Single Living Accommodation

2.1 To have a cost-effective approach to overseeing and managing Single Living Accommodation (SLA), the Ministry of Defence (the Department) requires a clearly documented system, with assigned roles and accountability, supported by sound management information. This Part looks at how the Department manages the current provision of SLA to service personnel by examining:

- the roles and responsibilities of those involved;
- the financial management of SLA; and
- the management information collected on SLA.

Roles and responsibilities

2.2 The management of SLA encompasses both people and infrastructure and involves multiple stakeholders across defence. Head Office is responsible for setting the strategy and policy, as well as monitoring progress, either through the Chief of Defence People for accommodation, or the Deputy Chief of Defence Staff (Military Capability) for infrastructure. The Commands and other defence organisations work within this policy framework and manage their own SLA, including developing infrastructure requirements and setting capital investment priorities.¹³ The Defence Infrastructure Organisation (DIO) acts in an advisory capacity to the Commands for SLA; manages contracts; and plans and delivers upgrades or new builds.

¹³ Commands consist of Navy, Army, Air and UK Strategic Command. Defence organisations include: Defence Equipment & Support and Defence Infrastructure Organisation.

Governance

2.3 There are a number of different stakeholders involved in the management of SLA with different perspectives and priorities. In 2018, the Armed Forces' Pay Review Body report noted that, unlike Service Family Accommodation (SFA), there is no single person with lead responsibility for SLA within defence.¹⁴ In its view, this meant the status accorded to SLA had been underplayed relative to competing priorities. The governance around SLA is also complex, which means reporting and accountability are unclear, and information needs to be shared. This risks slowing down decision-making, with time lost deciding who is best placed to carry out the work, and some duplication of effort. This has been the case, for example, with the 'lived experience' work examined in Part Four. There is no overarching strategy for SLA setting out what the Department wishes to achieve and bringing together the aims of the various stakeholders.

2.4 The Department has acknowledged the lack of governance and ownership of SLA. In 2019, it set up a Single Living Accommodation Expert Advisory Group (SLAEG) with responsibility for shaping the future of SLA, driving efficiency and good business practice, and ensuring SLA issues are considered on an equal footing to SFA. Overseen by Head Office, SLAEG is the central focal point of all work relating to SLA, bringing together key stakeholders (**Figure 4** overleaf).

2.5 In 2019, the Department also set up the Accommodation Coherence Group (ACG) to ensure consistency across both the people, infrastructure and delivery strategies and to foster a collaborative approach, with the Commands as members of the group. The ACG has provided a forum to discuss, challenge and progress accommodation-related work. The Department considers it has made valuable initial progress but it has not yet developed a communication strategy to increase the visibility of defence accommodation initiatives, even though one of its responsibilities is to present a coherent message.

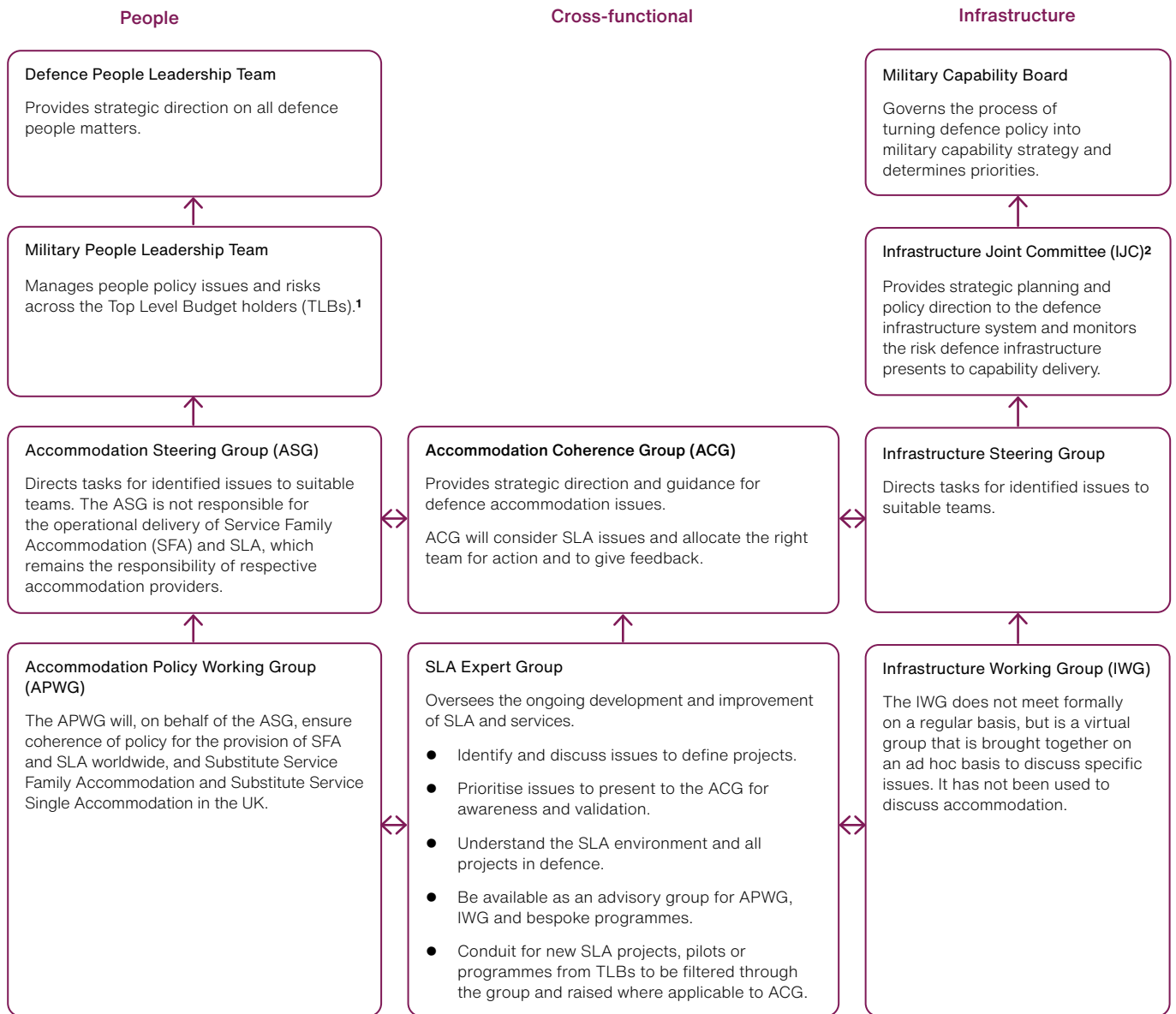
2.6 The SLAEG cannot make decisions on SLA, but instead identifies issues that need to be progressed, and can delegate tasks to working groups for delivery, for example, to ensure policy remains current and consistent, or to elevate them as appropriate to the ACG. The SLAEG does not consider management information on SLA or request standard updates from Commands. It is responsible for monitoring that the Commands are completing the four-tier grading assessments for their sites, which are the basis for setting charges for SLA. However, SLAEG does not have the authority to ensure that they take place as planned and can only reset assessment delivery dates when they are missed.

14 Armed Forces' Pay Review Body, *Armed Forces' Pay Review Body Forty-Seventh Report: 2018*, Cm 9677, July 2018.

Figure 4

The Ministry of Defence’s central governance of Single Living Accommodation (SLA)

The SLA Expert Group is the central focal point of all work relating to SLA



↑ Shows the route for issues to be escalated between different bodies

↔ Shows the sharing of information between different bodies. Linked bodies share some of the same members

Notes

- 1 TLBs include: Air Command, Army Command, UK Strategic Command, Navy Command, the Defence Nuclear Organisation, the Defence Infrastructure Organisation, and Head Office.
- 2 The IJC is the sponsor for the SLA Management Information System. Project SLAMIS is an enabling project being delivered by the Department. One of its key aims is to ensure the availability of accurate SLA Management Information.
- 3 In addition to the groups included in the diagram, within the Defence Infrastructure Organisation, the Accommodation Delivery Forum (ADF) monitors strategic living accommodation planning and service delivery issues, including quality and consistency, and assesses Industry Partners’ performance.

Financial management

Costs and funding

2.7 In 2019-20, the Department spent £4.6 billion on infrastructure, 12% of total defence spending (£39.8 billion). The defence estate has experienced decades of under-investment, leading to long-term deterioration of infrastructure. In 2016, we reported on the huge challenges facing the Department in maintaining its estate and highlighted that plans to delegate infrastructure budgets to Commands had risks as, in part, the current problems arose from the limited attention given to the estate by Commands prior to 2011.¹⁵ We also reported on a shortfall of at least £8.5 billion for 'lifecycle replacement costs', based on the expected size and condition of the Department's estate over the next 30 years.

2.8 The Department is not able to identify SLA-specific cost data across all categories of spend and therefore does not know how much it spends on SLA in total. It does have information on new builds and refurbishments, and costs within the hard facilities management contract can be broken down to building level.¹⁶ However, other SLA costs are embedded within wider infrastructure contracts, for example, soft facilities management and utilities, and are not easily identifiable. For 2019-20, the Department's best estimate for SLA spend is around £200 million.¹⁷ The absence of SLA-specific cost data limits the Department's ability to understand the full asset lifecycle and assess the true value for money of the SLA estate. When the Department delegated the infrastructure budget (including to maintain and upgrade SLA) to Commands in April 2018, it did so without being able to identify the total costs required to maintain the SLA estate.

2.9 The decision to delegate infrastructure spending to the Commands was designed to incentivise the Commands, as users, to optimise and modernise the estate. Previously, the infrastructure budget had been managed by DIO. Infrastructure budgets are agreed with Head Office through the Annual Budget Cycle. SLA funding is not ring-fenced and Commands instead balance SLA investments against other areas of infrastructure spend, including those linked to operations such as runways. A lack of ring-fenced budgets for estates means it is considered with other priorities at a time of considerable pressure on the wider defence budget (paragraph 4.5).

¹⁵ Comptroller and Auditor General, *Delivering the defence estate*, Session 2016-17, HC 782, National Audit Office, November 2016.

¹⁶ The hard facilities management contract covers statutory and mandatory maintenance and pre-planned preventative maintenance for buildings.

¹⁷ The best estimate includes a number of caveats, for example, it includes some non-SLA spend and excludes some costs for Private Finance Initiative (PFI) contracts.

2.10 Although infrastructure budgets were delegated to Commands in 2018, the rental income from those who live in SLA is received by DIO and not directly used to finance SLA costs or upgrades. The Department explained that there are technical reasons why it is difficult for this funding to flow directly to the Commands, and that it is offset by a reduction in DIO's budget and an increase in the budget given to Commands. Additionally, Commands use funds available from charitable bodies such as the Armed Forces Covenant Fund Trust to improve fixtures and furnishings or, for example, to provide televisions for communal areas, which cannot be bought using public funds.

2.11 The Commands direct DIO to engage commercial partners to plan, build, maintain and service infrastructure throughout the full lifecycle of SLA (**Figure 5** on pages 26 and 27). The main contracts include:

- **Hard facilities management.** This covers statutory and mandatory maintenance and pre-planned preventative maintenance for buildings. The Department operates four regional contracts with its provider Amey. For 2019-20, the Department estimates that around £55 million was spent on SLA. The Department is currently working on Future Defence Infrastructure Services, which will establish facilities management contracts, to roll out from 2021.
- **Soft facilities management.** This covers cleaning, catering, waste and hotel services. The Department operates seven regional contracts under Project Hestia. It was not possible to separate out soft facilities management costs for SLA.
- **Private Finance Initiative (PFI) contracts.** These include accommodation such as Northwood and Allenby Connaught, and services provided to SLA users such as Tidworth Water and Sewerage and Aquatrine (water and wastewater services). For 2019-20, the Department estimates that around £40 million was spent on part of the PFI contract for Allenby Connaught. It was not possible to separate out other PFI costs for SLA.
- **Substitute Service Single Accommodation (SSSA).** Rented accommodation is assigned and managed by the Department's accommodation agency Mears Group. In 2019-20, the Department spent £32.4 million on SSSA. This is excluded from the £200 million best estimate for SLA.
- **Utilities.** This covers electricity and gas. It was not possible to separate out utility costs for SLA.

