



MINISTRY OF DEFENCE

Quality of Housing Services to Service Families Overseas

LONDON: The Stationery Office
£9.25

Ordered by the
House of Commons
to be printed on 7 March 2005

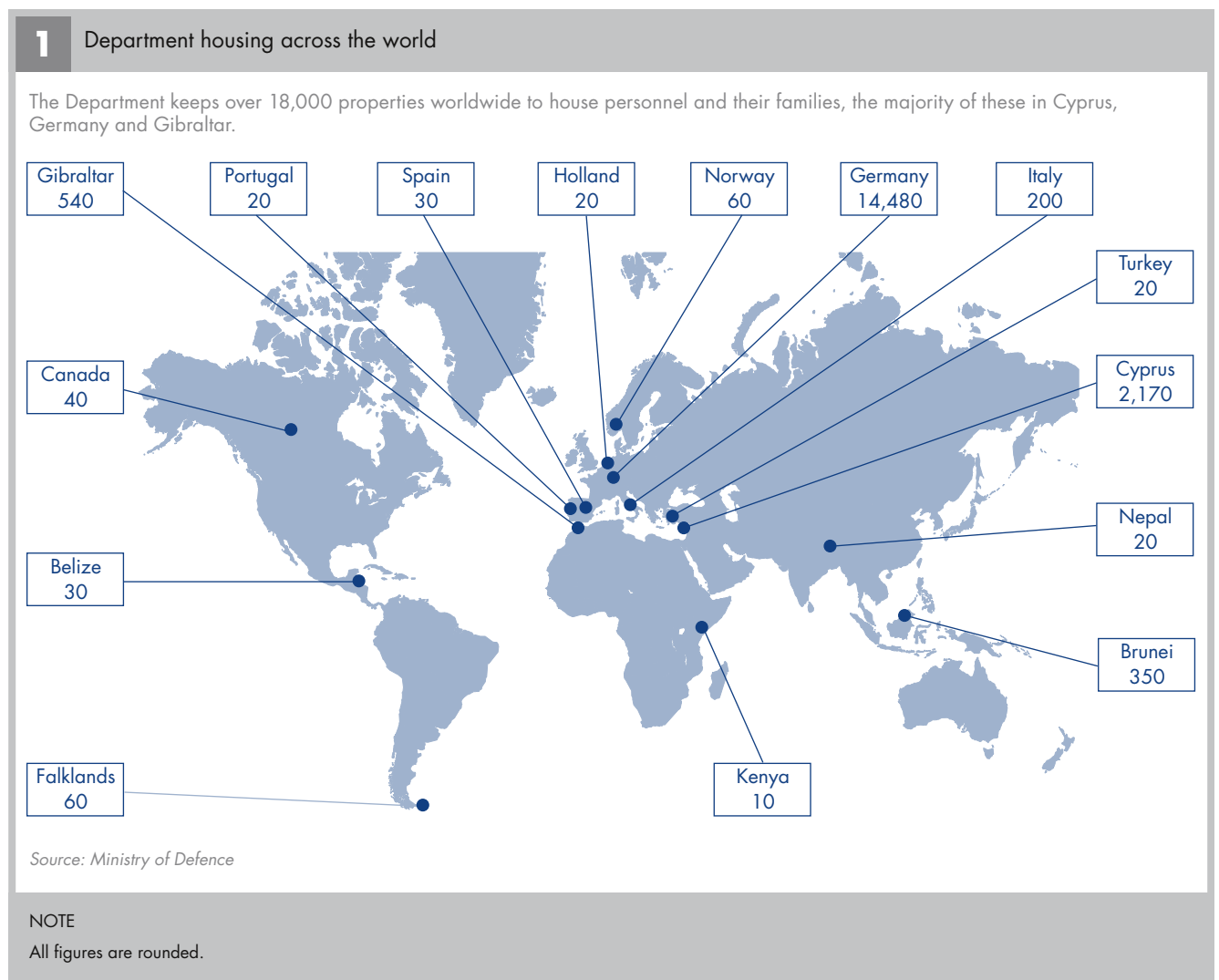
EXECUTIVE SUMMARY



1 The Ministry of Defence (the Department) keeps almost 18,000 properties overseas to accommodate military personnel and their families, at a cost of approximately £100 million a year (Figure 1). This is about the same number of properties as an inner city local authority, such as Hackney or Lambeth, provides as social housing. These properties are required since, when posted overseas, military personnel and their families have to be accommodated near where they are stationed for the duration of their posting. Families' satisfaction with their

accommodation impinges on the military's operational effectiveness as morale can be affected if families are unhappy with their accommodation.

