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Your ref: MG24067

10 January 2024

Dear Michael,

Thank you for your email of 18 October 2023, expressing your concerns with the accommodation maintenance service, families living in military housing are receiving.

I am aware that the level of service that some Service Personnel are receiving under the Future Defence Infrastructure Services accommodation contracts is below that which had been promised. That is unacceptable.

I would like to assure you that providing good quality homes that are safe and well maintained is a top priority for me, and we are working with our contractors to continue to make sustained improvements. In addition, the Ministry of Defence (MOD)'s contractual rights to withhold payments from contractors has been exercised to its fullest extent and deductions are being made.

I am determined to improve the experience of all those living in Service Family Accommodation (SFA) and the significant investment of £400M over this Financial Year (FY) and next announced as part of the Defence Command Paper Refresh will be used to address damp and mould issues and refurbish unoccupied homes to make them available for Service Personnel and their families. This means the £380M funding for maintenance and improvements in the current FY will have more than doubled from £160M when compared to the last FY.

Specifically, this FY the Defence Infrastructure Organisation will:

- Increase funding for the routine preparation of homes ready for Move In, ensuring they are prepared to a high standard.
- Fund damp and mould mitigation packages for around 4,000 families who currently have a damp and mould report raised, representing around 60% of all properties requiring such work. These standardised packages will include

Rt Hon Michael Gove MP
House of Commons
London
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increasing insulation, replacing guttering, upgrading extractor fans, and resealing windows and doors.

- Fund further and more substantial damp and mould prevention works, encompassing everything from replacement doors and windows to full thermal upgrades which include new doors, windows, roofs and the installation of external wall insulation. Thermal upgrades will not only reduce the vulnerability of homes to damp and mould but will also reduce the cost of heating homes for service families and reduce the carbon footprint of the estate.
- Fund extensive, high-quality refurbishments of around 1,000 long-term empty SFA to make them available.
- Fund the replacement of kitchens and bathrooms which will benefit more than 1,000 homes. Fund boiler and heating upgrades for around 1,500 homes.

In the last 12 months, 423 modern homes have been purchased for service families across the UK in a £173M deal, as part of the Defence Infrastructure Organisation's Capital Purchase Programme. The Capital Purchase Programme works in partnership with major developers to identify where there is a need for family accommodation and determine the best way of delivering high-quality, energy efficient homes. The Defence Infrastructure Organisation has agreed to purchase a further 176 new homes over the next three years in a £78M deal.

The independent review commissioned by the Minister for Defence Procurement into the Future Defence Infrastructure Services Accommodation contracts concluded in April 2023. Since then, practical steps have been taken to rebuild trust in maintenance of Service accommodation, starting with acknowledging the problem with the performance of the contractors, and apologising to Service Personnel and their families.

I can confirm that all three of our contractors have increased their resources to ensure that issues and complaints are dealt with in a more effective and efficient manner. Pinnacle also introduced an improved compensation system during summer 2023, making the process much easier and quicker for families to claim.

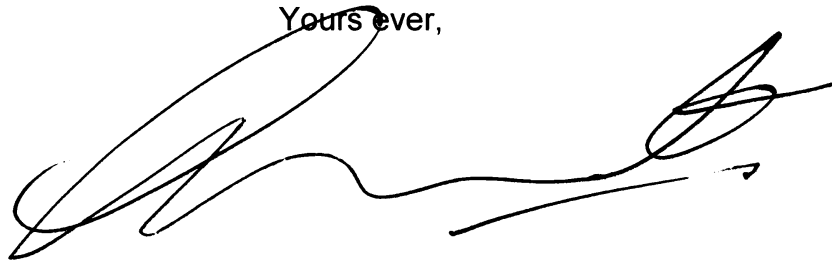
In preparation for this winter, the Defence Infrastructure Organisation has worked collaboratively with its contractors to establish robust contingency plans to not only cope with severe weather events, but to ensure services can recover quickly to minimise any disruption to families. This includes:

- Having the right resources in the right place and at the right times as winter progresses.
- Increasing call handling capacity by 55%, with calls on average being answered within 29 seconds as opposed to around 7 minutes last year.
- AMEY has increased its resource by 40% since last winter.

- VIVO has recruited additional out-of-hours staff to ensure urgent repairs are effectively managed over weekends and bank holidays.
- VIVO has created a Customer Experience team to manage contact with families, and ensure communications are in place for follow-on works.
- Better availability of parts, including temporary heaters which are distributed across the UK as needed.
- Using remote technology to help to guide families to resolve simple issues without the need for an engineer callout.
- Establishing indicators and warnings to enable the Defence Infrastructure Organisation to remain agile in where resource is allocated as the colder months progress.
- Continuously reviewing and testing suppliers to ensure that planning, resource, and stock holding is at the right levels.

I can assure you that I take the condition of SFA, very seriously indeed.

Yours ever,

A handwritten signature in black ink, appearing to be 'Grant Shapps', written in a cursive style.

THE RT HON GRANT SHAPPS MP

*Strongly agree with you
on this and am acting
on several fronts.*