Management information

Occupancy and condition data

2.12 There is no single source of data on SLA, and the Department lacks central data on its location, condition and usage. The Department launched Project SLAMIS to address this situation (paragraphs 2.14 and 2.15). Until it is delivered, however, the Department is reliant on incomplete, out-of-date and unverified data, which affects its ability to take strategic decisions on SLA. The Department is working to improve data (see paragraph 2.14), but interim figures suffer from a number of problems. Data on four-tier grading are poor, with delays in uploading assessments, information gaps and a number of out-of-date assessments. Data are constantly being updated, but as at November 2020, 26% of four-tier grading assessments still needed to be completed.¹⁸

2.13 Data on occupancy levels are only available on a snapshot basis. This shows significant levels of under-utilisation (**Figure 6** on page 28), suggesting SLA is not in the right locations, placing a cost burden on the Department. Data provided showed that on 26 February 2020, the date of the last snapshot, 26% of SLA bed spaces were unoccupied, totalling 27,125 bed spaces. Only 8% of sites were fully occupied, while one-fifth of sites had more than 40% of SLA bed space unused.¹⁹ These figures only reflect occupancy on a given day, which is likely to fluctuate, for example, due to turnover for a military training course. The Department considers that some flexibility is needed in the system to allow for high turnover and movement of service personnel at short notice across the estate, which makes it harder to predict the amount of SLA needed. However, the Department has not provided an assessment of what this level of flexibility might be or where additional capacity is required in their SLA estate. In contrast, some sites we visited were close to full occupation or were over-occupied, leading to the need at one site, for example, to convert single bed spaces into bunk-bed-style living. This emphasises the importance of robust, real-time information to inform decisions and match SLA with need.

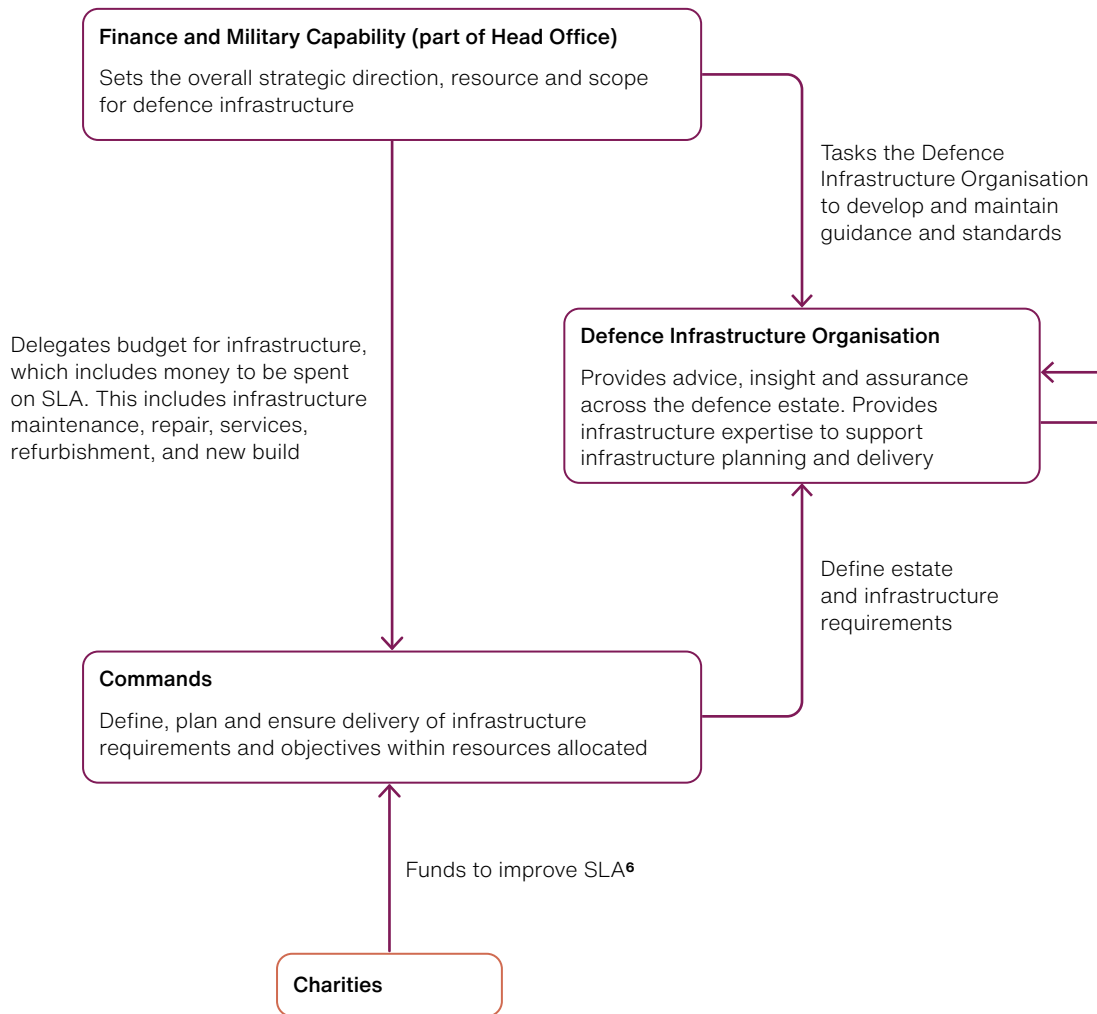
¹⁸ Four-tier grading data are collected separately from bed space data.

¹⁹ These figures do not include transit accommodation but could include spare capacity accommodation which is being used for transit purposes. This can include accommodation used by non-permanent staff members or service personnel on short-term courses.

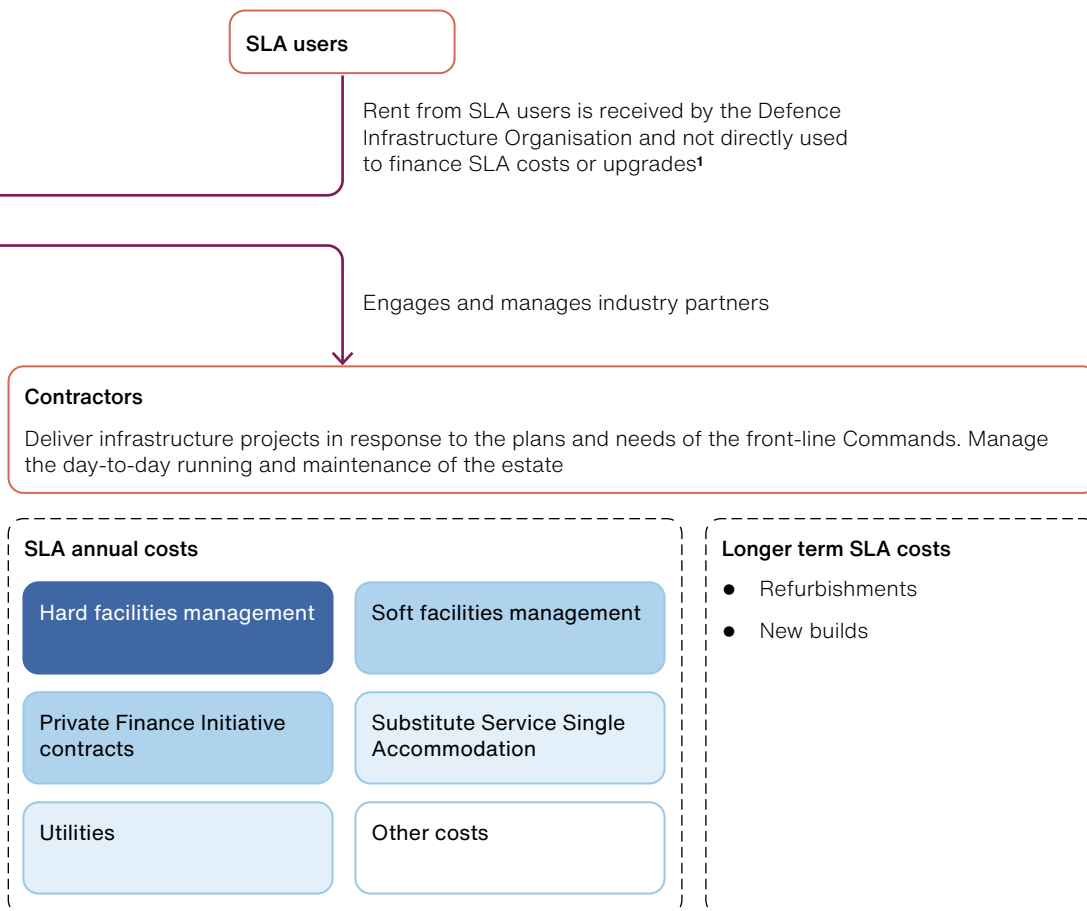
Figure 5

Funding flows for the Ministry of Defence’s (the Department’s) Single Living Accommodation (SLA)

Spend on SLA is a mixture of annual and one-off costs for maintenance, repair and services alongside spend on refurbishment and new build



- Ministry of Defence organisations
- Other bodies/groups
- A mix of fixed and variable payments are made
- A 'core' fixed charge is made
- Variable payments
- Unknown
- ➔ Funding and/or information flows



Notes

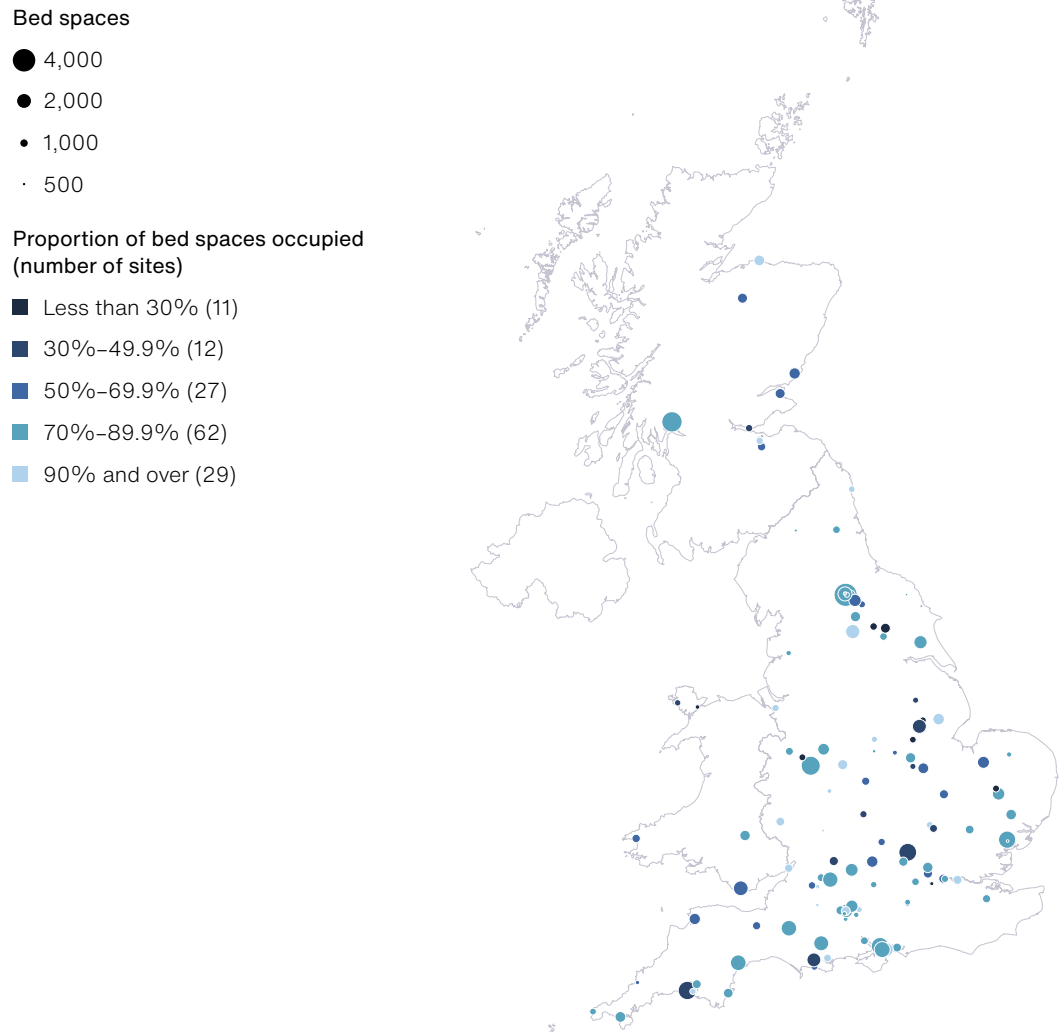
- 1 The Department informed us that rental income is offset by a reduction in the Defence Infrastructure Organisation's budget and an increase in the budget given to Commands.
- 2 The Defence Infrastructure Organisation, Defence Equipment & Support and Head Office also own some SLA, which is funded through their infrastructure budgets.
- 3 SLA falls within the overall infrastructure budgets delegated to the Commands and other defence organisations, unlike spending for Service Family Accommodation, which has its own separate budget that is managed by the Defence Infrastructure Organisation.
- 4 Head Office investment approval is required for projects costing more than £75 million.
- 5 Other costs include those for accommodation stores (bedding, furniture) and tax.
- 6 Commands use funds available from charitable bodies such as the Armed Forces Covenant Fund Trust to improve fixtures and furnishings or, for example, to provide televisions for communal areas, which cannot be bought using public funds.