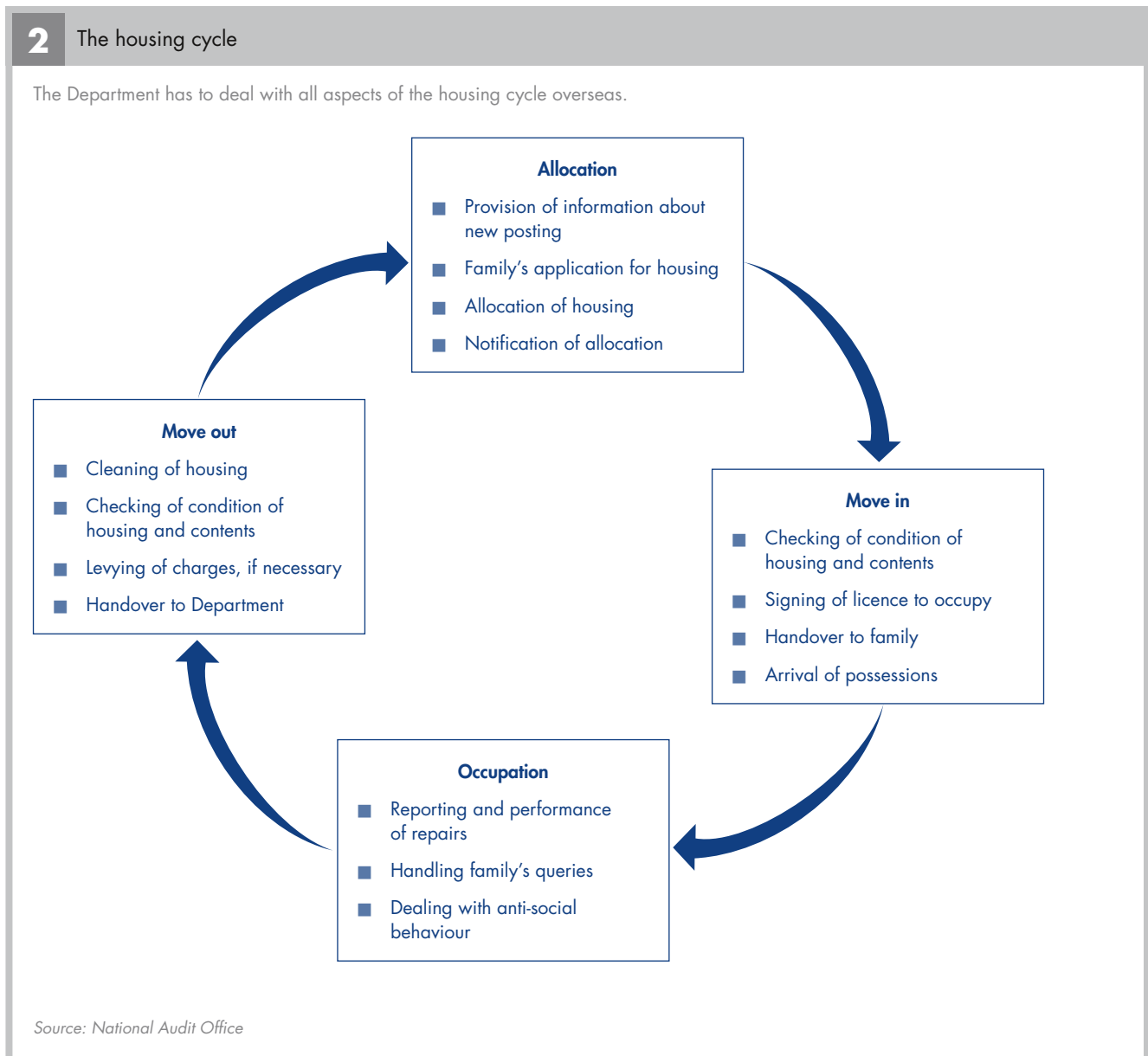
2 Much of the housing overseas is in a poor condition and many properties lack modern facilities. The Department recognises the impact that poor housing can have on families' morale and plans to invest about £100 million in upgrading houses overseas up to 2009, with further investment predicted beyond that date.



3 Given the Department’s implementation of its plans for improving the condition of its overseas housing is at a relatively early stage, we are not looking at its management of the upgrade programmes. This Report, instead, focuses on the Department’s delivery of day-to-day housing services throughout the whole housing cycle of allocation, move-in, occupation, and move-out (Figure 2) as experienced by Service personnel and their families. It examines whether, given the existing housing stock, the Department delivers housing services to Service families overseas in a way that meets the requirements of the Services and the military personnel and their families. The Report covers the quality of the housing service in the three locations where the Department has the majority of its overseas housing - Cyprus, Germany and Gibraltar.

