



MINISTRY OF DEFENCE
FLOOR 5, ZONE D, MAIN BUILDING, WHITEHALL
LONDON SW1A 2HB

Telephone: 020 7218 7975
Fax: 020 7218 3048
E-mail: PUS-PrivateOffice@mod.gov.uk

PERMANENT SECRETARY

D/PUS/11/7(126)

27th July 2020

Meg Hillier MP
Chair of the Public Accounts Committee
Sent electronically

Dear Chair,

Following the Public Accounts Committee (PAC) hearing on 8 May 2019 which considered the National Audit Office's audit report "Military Homes", I made a commitment to write to the Committee to provide an update on recommendations 4 and 5 by Summer 2020.

With regard to recommendation 4, I can confirm that the three pilots of the Future Accommodation Model (FAM) are underway having begun at Her Majesty's Naval Base Clyde on 30 September 2019, Aldershot Garrison on 31 January 2020 and RAF Wittering on 1 June 2020.

The Department is collecting data and evidence throughout the FAM pilot to inform decision making. This will include lived experience evidence from Service personnel and their families, through surveys and feedback as well as quantitative data about how personnel choose to live across pilot sites. The collected data and evidence will feed into core monthly reporting and a review of the key Pilot (and other) data, will be undertaken on an annual basis. This analysis will enable a detailed and strategic review of key FAM questions, including: understanding pilot cost drivers, detailed demographic analysis of Service personnel eligibility and take-up of the various accommodation options, key satisfaction themes across groups of Service personnel and accommodation options, and an understanding of the efficiency of the operating model and lived experience of Service personnel as they pass through the FAM process.

Since my last update, the Department has continued to work to reduce the number of vacant properties. Our objective remains to reach a target of no more than 10% by

Autumn 2021, but two factors have caused us to fall behind our planned trajectory. The first is a further reduction in the number of entitled service personnel taking up Service Family Accommodation (SFA) from 37,837 in April 2014 to 31,863 in March 2020. The second has been the impact of COVID-19 on our ability to process hand backs.

There are risks and dependencies associated with our approach to void reduction. In certain locations the disposal of SFA is dependent on wider MOD estate rationalisation. Alongside this, the Covid-19 pandemic has restricted our ability to issue Notices to Vacate, in order that we can hand properties back to Annington Homes. In contrast, the recently announced Fiscal Stimulus funding is allowing the Department to upgrade c900 SFA in areas of high demand, reflecting 2% of current stock, so that these properties can be brought back on-line and allocated to Service families, reducing our reliance on expensive privately rented properties and contributing to the reduction in void properties.

I would be happy to update the Committee again on progress against this target in May 2021.

Yours sincerely,



STEPHEN LOVEGROVE