Source: National Audit Office analysis of Ministry of Defence data

Figure 6

The proportion of Single Living Accommodation (SLA) bed spaces in the UK occupied as at 26 February 2020

A significant proportion of bed spaces are unfilled at military sites across the UK



Notes

- 1 This figure includes sites from Navy Command, Army Command, Air Command, UK Strategic Command and one site from Defence Equipment & Support. Data are based on the Ministry of Defence's (the Department's) estimate of bed spaces based on a survey conducted in February 2020. The Department had received returns from 78% of 190 sites. Only one data return related to Northern Ireland, which had zero bed spaces listed.
- 2 This analysis draws on SLA Management Information System (SLAMIS) data. Project SLAMIS is an enabling project being delivered by the Department. One of its key aims is to ensure the availability of accurate SLA Management Information.
- 3 Data ranged from 100% occupied bed spaces to 0% occupied.
- 4 Three sites were merged with other sites which shared the same location or name.
- 5 Three sites suggesting over-occupancy were excluded from analysis as the Department could not provide assurance on their data accuracy.
- 6 In addition, two sites were excluded from analysis for reporting having neither bed spaces nor occupants.
- 7 Numbers do not include the training estate.
- 8 These figures do not reconcile to all those presented elsewhere in the report as they are from different data systems. We have not been able to quality-assure these differences.

Source: National Audit Office analysis of Ministry of Defence data

Project SLAMIS

2.14 In 2010, we recommended that the Department should improve the quality and quantity of management data to make more informed decisions about the defence estate.²⁰ Following this, in 2013 the Department launched Project SLAMIS²¹ to increase efficiency and improve the planning capability, cost-effectiveness and the quality and integrity of data for SLA. Progress implementing SLAMIS has been slow, taking eight years so far, with deadlines missed repeatedly (**Figure 7** on pages 30 and 31). In 2016, an internal review concluded that the project had failed because of complex interrelated challenges, including the different ways of working across sites, low confidence in data with limited data assurance, and a lack of change management expertise. In 2019, Project SLAMIS was relaunched to: report on the quantity and quality of SLA; create a booking tool to improve allocations; and develop a community of practice to ensure continual development of SLAMIS. The project is expected to be delivered by March 2022. The Department has funding for the pilot phase to 31 March 2021.

2.15 The Department believes that Project SLAMIS will lead to savings, both by reducing administration through a regionalised booking system and through reductions in expenditure on SSSA as a result of a better understanding of occupancy rates. However, in implementing a regionalised booking system it will need to take account of potential well-being issues associated with personnel living away from their base. Currently, booking of SLA can differ within and between sites. Methods used include white boards, excel spreadsheets and bespoke booking systems. Departmental analysis suggests overuse of SSSA, where SLA was available, led to potential additional annual costs to the Department of £2.5 million. However, the Department also believes that there would have to be significant additional investment in SLA in those areas (such as London) where SSSA is mainly used in order to meet demand. The Department did not investigate the reasons why the SLA was not used and the snapshot estimate may not truly reflect the potential savings which may accrue from a fully functioning SLAMIS. Overall, the Department expects to make savings of £218.2 million from the introduction of Project SLAMIS over a 10-year period.²²

20 Comptroller and Auditor General, *A defence estate of the right size to meet operational needs*, Session 2010-11, HC 70, National Audit Office, July 2010.

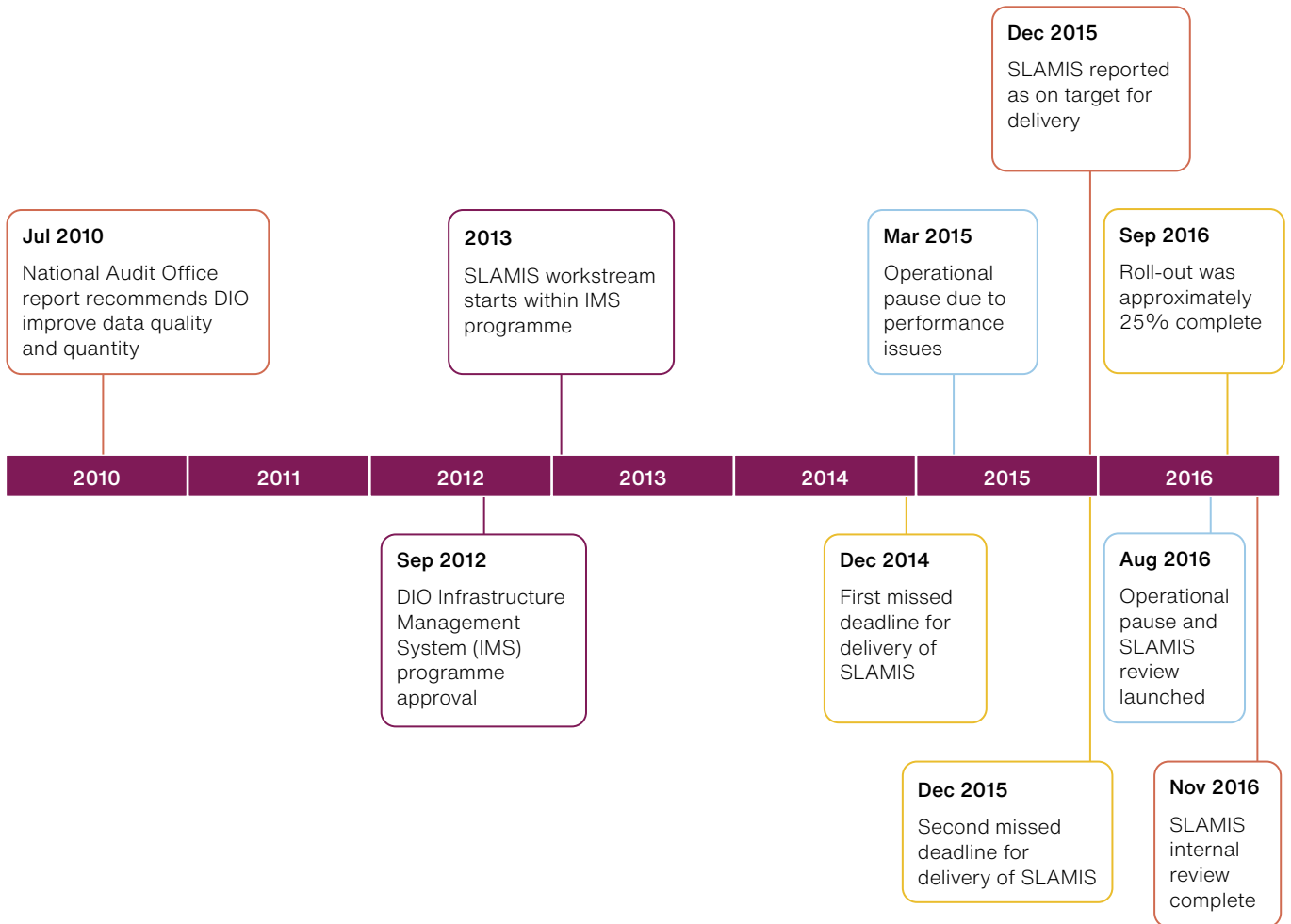
21 Single Living Accommodation Management Information System.

22 The overall Net Present Value of the savings from the next phase of Project SLAMIS is £167.1 million.

Figure 7

Delivery timeline for the Single Living Accommodation Management Information System (SLAMIS)

The Ministry of Defence (the Department) started work on SLAMIS in 2013, but has repeatedly missed deadlines and work is yet to be completed

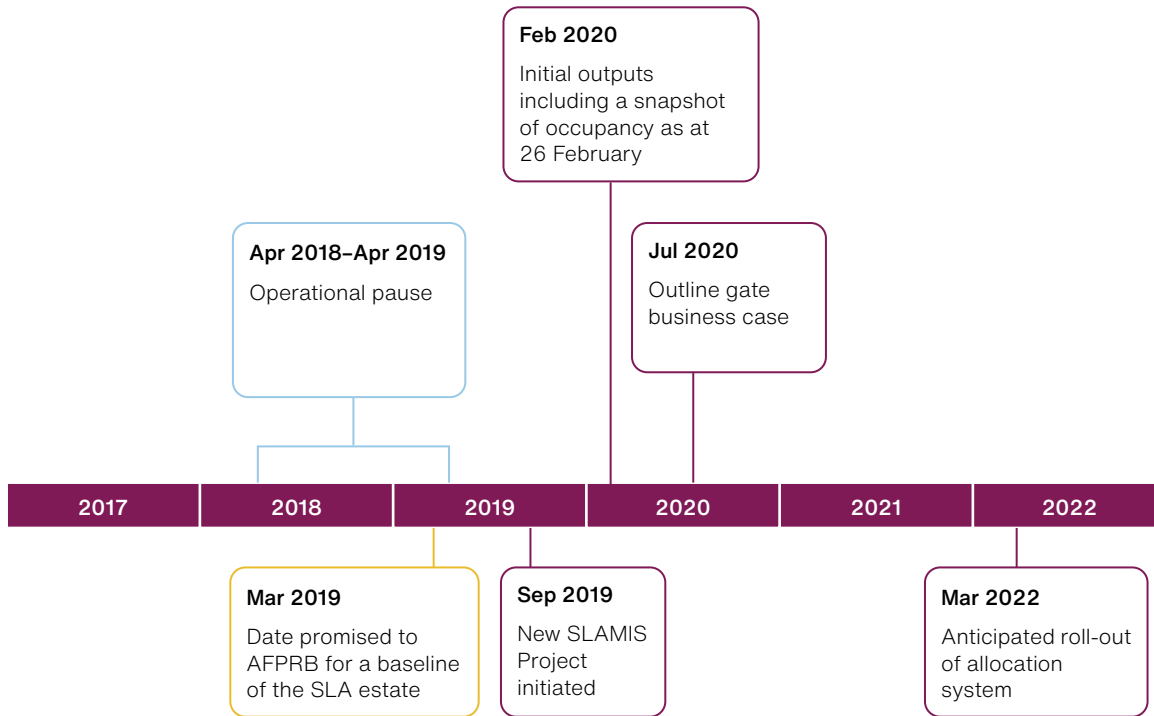


- Project milestone
- Operational pause
- Missed deadline
- Other

Notes

- 1 SLA – Single Living Accommodation.
- 2 DIO – Defence Infrastructure Organisation.
- 3 AFPRB – Armed Forces’ Pay Review Body, which provides independent advice on SLA charges.