The Report does not cover the quality of housing services to single individuals or to families living in the United Kingdom. Appendix 1 sets out, in detail, the scope of the Report and the methodologies we used.

4 Overall, we found that delivering housing services overseas is a challenge, but that the Department is meeting its objective of having housing available for families and there are examples of good practice. However, the Department needs to adopt a greater customer focus in its delivery of housing services overseas. It also needs to introduce greater consistency and professionalism into its delivery of housing services overseas, as well as putting in place a performance management and improvement culture.



Delivering housing services overseas is a challenge, but the Department is meeting its objective of having housing available for families and there are examples of good practice

5 There are a number of factors which makes the delivery of housing services a challenge for the Department. Families' housing requirements are increasing in line with developments in society in general. Service personnel and their families are moved on a regular basis, creating problems for the Department. The Department faces financial constraints and competing demands for funds. Finally, the delivery of housing services is governed by Service regulations. Although these Regulations entitle officers to a higher standard of accommodation, both officers and other ranks are supposed to receive the same quality of service.

6 The requirement to deliver housing overseas poses additional difficulties for the Department. It has to provide housing in many countries across the globe, much of it of a varying nature. Responsibility for delivering housing services overseas is split within the Department, and often there are national and local agreements and practices. Both these factors add complexity and make complete consistency between locations difficult. Poor housing services in overseas postings can have a much greater adverse impact on morale than in Great Britain. 48 per cent of occupants overseas considered housing to be the most important contributor to their quality of life.

7 Despite these constraints, the Department is meeting some of its objectives in delivering housing services overseas. It is moving people into their homes as required by the Armed Services, and around two-thirds of occupants are satisfied with the overall housing service and their accommodation. Other ranks tended to be slightly less satisfied than officers, while Service personnel from ethnic minority communities tended to be slightly more satisfied than personnel who were not.

8 The satisfaction rate for overall housing services is on a par with the rates achieved by Inner London boroughs but below the average rates achieved by social housing providers and local authorities in England. The provision of accommodation to Service families overseas differs, however, in many respects from the provision of social housing in the United Kingdom. For example, the profile of the occupants of the Department's housing is different and, overseas, the housing service is only one of a broad range of welfare and support services delivered by local staff to Service personnel and their families.

9 There are examples of good practice in the delivery of housing services overseas. The delivery of these services is closely linked to the delivery of other welfare services to families, and, in some instances, practices overseas were ahead of those of Defence Estates in Great Britain. For example, before families arrive in Episkopi housing officials provide them with an "estate agent's description" of the property they have been allocated, complete with a picture of a house of that type and room layout plans.

The Department should adopt a greater customer focus in its delivery of housing services overseas

10 Although we found some examples of good practice, there is limited consultation with, and involvement of, occupants in the delivery of housing, despite the families' wish for greater participation. Only 24 per cent of occupants were satisfied with the opportunities for their participation in management and decision-making, while 41 per cent were dissatisfied. In comparison, satisfaction with opportunities to participate among local authority tenants in England and Wales in 2003-04 was 63 per cent.

11 67 per cent of occupants said that they were satisfied with the overall repairs and maintenance service provided. Despite this, the response repair service is not customer friendly in all locations. In some places, it is not easy for families to report faults. For example, at Akrotiri in Cyprus a family member has to visit housing staff in person to report a fault needing repair. These staff then telephone the works staff on the family's behalf. According to the families, there are also problems with the making and keeping of appointments. It can also take some time for work to start on a job and, in some places, it is not possible for families to check on the progress of jobs they have reported. There were also complaints about the quality of the work carried out. However, in Germany the introduction of a standardised system for reporting repair work to a help desk has improved occupants' satisfaction with the repair service.

12 There is little scope for occupants to exercise choice. Unlike in Great Britain where families are free to buy their own homes, families stationed overseas have little choice other than to use Departmental housing. Due to the limited availability of properties, the Department is only able to offer families one property for occupation, and not a choice of accommodation. When applying for accommodation, families can express a preference as to the estate at their duty station where they want to be housed. However, the Department does not measure the extent to which it is able to meet these preferences and families are given little information to enable them to take an informed view when expressing their preferences. 36 per cent of occupants rated the information provided about accommodation in advance of moving as poor.

13 Complaints from occupants are not always handled well. Almost half of occupants did not know how to make complaints and those who had made complaints were unhappy with many aspects of the Department's handling of them. Only 34 per cent of these complainants rated the Department's overall handling of their complaint as good. There are also variations in complaints procedures between locations and a lack of independence in the process, as complaints are often handled by the station or garrison involved, or involve the complainant's military chain of command. Local staff do not routinely monitor and report complaints about the occupancy management aspects of the housing service.