Source: National Audit Office analysis of Ministry of Defence data



2.16 Providing SLA-type accommodation for service personnel in an efficient manner is not unique to the UK. We identified that equivalent defence agencies in certain countries have information on the location and quantity of accommodation. The United States (US) Department of Defense has a Real Property Assets Database, which is a centralised, annual snapshot of its property information, including location, quality and availability. However, the US Government Accountability Office found that data are not fully accurate or complete. In Australia, Defence Housing Australia manages an online booking system covering around 41,200 beds across 52 bases (**Figure 8**). In developing SLAMIS, the Department has investigated the potential of using some readily available booking systems but has not drawn on the experience of overseas military partners to learn lessons.

Figure 8

The Australian Defence Force (ADF) booking system

Defence Housing Australia (DHA) provides an online booking system for single accommodation on defence bases

DHA was established in 1988 to provide adequate and suitable housing to ADF members. DHA has been engaged by the Department of Defence: to provide service residences for ADF members with dependants; provide housing for single ADF members living off-base; administer rent allowance for those in private accommodation; and allocate all on-base single ADF member accommodation.

DHA administers the online booking system for about 41,200 beds across 52 bases as part of the booking and allocation services provided to single ADF members requiring 'living-in accommodation' (LIA). The services have been operating at participating bases since July 2014. In June 2019, DHA agreed five-year contract extension to continue providing the services until June 2024.

Note

1 DHA operates as a commercial organisation and makes financial returns to the Australian Government.

Source: Australian National Audit Office, *Management of Defence Housing Australia*, Auditor-General Report No.31 2019-20, April 2020

Part Three

The standard of Single Living Accommodation

3.1 This Part examines the standard and quality of, and satisfaction with, the Ministry of Defence's (the Department's) Single Living Accommodation (SLA). It draws on the views of service personnel as recorded in the annual Armed Forces Continuous Attitude Survey (AFCAS) and in the discussion groups that we organised with service personnel (see Appendix Three).²³ This Part looks at the current standards of SLA by examining:

- the age and grade of SLA;
- the lack of a minimum standard; and
- service personnel's satisfaction with SLA.

Age and grade of SLA

3.2 Given the age and nature of the estate, SLA rooms vary significantly in size and condition. This also means that some will never reach current building standards, for example, due to size or thermal performance.²⁴ The SLA estate has developed over many years, with approximately two-fifths of buildings more than 40 years old and one-tenth of SLA beds situated in buildings built before 1940 (**Figure 9** overleaf).²⁵ The last major build and refurbishment project for SLA was completed in 2015 at a cost of £1.2 billion. It provided more than 22,000 bed spaces in 12 years.

3.3 As described in paragraphs 1.10 and 1.11, a four-tier grading system is used to set charges for SLA. This system ranges from Grade 1 to below Grade 4. The assessment considers a number of factors across 14 categories, with the more points awarded the lower the grade achieved. This means that, for example, a room can be a good size and condition but awarded a high number of points and thus given a lower grade due to its remote location. In comparison, another room of a poorer size and condition may be given the same grade because it is in a less remote location. Thus, the same grade of accommodation can vary in standard, including across different sites.

23 AFCAS is one of the main ways in which the Department gathers information on the views and experiences of Armed Forces personnel.

24 Thermal performance requirements were introduced in 1976.

25 This is based on the best available data and does not include all SLA (see Figure 9).

Figure 9

Age of the Single Living Accommodation (SLA) estate in the UK

The SLA estate has developed over many years

Date of build	Buildings		Beds	
	Count	(%)	Count	(%)
<1920	36	2	1,725	2
1920–1939	207	11	7,563	9
1940–1959	301	16	9,117	11
1960–1979	275	15	13,401	16
1980–1999	499	27	20,051	24
2000–2009	437	24	24,827	30
2010 to date	97	5	6,124	7
Total	1,852	100	82,808	100

Notes

- 1 The table is based on data provided by the Ministry of Defence as at June 2020 which was part of the SLA Estate Portfolio Model using a number of data sources. It does not include all SLA.
- 2 Buildings excluded include 98 listed and 510 Private Finance Initiative buildings.
- 3 Figures do not reconcile to those presented elsewhere in the report as they are from different data systems. We have not been able to quality-assure these differences.
- 4 Percentage values are rounded to the nearest whole number and do not sum to 100% due to rounding.

Source: National Audit Office analysis of Ministry of Defence data

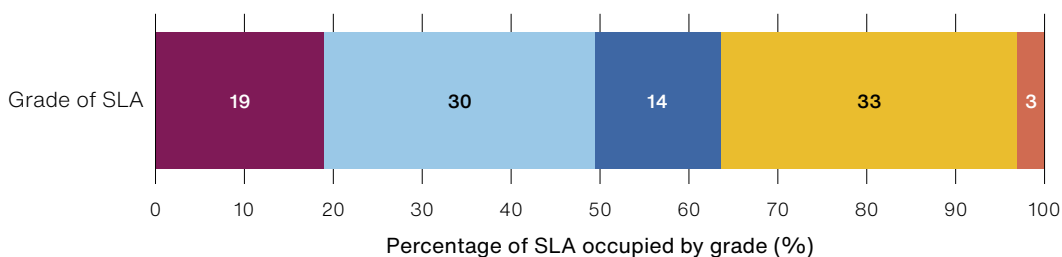
3.4 As at July 2020 the Department held complete grading data for around 50 sites and was therefore only able to identify the full set of factors affecting grades of accommodation on just over one-quarter of its SLA.²⁶ Such factors include room sizes being too small and buildings requiring repairs. It does, however, have data on the grade of accommodation service personnel occupy and the charge paid for the SLA they live in. As at 31 October 2020, 19% of service personnel living in SLA were charged at Grade 1 (the highest grade) and 36% as Grade 4 or below (**Figure 10**). The number of service personnel living in Grade 1 has reduced since 2018 by 29% and those living in Grade 4 has increased by 15%. In the absence of better data, grade information is the best measure of quality.

²⁶ It does hold condition data for the majority of its SLA (at building level).

Figure 10

Breakdown of the proportion of service personnel living in Single Living Accommodation (SLA) in the UK by grade

As at 31 October 2020, 36% of service personnel living in SLA occupied accommodation at Grade 4 or below, the lowest grades for charging



- Grade 1 (highest grade)
- Grade 2
- Grade 3
- Grade 4
- Below Grade 4 (lowest grade)

Notes

- 1 Percentages are based on 79,963 service personnel occupying SLA, as at 31 October 2020.
- 2 Grade 2 includes 3,958 service personnel living in Substitute Service Single Accommodation out of the total 24,334 service personnel in the Grade 2 category.
- 3 Excludes 'other' category consisting 3,521 service personnel classed as living in SLA, but which is not graded. This includes those living on a ship or in misappropriated Service Family Accommodation.
- 4 Data include service personnel who do not pay charges due to waiver conditions.
- 5 These data are taken from the Joint Personnel Administration system as at 31 October 2020 and therefore will not reconcile with the total number of bed spaces taken from other data sources.
- 6 The Ministry of Defence operates a four-tier grading system to set charges for SLA. Accommodation deemed to be in the poorest category is classed as below Grade 4.
- 7 Percentage values are rounded to the nearest whole number and do not sum to 100% due to rounding.

Source: National Audit Office analysis of Ministry of Defence data

Minimum standard

3.5 There is currently no overall departmental view on what a reasonable standard of SLA would look like and the minimum conditions that service personnel should expect when living in SLA. In comparison, the Department has committed to providing Service Family Accommodation (SFA) at the government's 'Decent Homes Standard'. This has four requirements, including that the property is in a reasonable state of repair and has modern facilities and services.²⁷ The Department told us that all SLA adheres to the Building Performance Standards from the time it was built, but due to changes in these standards as applied to an ageing estate, more than 50,000 bed spaces constructed prior to 2000 would not meet the current building standards if built today. The Department told us that since around 2000 all new accommodation has complied with standards requiring en-suite facilities. Although expectations change, without the Department setting a reasonable standard for SLA, it will continue to find it difficult to improve the quality of SLA (including building condition), maintain consistency across the estate or establish a baseline to measure improvements. A minimum standard would also highlight where additional investment is needed and help in making the case for prioritisation of funding to maintain the SLA estate.

3.6 In our discussions with service personnel, many were surprised that there is no minimum standard for SLA and considered one should be in place. However, views varied as to what it should be. For example, while some suggested all service personnel should be provided with a single room and en-suite facilities, others felt it would be best to have a mix of SLA, with the option available of multiple occupancy rooms, which are seen by some as essential to the development of morale.

Satisfaction with SLA

3.7 The AFCAS survey 2020 recorded that 49% of service personnel living in SLA were satisfied with the overall standard of their accommodation.²⁸ Overall, reported satisfaction has declined since 2015 (58%) (**Figure 11**). The biggest drop in satisfaction is within the Royal Air Force, falling from 60% to 46% over the same period.

Factors affecting satisfaction

3.8 In its 2020 report, the Armed Forces' Pay Review Body noted that service personnel had raised complaints about the standard of SLA, although it acknowledged that the Department is taking seriously the issues raised (Part Four).²⁹ It also concluded that there are serious problems with some parts of the estate, which it considered were "unfit for purpose". In our discussions with service personnel, we also found mixed views on the quality of SLA and varying levels of satisfaction with the SLA provided, both of which were also reflected in the AFCAS results.

²⁷ Department for Communities and Local Government, *A Decent Home: Definition and guidance for implementation*, June 2006 update.

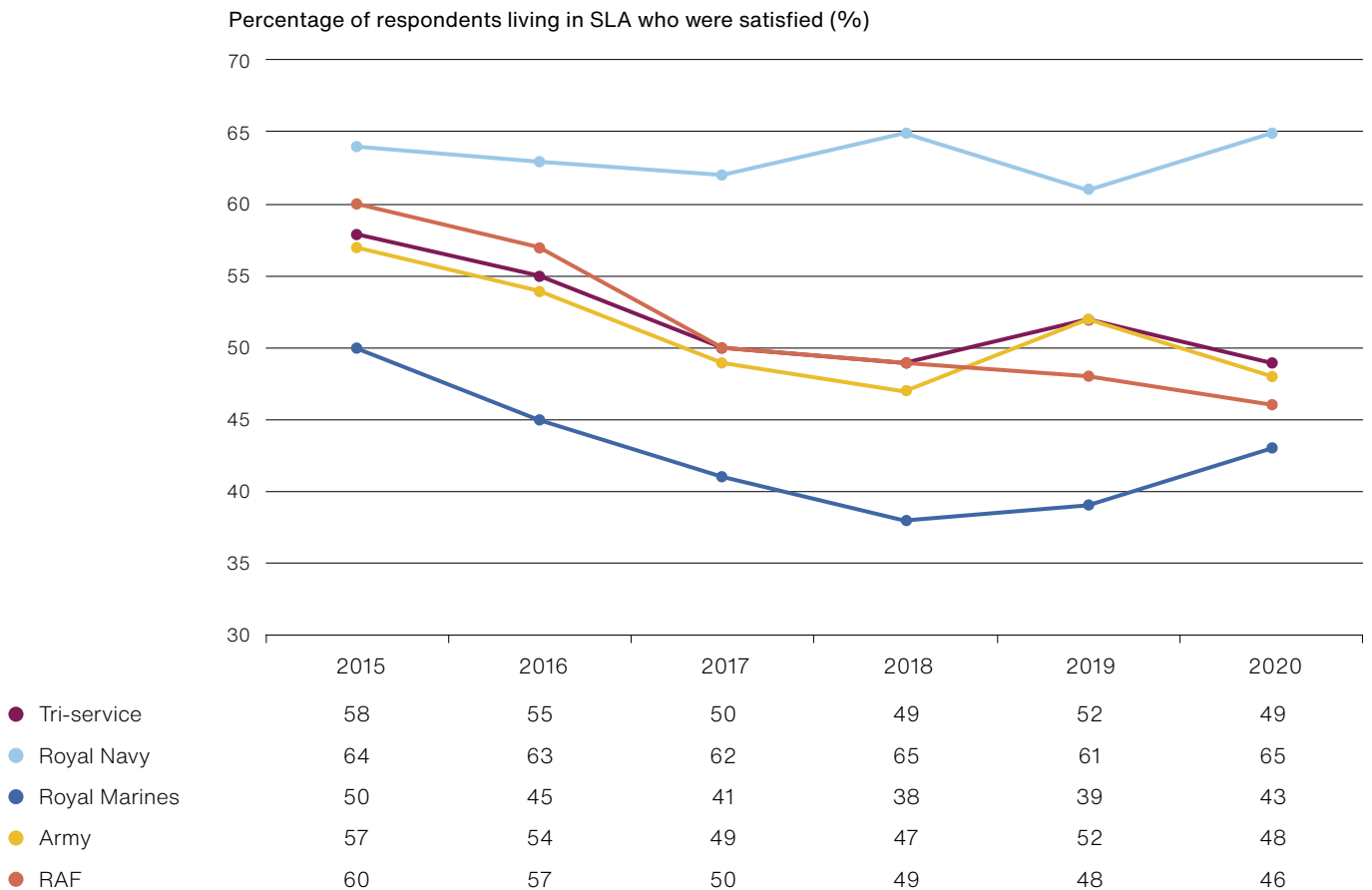
²⁸ The AFCAS 2020 was completed by respondents before COVID-19 restrictions were applied.

²⁹ Armed Forces' Pay Review Body, *Armed Forces' Pay Review Body: Forty-Ninth Report 2020*, CP 269, July 2020.

Figure 11

Service personnel satisfaction with the overall standard of Single Living Accommodation (SLA) in the UK

Overall tri-service satisfaction with SLA declined between 2015 and 2020, with some variation between the services



Notes

- 1 Survey question: With regard to your current Single Living Accommodation, how satisfied are you with the following? Overall standard. Responses included: satisfied, neutral and dissatisfied.
- 2 'Tri-service' is used by the Ministry of Defence for the collective view of the three services – Royal Navy, Army and Royal Air Force (RAF). The Royal Marines are part of the Royal Navy.
- 3 The Royal Marines are reported separately due to having differing views to the Royal Navy. The Royal Marines survey is also conducted as a census rather than a stratified sample.
- 4 Personnel may not be living in SLA at the same place as their work, or the type for which they are eligible.
- 5 The 2020 survey was completed ahead of the COVID-19 lockdown.
- 6 The survey is sent to regular service personnel only, including those serving overseas. Data exclude those on deployment or on training courses.

Source: National Audit Office analysis of the Armed Forces Continuous Attitude Survey

Maintenance and repairs

3.9 Overall, there has been a decrease in satisfaction with the response to, and quality of, maintenance and repairs for SLA over the past six years (from 2015 to 2020), with the Marines continually being the least satisfied. In 2010, the Department decided to move away from a preventative maintenance programme to a 'fix on fail' approach, waiting for something to stop working before fixing it. This has resulted in a decaying SLA estate and delays to repairs to heating, lighting, hot water and fire alarm systems. In March 2020, the Navy highlighted that, as a result, it has seen an increase in the number of bed spaces below Grade 2, with approximately 11,900 bed spaces below Grade 3.

Catering facilities

3.10 The current catering arrangements for service personnel are mainly provided through a service mess or mass catering facility by one of seven regional prime contractors. We discussed catering arrangements in each of the group discussions, where service personnel highlighted issues with quality of food (such as a lack of nutritional options, which led to snacking and costly alternatives such as take-aways), limited opening times (including weekend closures)³⁰ and a lack of suitable self-catering facilities. Plans to improve catering facilities are discussed in Part Four.

Charges

3.11 The amount that service personnel pay for SLA is subsidised by the Department and seen as a benefit by many of those to whom we spoke. At 31 October 2020, the Department identified that 19% of service personnel occupying SLA satisfied the requirement to be charged at full rate, while 3% (2,388 personnel) lived in SLA so poor that no rental charge was applicable.³¹ Depending on the circumstances, where SLA is below Grade 4, Commands can remove some charges, for example, those covering some or all of the following: rent, heating, lighting, or water.³² The absence of a minimum standard for SLA could lead to unintended consequences. Service personnel can choose SLA for which they are eligible. This choice may be for SLA of a low grade and cost. Such a choice may not be available if a minimum standard was applied.

3.12 Service personnel may not pay for their SLA depending on their personal status and the service to which they belong. The Department has 24 separate waiver charges across five personal status categories. Reasons include marital status and age. For example, in the Royal Navy and Royal Air Force (RAF), personnel who are married or in civil partnerships do not pay. In the Army, married personnel over the age of 37 do not pay. The differences in waiver charges creates challenges when managing a tri-service population, as UK Strategic Command does. In a changing social environment, waivers related to age and marital status could also be viewed as being discriminatory. The Department told us it is looking to address this through the work on the Future Accommodation Model.

³⁰ Opening times and restrictions of access to catering facilities may have been affected by COVID-19 restrictions.

³¹ Service personnel may still be required to pay for heating, lighting and water. Percentages exclude 3,521 service personnel living in ungraded SLA.

³² Commands consist of Navy, Army, Air and UK Strategic Command.

Morale and retention

3.13 Levels of satisfaction with the experience of factors such as maintenance and repairs, and catering facilities can have an impact on morale and ultimately retention. The Armed Forces Covenant is a promise that those who serve or have served in the Armed Forces, and their families, are treated fairly. Each year, a published report sets out achievements under the covenant and highlights remaining challenges and new commitments. These reports have repeatedly summarised the concerns of service personnel and highlighted the impact SLA has on morale. They have included concerns raised by the families' federations and service charities on the dissatisfaction with SLA by personnel, and issues with the quality and condition of infrastructure contributing to poor quality of life.³³ The reports highlight the importance of decent living standards in maintaining morale on the front line and in influencing recruitment and retention levels.³⁴

3.14 Our analysis of the 2020 AFCAS data show 30% of those in SLA rate their morale as low (**Figure 12** overleaf), although it is unclear the extent to which this is due to their accommodation. Between 2015 and 2020, the reported level of morale among those in SLA was lower than for those in SFA, although again it is not possible to identify the extent to which this was due to accommodation as opposed to other factors, as the AFCAS is not designed to draw these judgements.

3.15 Analysis of AFCAS data and our discussions with service personnel indicate that issues about SLA are considered a contributory factor in service personnel's intention to stay or leave the services. The Department recognises the effect poor SLA can have on its ability to retain personnel, which in turn has an impact on its ability to deliver the capability it needs to meet defence outputs. In the 2020 AFCAS results, 34% of service personnel living in SLA stated that accommodation was a factor which increased their intention to stay and 29% stated it was a factor which increased their intention to leave.

3.16 The retention of service personnel can be affected by several factors, accommodation being one. We previously reported that the Department's analysis shows that applications to join the Armed Forces fall when the economy improves.³⁵ Therefore, the current economic climate and uncertainty as a result of COVID-19, might be expected to have a positive effect on recruitment and retention.

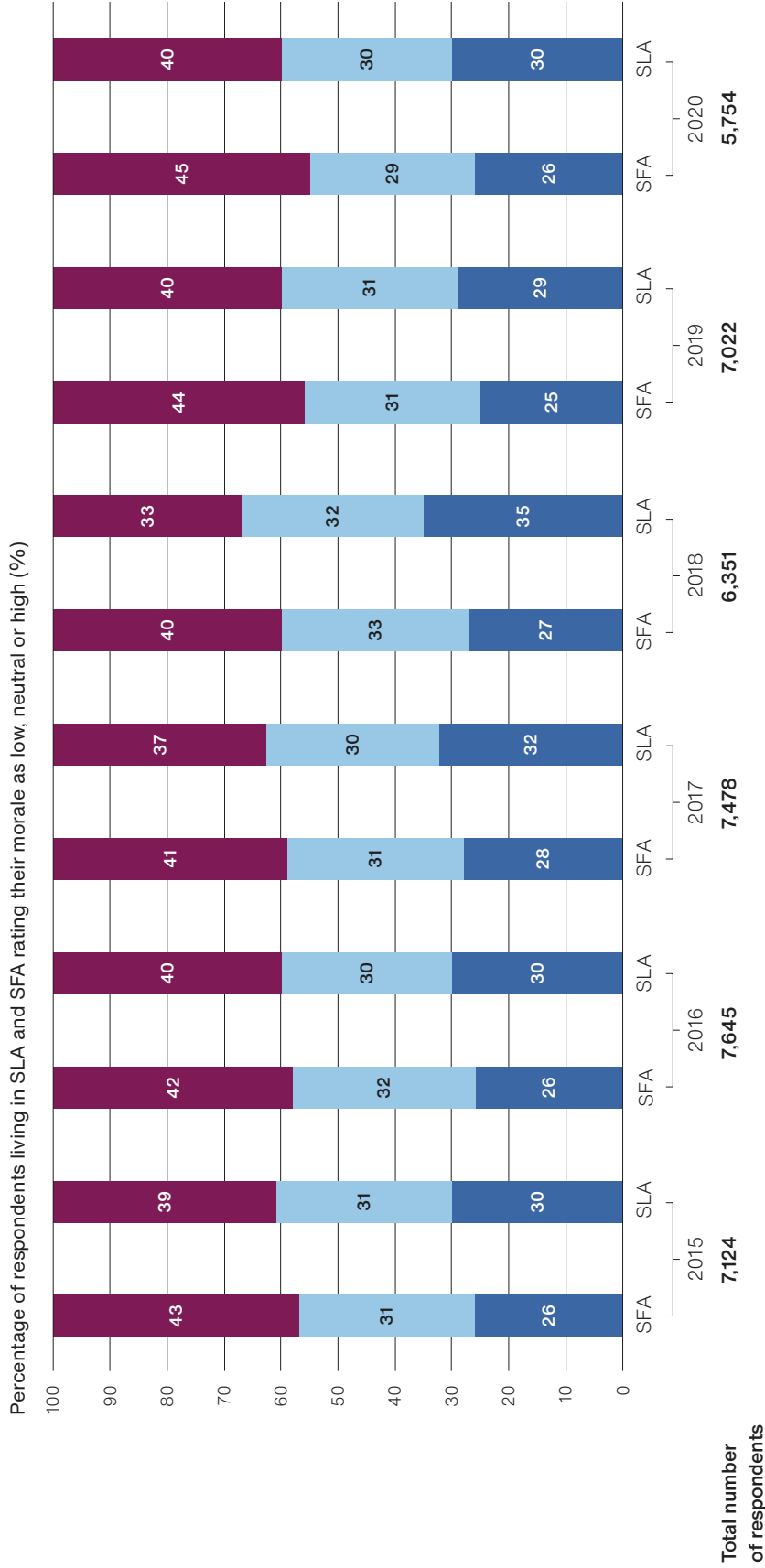
³³ The families' federations provide an independent voice for personnel and their families.

³⁴ Ministry of Defence, *Armed Forces Covenant: annual reports*, available at: www.gov.uk/government/collections/armed-forces-covenant-annual-reports.

³⁵ Comptroller and Auditor General, *Ensuring sufficient skilled military personnel*, Session 2017–2019, HC 947, National Audit Office, April 2018.

Figure 12
Level of morale for service personnel living in Single Living Accommodation (SLA) and Service Family Accommodation (SFA) in the UK

In 2020, 30% of service personnel living in SLA rated their morale as low



Notes

- 1 Survey question: How would you rate the level of morale of ... Myself?
- 2 Data are presented at a tri-service level, the term used by the Ministry of Defence for the collective view of the three services – Royal Navy, Army and Royal Air Force (RAF). The Royal Marines are part of the Royal Navy.
- 3 The survey is sent to regular service personnel only, including those serving overseas. Data exclude those on deployment or on training courses.
- 4 Percentage values do not sum to 100% due to rounding.

Source: National Audit Office analysis of the Armed Forces Continuous Attitude Survey

Part Four

Plans for the future

4.1 The Ministry of Defence (the Department) recognises that significant investment is required in suitable accommodation for its personnel. This Part looks at the Department's plans for improving Single Living Accommodation (SLA).

Plans for the SLA estate

The plans

4.2 Since delegation of infrastructure budgets in 2018, the Commands have recognised the need to invest in SLA as a priority and have developed plans to start to address years of underinvestment.³⁶ In the 2020 Annual Budget Cycle, the Commands set out plans to spend £1.5 billion on upgrading and replacing SLA across the estate over the next 10 years (**Figure 13** overleaf).³⁷ The majority of this expenditure will fall in the later years of the plan, meaning it may be some time before significant improvements are seen in some SLA.