The Department should introduce greater consistency and professionalism into its delivery of housing services overseas

14 Although it is inevitable that, in some circumstances, there will be a need for local solutions to local circumstances, it is reasonable that families should know what to expect from their housing service, no matter where they have been posted. However, there is a lack of consistency in the Department's delivery of housing services overseas. Detailed implementation of housing policy is left to local housing staff, with little central guidance or review. As a result, we found many examples of variations in local practices and standards both between and within countries in all stages of the housing cycle. In Germany, the Housing Working Group, formed in March 2004, has been established to help identify inconsistencies in the delivery of housing services.

15 The management structure for delivering housing services overseas is complex and unclear, while the allocation of properties to families lacks transparency. Only 39 per cent of occupants described the overall allocation process as good, with particular dissatisfaction expressed over the appeals process – only 24 per cent described this process as good.

16 Almost all housing officials overseas are ex-military personnel with little previous experience in housing management. Although their knowledge of military procedures is of value, they are used to a military culture. They receive little specialist training in housing management, with most training being conducted on the job. While good use is made of information technology in the management of works, little use is made of it in other aspects of the housing service.

The Department should introduce a performance management and improvement culture

17 The Department's performance reporting overseas focuses on estate management, with no monitoring of its performance in other aspects of the housing service. There is limited awareness among housing staff of the importance of setting targets, measuring performance and using the data to drive a process of continuous improvement. Similarly, the Department's collection and use of feedback from customers is limited mainly to its management of works, with little gathered on other aspects of housing delivery. There is also little systematic sharing of good practice amongst Departmental housing officials overseas either within or between countries.

18 Although there are particular issues in providing families' accommodation in Cyprus, Germany and Gibraltar, there are general management principles which can be applied in all housing providers. There is also a wealth of information available on performance which social housing providers in England and Wales have to provide as part of their performance management regime. Despite this, the Department has carried out little comparison of the performance of its overseas housing service with that of other housing providers elsewhere since, in the past, it did not view its performance as comparable with social housing providers in the United Kingdom.

19 As part of their performance management regime, social housing providers are subject to external inspection. In preparation for these inspections, it is common for providers to commission consultants to undertake "mock inspections". Most overseas locations, however, had not invited external assessments of their performance. In the opinion of our housing management consultants, Housing Quality Network Services, under a "mock inspection" the housing service provided to Service families overseas would have rated as poor. According to Housing Quality Network Services, the absence of consistent performance data in itself justified this assessment.

20 The Department has already acknowledged the need to examine the management of housing services overseas. In September 2004 it commissioned a business process review of the area, with a focus primarily on customer care issues. Due to report in the first quarter of 2005, the review will take account of the data collected by the National Audit Office and our conclusions. In addition to organisational and procedural changes, it will recommend the introduction of a consistent performance management regime, incorporating specific performance targets applicable across the overseas area. In our opinion, the introduction of this regime is likely to promote an improvement in the quality of housing services overseas.



RECOMMENDATIONS

21 We recommend that the Department take the following action to improve the way that the housing service overseas is planned, managed and delivered.

Customer information and involvement

- The Department should design and implement a customer information and involvement strategy. This should include: standards for the provision of information prior to move-in; move-out standards; a publicised complaints procedure; and a portfolio of methods for identifying families' satisfaction, including regular surveys.

Staff training

- All personnel involved in the delivery of housing management services should have specialist training within a professional development structure built around core modules and competencies, with the concept of customer service at its heart. This would move the service towards greater professionalism and aid customer focus.

Performance management

- As part of its proposed new performance management regime, the Department should consider adopting a wider range of performance indicators to measure the quality of its service to Service families – for example: the percentage of families who had to be accommodated in a temporary quarter on arrival; the percentage of families satisfied with each aspect of the housing cycle (allocation, move in, occupation, and

move out); and the number of repair jobs where shortcomings were subsequently identified. A full list of possible performance indicators is given at Figure 16. The Department should also consider inviting external assessors to undertake periodic “mock inspections” to identify ways in which it could improve this service.

Procedures

- The Department should revise and standardise operational procedures across all overseas Commands. All staff should be working to a common procedure manual with any local variations clearly authorised and publicised.

22 In our opinion, the implementation of our recommendations should help bring about an improvement in the quality of housing services overseas. Underpinning all these, however, is the need for a change in the culture of housing services overseas. The management culture of the housing service overseas needs to reflect more closely the customer-focused approach to Service housing adopted in Great Britain. Service personnel and their families must be seen as customers, whose requirements need to be identified and met, where possible, and there must be a real commitment to continuous improvement of the service delivered.