4.3 The Commands have developed separate plans to improve SLA, which reflect their own analysis and needs. Without a defined minimum standard for SLA (paragraph 3.5), they have used their own interpretations of what represents poor accommodation to prioritise their plans. In particular:

- **Navy Command** plans to prioritise spending on the 56% of its SLA estate Grade 3 and below; 75% of its Grade 4 accommodation will either be replaced or improved to a Grade 3 standard.
- **Army Command** set a strategic objective in 2020 to improve the condition of SLA to 'good' by 2027, based on the physical condition of the infrastructure.³⁸
- **Air Command** planned in 2019 to remove its worst SLA (25% of Grade 4 accommodation) by 2020, which it has achieved. It has current plans to remove all remaining Grade 4 accommodation by 2030. In 2020, SLA improvement was classed as a priority and additional funding allocated to remove all Grade 3 SLA by 2033, an aspiration it had outlined in 2019.
- **UK Strategic Command** does not have a separate plan for SLA but aims to provide an appropriate level of SLA based upon operational need.

³⁶ Commands consist of Navy, Army, Air and UK Strategic Command.

³⁷ Command costed programmes will be subject to review during the normal departmental annual planning processes and are subject to allocation agreements after the Spending Review 2020.

³⁸ The Defence Infrastructure Organisation's (DIO's) Facilities Conditions Management system defines this as some minor repairs needed.

Figure 13

Command plans to invest in Single Living Accommodation (SLA) over the period 2020–2030

Much of the Command spending falls in the later years of the decade

Command	Amount (£m)	Aims	How funding was prioritised	Timetable
Navy	256.88	4,483 bed replacements and refurbishments	Informed by a survey review commissioned from the Defence Science and Technology Laboratory	100.0% of these refurbishments will be completed by 2024-25 23.5% of new builds to be completed by 2024-25
Army	580.85	Improve condition to 'good' and reduce the number of beds	Informed by the SLA Study ³	23% of upgrade spending is allocated to the first five years (based on figures that make up around 55% of the total SLA spending)
Air	525.78	To remove all Grade 4 accommodation ⁵	Air Command-led bottom-up review of the SLA estate	68% of spending in the last four years of the plan, with no spending committed until 2022-23
UK Strategic Command	184.30 ⁶	To prioritise infrastructure which enables military capability	Using the Defence Infrastructure Organisation's (DIO's) Facilities Condition Management (FCM) database, which only comments on the physical infrastructure needs	62% of its ten-year plan ⁷ falls in the next five years
Total	1,547.81			

Notes

- Figures presented cover the planning period 2020–2030. Command costed programmes will be subject to review during the normal departmental annual planning processes and are subject to allocation agreements post the Spending Review 2020.
- Navy Command figures draw from a 13-year plan, which contains an additional £167.7 million of spend on 2,202 bed spaces by 2031-32. Due to affordability challenges, Navy Command has updated its proposed delivery timetables for 2021–2031 and some new builds and renovations will occur at a later date.
- The Ministry of Defence commissioned the SLA Study from Mace Consulting to evaluate the age and infrastructure conditions of the SLA estate.
- Air Command's plans include upgrading 8,390 bed spaces with all permanent staff upgraded to en-suite accommodation and refurbishments of training facilities.
- Grade 4 is the lowest category of accommodation for charges.
- UK Strategic Command's plans include £34.5 million for overseas accommodation.
- UK Strategic Command has deferred £221.2 million of SLA construction and upgrades to the 10-year period 2030–2040.
- Some Commands are now looking to increase their spending out to 2031. Air Command plans to spend an additional £223.8 million by 2031. Army's current SLA plans have increased by £13 million, reflecting an enhancement to the Army SLA investment plan and revised estimates to the SLA costs in the Army Estates Modernisation Plan.

Source: National Audit Office analysis of Ministry of Defence data

4.4 In addition to the individual Command plans to improve SLA, there are also department-wide plans. These increase the expected expenditure on SLA over the next 10 years (2020–2030) to £2.2 billion. In particular, these plans are for:

- **£40 million for SLA across the defence estate.** This is part of the £78 million funding for SLA and defence training estate, which was part of the wider £200 million upgrade to service personnel accommodation funding announced in July 2020. This is to be spent within the 2020-21 and 2021-22 financial years. The Department was unable to advise how many beds will be improved or the criteria used to identify sites; and
- **£565 million for Defence Estate Optimisation (DEO) Portfolio SLA upgrades.** In implementing the ‘A Better Defence Estate’ strategy, announced in November 2016, the Department is rationalising its overall estate. The plans will move significant numbers of service personnel to new sites, generating the need for additional SLA. In Wave 1 £565 million is to be spent on SLA construction and upgrades.

Wider affordability challenges facing the Department and the Commands

4.5 Successful delivery of the future plans for SLA may be affected by wider affordability challenges. We have reported for the past four years that the Department’s overall equipment portfolio, which is 41% of the entire defence budget, is unaffordable.³⁹ Some Commands have had to limit their ambitions for SLA due to available funding. For example, UK Strategic Command told us it has had to defer some plans beyond 2030. Despite taking these measures, the Department’s Infrastructure Plan 2020–2030 still faces a £1.4 billion shortfall, created by increased preventative maintenance, changes in expected savings from the DEO Portfolio and other factors.

³⁹ Comptroller and Auditor General, *The Equipment Plan 2020 to 2030*, Session 2019–2021, HC 1037, National Audit Office, January 2021.

4.6 Historically, the Department has struggled to maintain its accommodation given wider affordability pressures. It has used funding allocated to the estate to balance other financial pressures, which resulted in a 13% reduction in the budget assigned to the defence estate between 2010-11 and 2017-18. Since infrastructure budgets were delegated to Commands in 2018, budgets have increased by 18% over two years, although when adjusted for inflation, the infrastructure plan budget for 2019-20 still stood 13% lower than 2010-11 in real terms.⁴⁰ In 2010, a ‘fix on fail’ maintenance regime was adopted. This policy has contributed to a £1.5 billion deferred maintenance backlog across all accommodation. The Department told us that it partly aims to address these challenges through the introduction of the new Future Defence Infrastructure Services (FDIS) maintenance contract. This aims to deliver a preventative maintenance regime with faster response times for SLA issues. The FDIS contracts have been designed to allow pre-planned maintenance capability to be built throughout the contract duration. To move towards a preventative maintenance regime and fulfil the plans to improve SLA, the Department has identified that additional funding will be needed. This additional funding is dependent on the findings of the Integrated Review of Security, Defence, Development and Foreign Policy and the Comprehensive Spending Review 2020. As much of the expenditure on SLA occurs later in the 10-year plan, a multi-year commitment is needed.

Future SLA needs

Understanding the estate

4.7 In order to plan for the future, the Department needs to understand not only its current estate (Part Two), but also what it will need in the future, including the demand for SLA. To estimate the cost of improving SLA and help inform decisions on refurbishment and rebuild, the Department commissioned the SLA Study in 2019. This was undertaken by Mace Consulting, which surveyed 90 buildings (5% of the SLA estate) to identify building condition, design and sustainability. The study then identified the average costs to refurbish or rebuild in order to bring the accommodation into line with the Department’s SLA Building Performance Standards. If the Department was to replace all SLA built prior to 1980 and refurbish SLA constructed between 1980 and 2000, it estimated it would cost £2 billion. This information was used to support the Department’s spending round submission in autumn 2020.

⁴⁰ Adjusted for inflation, using gross domestic product deflators, published in November 2020, at 2019-20 prices, available at: www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2020-spending-review.

4.8 In the absence of a central dataset for SLA (see paragraph 2.12), since delegation the Commands have commissioned or undertaken their own work to understand SLA and inform planning. In particular:

- Navy commissioned the Defence Science and Technology Laboratory (DSTL) to develop a future demand model. Navy has also developed area-specific strategies such as the ‘Portsmouth Accommodation Strategy’;
- Air Command is creating bespoke site management plans. For example, the work on bases at RAF Marham and RAF Brize Norton will report in March 2021; and
- Army will have Estate Management Plans for each site delivered in the next few years.

Understanding the requirements of service personnel

4.9 To meet its responsibility to provide SLA, the Department must understand what is important to service personnel now and in the future. Without a rigorous assessment of service personnel requirements for SLA, the Department is reliant on the Armed Forces Continuous Attitude Survey (AFCAS) data and information from the Armed Forces’ Pay Review Body to obtain views on the experiences, satisfaction levels and priorities of service personnel. Despite AFCAS being cited as the main source of information for evaluating satisfaction for service personnel, the Department rarely interrogates it beyond the published output. It is also not set up to capture views across all diversity characteristics and is sampled by service and rank only. In looking to examine the perspectives of Black, Asian and minority ethnic (BAME) personnel in SLA, we found we were unable to examine all data prior to 2020 for all Commands, due to the AFCAS survey containing too few BAME respondents.⁴¹ In addition, the information gathered does not allow the Department to clearly understand the impact that living in SLA has on retention.

⁴¹ AFCAS does not publish or present results where the responding group is less than 30 as results are considered too unreliable.

4.10 Although the Department wants to improve the ‘lived experience’ (those factors which affect personnel who live in SLA, including social and physical conditions) of service personnel in SLA, there is no common definition of what this entails. In comparison, more work is under way for those living in Service Family Accommodation. In the interim, Commands are using their own working definitions and measuring different aspects of the lived experience to improve SLA. There are pockets of work under way in both Head Office and the Commands, but they are currently not coordinated. In particular:

- the Department is conducting a central ‘messing’ review and has commissioned a study to understand the expectations of the future workforce;
- Army Command has gathered user views on catering and kitchen provision. This concluded that there is a need for more facilities, and the Army has made a long-term commitment to incorporate full kitchens and communal eating areas into all new SLA buildings. They plan to spend £77 million over the next 10 years. Further investment is planned to upgrade utility rooms where possible, but the Army will be unable to upgrade around 25% of those in older SLA due to the scale of work required to meet basic fire safety standards;
- Navy Command is surveying all of its service personnel on catering needs. The results will feed into future catering plans in SLA and form part of budgeting considerations; and
- Air Command aims to reduce the time that service personnel are without hot water and heating when boilers break by improving the resilience of heating and water facilities. These aims form part of Programme Hydro, a £140 million plan designed to renovate heating and hot water systems by September 2021. Additionally, it plans to collect data which will inform plans over a 10-year cycle and will develop new approaches for a faster and more flexible response to service personnel’s needs.

4.11 Since March 2020, the Department has had to respond to the changing circumstances caused by the COVID-19 pandemic. As with all UK citizens, service personnel have had their daily lives affected, including where they live and work. During the national lockdown some service personnel were asked to move out of SLA where possible. In August 2020, the Department decided that those people should be refunded. Other service personnel were locked down in SLA, which brought its own challenges. With restrictions in place, some aspects of the experience of living in some SLA changed; for example, in our discussion groups service personnel mentioned restricted opening times for catering facilities. The Department is looking at the implications of COVID-19 for the use of Substitute Service Single Accommodation (SSSA), which particularly affects personnel with more office-based roles, often in London or Bristol.

Coordination of wider plans

4.12 Improvements to SLA cannot be carried out in isolation because they overlap with wider departmental programmes of work on the estate. It is essential that dependencies between the various stakeholder programmes and projects, as well as the steady-state delivery of existing accommodation, are well managed to avoid incoherence and inefficiency. This is particularly important as the dependent projects all run to different timelines. Within the current governance system for SLA there is no specific group or board that has oversight of all these programmes or their interdependencies, although the Department believes that the Accommodation Coherence Group should take on this role.

4.13 Figure 14 overleaf summarises two programmes that will affect SLA. The pilots for the Future Accommodation Model (FAM) are expected to be completed in 2022. It is not yet known what the impact of FAM might be on SLA. Depending on the outcome of the pilots, there may be an increased need for SLA from those who locate their families in one place and live in SLA during the week. On the other hand, there may be a decreased need if personnel choose to rent privately away from their base. In addition, the DEO Portfolio affects SLA through both decisions to dispose of sites and to invest in others. The whole Portfolio faces a £2.3 billion shortfall over the 10 years from 2020-21 to 2029-30, which may affect the viability of some spending decisions.⁴² Delays in disposal decisions may have consequences for some sites. Although some may be marked for disposal, they may remain open for some years, making investment in SLA hard to justify.

⁴² This is the position as at September 2020. The Department informed us that this shortfall was primarily due to a change of funding process following the 2018 budget. The investment available for the Defence Estate Optimisation Portfolio over the next four years will need to be resolved as part of the Spending Review settlement.

Figure 14**The Future Accommodation Model (FAM) and Defence Estate Optimisation (DEO) Portfolio****Future Single Living Accommodation (SLA) delivery may be affected by the FAM and DEO****Future Accommodation Model**

The Ministry of Defence (the Department) has been looking at how it can improve the accommodation offer for service personnel and has begun to pilot new ways of providing living accommodation to personnel and their families. The pilot accommodation options include: SLA, Service Family Accommodation, the private rental sector and home ownership. There is also a change in the definition of an entitled person, particularly for those in an established long-term relationship.

The FAM pilot aims to:

- provide more choice to more personnel over where, how, and with whom they live;
- provide personnel with an accommodation subsidy based on need, rather than rank or relationship status; and
- enable personnel to remain mobile, while also providing support if they want greater stability for themselves and/or their family.

The FAM pilot was launched in September 2019 and will run for approximately three years. The FAM pilot is taking place across three sites in the UK with a limited number of personnel and units taking part. The sites are:

- HM Naval Base Clyde;
- Aldershot Garrison; and
- RAF Wittering.

A decision will be taken in 2022 on whether to extend FAM across the rest of the UK.

DEO Portfolio

In November 2016, the Department announced the Defence Estate Optimisation Portfolio a long-term investment to rationalise and modernise the defence estate. It is an ambitious 25-year portfolio of construction activity, unit and personnel moves, and site disposals that aims to deliver a better structured, more economical and modern estate that more effectively supports military capability. It will enable centres of military expertise by co-locating units that improve the effectiveness of their training, and longer-term basing plans, while also providing new and refurbished accommodation and facilities for service personnel and their families.

In 2019 the Department confirmed that £1.5 billion will be invested over the next five years to ensure that the estate meets both military objectives and the high standards required to house and support service personnel and their families.

Alongside major projects, which include the infrastructure for the Army's STRIKE Brigades, DEO will also invest in more than 25,000 new and refurbished houses and SLA. As part of the optimisation process, the Department will also dispose of sites it no longer requires.

Source: National Audit Office analysis of Ministry of Defence data

Appendix One

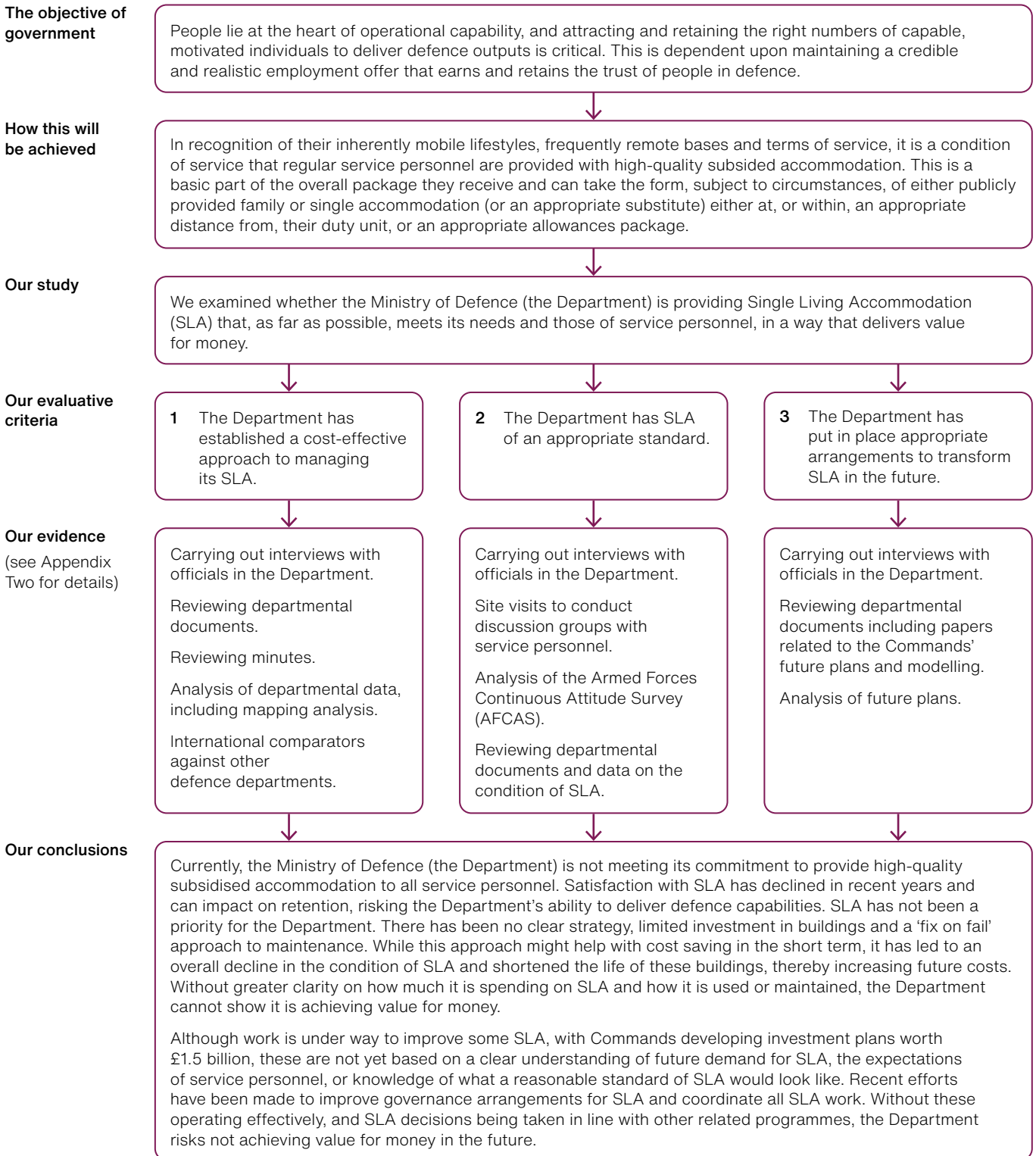
Our audit approach

1 This study assessed whether the Ministry of Defence (the Department) is providing Single Living Accommodation (SLA) that as far as possible meets its needs and those of service personnel in a way that delivers value for money. We reviewed whether the Department has:

- established a cost-effective approach to managing its SLA;
- SLA of an appropriate standard; and
- put in place appropriate arrangements to transform SLA in the future.

2 Our audit approach is summarised in **Figure 15** overleaf. Our evidence base is described in Appendix Two.

Figure 15
Our audit approach



Appendix Two

Our evidence base

1 We reached our conclusions on how the Ministry of Defence (the Department) is providing Single Living Accommodation (SLA) that as far as possible meets its needs and those of service personnel, in a way that delivers value for money based on our analysis of evidence collected primarily between March and October 2020. Although we were able to complete all our fieldwork, some elements were circumscribed by the restrictions arising in response to the COVID-19 pandemic. All site visits were undertaken in line with government guidance in force at that time. In a number of places, we identified significant gaps and inconsistencies in the data used to manage SLA, in particular around costs and number of bed spaces. As a result, not all reported data are comparable.

2 Our audit approach is outlined in Appendix One. We applied an analytical framework with evaluative criteria which considered: whether the Department established a cost-effective approach to managing its SLA; whether the Department has SLA of an appropriate standard; and whether the Department is putting in place appropriate arrangements to transform SLA in the future.

3 To assess whether the Department has a cost-effective approach to managing its SLA we:

- undertook semi-structured interviews with stakeholders including at Head Office, the Commands, the Defence Infrastructure Organisation (DIO), Defence Equipment & Support (DE&S) and the Naval and RAF Families Federations.⁴³ These covered how SLA is organised and views on the current performance of the Department in providing it;
- reviewed documentary evidence including guidance, terms of reference and board minutes. Additionally, we reviewed regulatory policy documents such as the Joint Service Policies. This allowed us to identify and understand the governance system for SLA;

⁴³ Commands consist of Navy, Army, Air and UK Strategic Command.

- analysed departmental data to describe the provision of SLA. This analysis drew on SLA Management Information System (SLAMIS) data which are not yet complete. Project SLAMIS is an enabling project being delivered by the Department; one of its key aims is to ensure the availability of accurate SLA management information. The Department is working to improve data but interim figures suffer from a number of problems and data are constantly being updated. In our examination of the SLAMIS data we reviewed data provided by the Department but did not perform a quality review of the data entries into the system. We examined data extracts on the location of SLA sites and numbers of bed spaces. We also reviewed data on the grading of bed spaces where such data were available, and datasets which explained whether grading assessments were up-to-date across the SLA estate;
 - performed mapping analysis of the SLAMIS database to understand where SLA around the UK is located and its utilisation;
 - reviewed project documentation and governance papers relating to Project SLAMIS. Our analysis was triangulated against semi-structured interviews;
 - contacted Supreme Audit Institutions across Europe and more widely to identify whether audits of Single Living Accommodation (or equivalent) had been undertaken in their respective countries. We received responses from 27 countries, which varied from nil-responses to details on arrangements in their own countries; and
 - requested information on the cost of providing SLA. We were provided with best estimates on the amount spent on SLA in 2019-20. Many SLA costs are embedded within wider infrastructure spend contracts and so cannot be easily extracted from financial information. The DIO provided cost information which primarily relates to those categories of spend which either maintain, improve or build SLA assets or condition information. It deemed these data materially correct at the time of issue.
- 4** To examine whether the Department has SLA of an appropriate standard we:
- undertook semi-structured interviews with stakeholders in Head Office, the Commands, the DIO, DE&S and the Naval and RAF Families Federations;
 - organised and conducted discussion groups with service personnel living in SLA of different ranks across all four military Commands (Navy, Army, Air and UK Strategic Command). Further details are included in Appendix Three;
 - reviewed data provided by the Department which were part of the SLA Estate Portfolio Model to identify the age of the SLA estate;

- analysed data from the Department's annual Armed Forces Continuous Attitude Survey (AFCAS). We interrogated both published and unpublished datasets provided by Defence Statistics;
 - reviewed documentation and data on the condition of SLA accommodation, including that on grading; and
 - reviewed the reports of the Armed Forces' Pay Review Body and the Armed Forces Covenant.
- 5** To examine whether the Department is putting in place appropriate arrangements to transform SLA in the future we:
- carried out semi-structured interviews with the Commands and Head Office to identify future plans impacting SLA;
 - reviewed documentation on future plans, governance arrangements and planning assumptions. These were evaluated against the Royal Institution of Chartered Surveyors' Public Sector Asset Management framework to identify good practice among the Commands;
 - reviewed the findings of the SLA Study and modelling undertaken by Mace Consulting; and
 - analysed future plans of Commands to identify time and costs in order to understand when the bulk of spending will fall, triangulating evidence with our semi-structured interviews.

Appendix Three

Discussion groups with service personnel

1 In this Appendix, we present summary findings from our discussions with service personnel on their views of living in Single Living Accommodation (SLA); the impact SLA has on their 'lived experience'; and suggestions for improving SLA now and in the future.⁴⁴

2 We held 14 discussion groups across seven military sites in September and October 2020. Two of the groups were held online. The sites were: Royal Navy Air Station, Yeovilton; Commando Training Centre Royal Marines, Lympstone; Defence Intelligence Training Group, Chicksands; RAF Wyton, Cambridgeshire; Invicta Park Barracks, Maidstone; Tidworth Barracks, Wiltshire; RAF Halton (discussion held online). The Department advised on the sites that participated, which were spread across the four Commands.⁴⁵ During our visits for the discussions, we were also shown different types and grades of SLA available on each site. All visits and discussion groups took place during the COVID-19 pandemic and were conducted in line with government guidance.

3 Each site provided two groups of service personnel, split as far as possible in line with the categories of the Armed Forces Continuous Attitude Survey (AFCAS) data – 'Other ranks' and 'Officers'. This was designed to avoid the possibility of individuals feeling unable to speak in the company of colleagues of a superior rank. The sites selected participants based on the sample criterion that we provided. We identified and understood the self-selecting approach increased the potential for departmental bias; however, due to the size and way the Armed Forces are organised and operate, this was agreed as the most appropriate way to recruit participants. We saw no evidence during the discussions that participants gave previously agreed responses to our prompts or were unwilling to speak their mind from a personal perspective. Participants were provided with assurance that their comments would not be reported back to their superior officers.

⁴⁴ The term 'lived experience' is used to describe those factors which affect personnel who live in SLA, including social and physical conditions.

⁴⁵ Commands consist of Navy, Army, Air and UK Strategic Command.

4 Although standard group sizes were recommended for consistency, respondent groups varied from four to 10 people based on availability on the day. Some groups had mixed service representation and two groups included international personnel on deployment in the UK. The groups included personnel with varying lengths of time in service and in SLA; some for whom their SLA was their only home and others who were homeowners, for whom SLA was their accommodation during the working week and also at weekends where their home was at a significant distance. Many had experience of SLA on more than one site, including in some cases, for a long period in Germany. Although our groups included people with a variety of backgrounds and experience, they were not, and were not intended to be, representative of service personnel more generally.

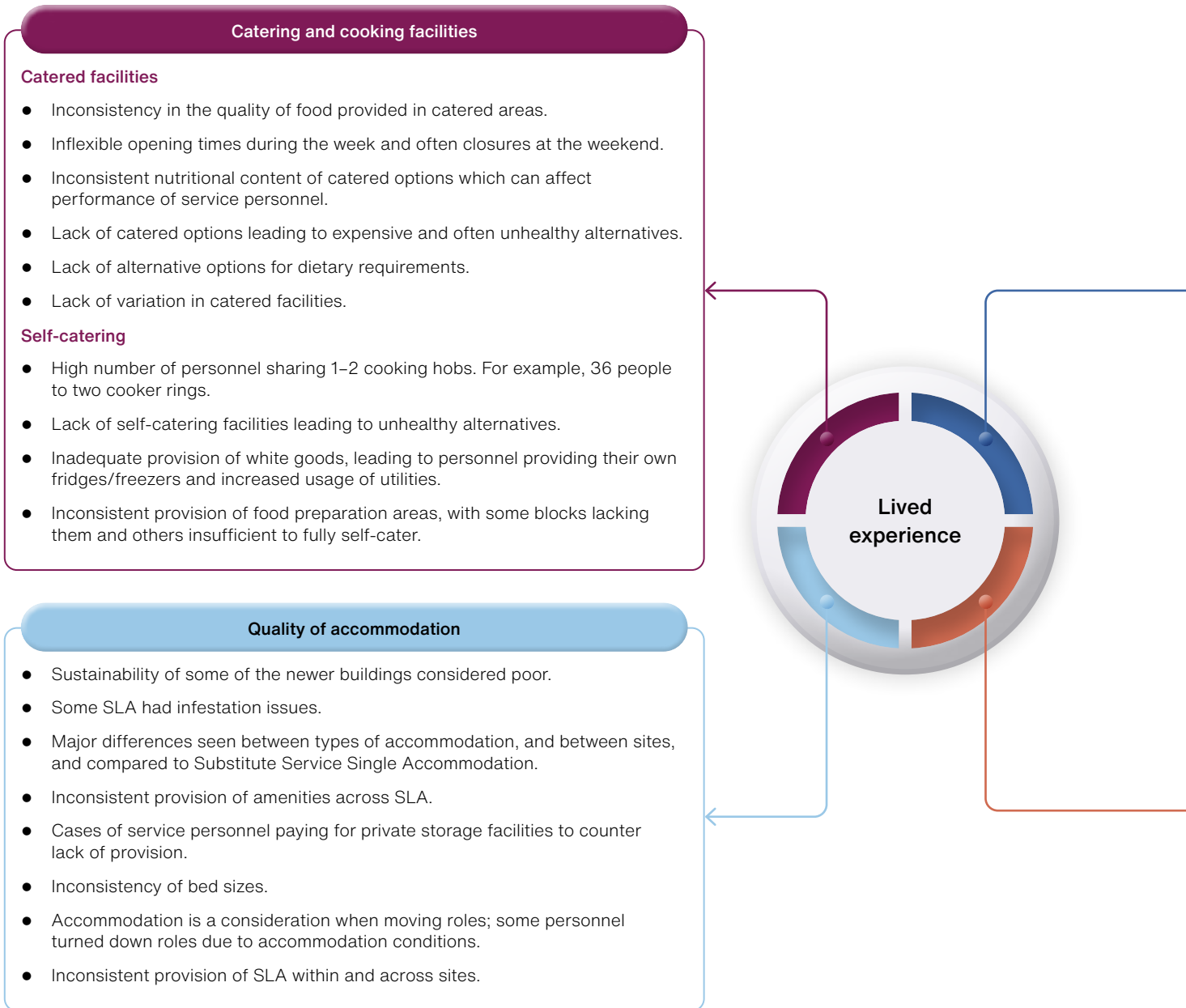
5 The findings from the discussion groups have been analysed and a summary of the challenges for service personnel living in SLA presented in **Figure 16** on pages 56 and 57. For presentation purposes, the challenges have been grouped by theme. They have been analysed in line with the three study questions outlined in the report summary and grouped based on similar points discussed at other sessions. Although these challenges emerged in most of the discussion groups, they are not to be taken as representative of the views of all service personnel in the Armed Forces or all service personnel living in SLA. They are, however, consistent with issues raised with the Armed Forces' Pay Review Body and with those currently being addressed by the Commands, as set out in paragraph 4.10.

6 Service personnel also highlighted the benefits of living in SLA. We have categorised these under four headings – work-life balance; social and well-being; financial; and convenience. Specific benefits included being in close proximity to colleagues and friends; and being able to make financial savings because of the low cost of accommodation (**Figure 17** on page 58). During discussions, personnel highlighted that inconsistencies within and across SLA means that benefits and challenges differ for each individual and affect individuals in different ways depending on where they are in their career and/or personal life. For example, where accommodation was good, personnel felt SLA could have a positive impact on retention levels in the services; where poor, it could be a factor which affected morale. It was also clear that individuals value different aspects of SLA; for example, easy access to transport arrangements may be a higher priority of those without cars over being based on a site with newer accommodation.

7 In the final part of the discussion with each group, we invited service personnel to offer recommendations on how the Department could improve SLA now and in the future. It became clear during the discussions that there is no 'one size fits all' solution (**Figure 18** on page 59). Examples were selected to balance the reflections presented in **Figure 16** on the challenges of living in SLA and where service personnel felt these areas could be improved.

Figure 16
Challenges for service personnel living in Single Living Accommodation (SLA)

During our group discussions, service personnel identified a number of challenges of living in SLA



Notes

- 1 We held 14 discussion groups across seven military sites in September and October 2020.
- 2 All discussion groups were recorded using a dictaphone and/or notes from a study team member.
- 3 At the request of Air Command, two groups were conducted online on the same day because of COVID-19. Other Commands considered they could provide arrangements for in-person discussions in line with COVID-19 guidance.
- 4 This is a summary of the discussion points made by service personnel during the group sessions. These do not represent the views of all service personnel, or all service personnel living in SLA and do not apply to all SLA. The figure does not include all discussion points.

Source: National Audit Office analysis of discussion group points

Maintenance and repairs

- Unreliable essential utilities. For example, a lack of heating and hot water impacting ability to conduct physical training and affecting general well-being.
- Broken and/or inadequate ratio of washing machines and tumble dryers to number of service personnel. For example, two washers between 50 people.
- Limitations of the contract restrict 'personalising' accommodation and communal areas.
- Inconsistencies in how issues are resolved with the contractor; cases of maintenance and repairs being closed off without being resolved.
- Lack of communication and escalation processes with contractor.
- Inconsistency and misjudgement in prioritisation levels for reported issues.
- No preventative maintenance regime means the issues that occur are major; contract means a repair solution is provided rather than a root cause solution.
- Frustration at inability to self-help. For example, the ability to change a light bulb.

Social and well-being

- Inconsistent provision of communal and social areas (outside of COVID-19 restrictions).
- Satisfaction with location varied depending on the site.
- Living 'inside the wire' in SLA seen as more restrictive than for those living 'outside the wire' in Service Family Accommodation.
- Mental well-being can be negatively affected by poor accommodation conditions.
- SLA can be a contributing factor for personnel looking to leave the services.
- Inconsistent provision for those accommodating family in personal time. For example, children visiting for an overnight stay.
- Inconsistency in wi-fi provision, and contracted on an individual basis.
- Inequality of exemptions applied to SLA for personnel due to marital status or age.

Figure 17

Benefits for service personnel living in Single Living Accommodation (SLA)

During our group discussions, service personnel identified a number of benefits to living in SLA

Benefit theme	Examples provided by service personnel
Work-life balance	<ul style="list-style-type: none"> • Enables personnel to progress their careers. • Provides opportunity to stabilise family unit in one place and remain in the Armed Forces. • Access to SLA enhances productivity and enables flexible working where appropriate. For example, weekend commuting or extended hours to complete tasks. • Enables separation of home life and work life.
Social and well-being	<ul style="list-style-type: none"> • Provides a good social network and atmosphere. • Enables personnel to build strong relationships and enjoy a sense of 'community'. • Being in SLA provides a ready-made support network.
Financial	<ul style="list-style-type: none"> • Low cost of SLA brings financial benefits including ability to save for a private house. • In some cases, there is no charge for SLA. For example, depending on age or marital status. • Allowances are provided for those living in Substitute Service Single Accommodation. For example, daily food allowance.
Convenience	<ul style="list-style-type: none"> • Ability to leave kit and equipment in SLA, rather than transporting to other accommodation. For example, personal homes. • No commuting to work, and therefore no transport required.

Notes

- 1 We held 14 discussion groups across seven military sites in September and October 2020.
- 2 All discussion groups were recorded using a dictaphone and/or notes from a study team member.
- 3 At the request of Air Command, two groups were conducted online on the same day because of COVID-19. Other Commands considered they could provide arrangements for in-person discussions in line with COVID-19 guidance.
- 4 This is a summary of the discussion points made by service personnel during the group sessions. These do not represent the views of all service personnel, or all service personnel living in SLA and do not apply to all SLA. The figure does not include all discussion points.
- 5 The order of benefits presented are not related to importance level.
- 6 Substitute Service Single Accommodation is provided where there is no suitable or insufficient SLA available.

Source: National Audit Office analysis of discussion group points

Figure 18

Suggested improvements to Single Living Accommodation (SLA) emerging from our discussion groups

During group discussions, service personnel provided their views on how SLA should be improved now and in the future

Improvement category	Suggested improvement
Catering facilities	<ul style="list-style-type: none"> ● Improve self-catering facilities to encourage healthy cooking, greater flexibility and more of a sense of living in 'normal' conditions. ● Improve availability of food shopping facilities on-site. ● Improve food quality and nutritional content in catered facilities.
Maintenance and repairs	<ul style="list-style-type: none"> ● Implement a preventative maintenance rolling programme. ● Contracts to be more responsive. ● Ensure completion of maintenance/repair are signed off by a knowledgeable client to ensure appropriate standard of work undertaken. ● Better holding the contractor to account for performance.
Social and well-being	<ul style="list-style-type: none"> ● Improve existing communal/recreational spaces or make such facilities available. ● Introduce consistency of wi-fi provision across all sites.
Quality of accommodation	<ul style="list-style-type: none"> ● Work towards implementing consistency of SLA across the estate. ● "Get the basics right", in particular, improve reliability of heating, hot water and drainage. ● Provide additional storage solutions. ● Introduce a minimum standard for SLA.

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Source: National Audit Office analysis of discussion group points

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