

Written evidence submitted by the Army Families Federation

4 Jan 2023

House of Commons Defence Committee

ENQUIRY INTO SERVICE ACCOMMODATION

Thank you for the opportunity to submit further evidence on Service Accommodation beyond that offered in the oral evidence session on 13 Sep 2023.

We rely on evidence directly from service personnel and their families, and in some areas this may not address the particular questions raised by the then chair directly. Where appropriate, we have supplemented this with further information drawn from the experience of our specialist teams in dealing with housing and associated issues over many years.

We delayed our response as we expected further detail on the New Accommodation Offer, and in particular, a revised Joint Service Publication (JSP) on Service Housing to be available before Christmas. This JSP 464 is not yet available, and although some information has been released in the form of an initial communications package, definitive information on how the allocations process for the New Accommodation Offer will work at launch is not available.

Slightly separately, we were asked whether the findings of the Haythornthwaite Review resonated with our research and findings. Like my colleagues in the RAFF and NFF, I can say that they do; particularly around the levels of structural inflexibility in adaptability and application of policy and process. We welcomed the recommendations regarding recognition of the needs of the whole family unit.

Finally, I will write separately on the issue of mesne profits that was discussed briefly during the oral session.

Turning to the questions posed:

1. How will the Future Accommodation Model differ from what is currently offered to personnel, and will it provide better accommodation choices?

The key differences between the current housing offer and the New Accommodation Offer for families are:

- The New Accommodation Offer will allocate homes to service personnel based on the needs of the families (essentially defined by the number of children in the household) rather than rank of the serving person/s.
- Parents with eligible child(ren) who stay with them more than 80 nights a year will now be entitled to service housing.
- It is planned that service personnel requiring SLA and maintaining a main home beyond a daily commute will be eligible for Dual Accommodation Expense (DAE), regardless of marital status.

- All personnel in registered long term relationships (LTR) will be entitled to (not just eligible for) the same housing offer as those who are married or in a civil partnerships.
- The Forces Help to Buy (FHTB) offering has been enhanced, by being made permanent and first time buyers will have up to £1,500 of their legal fees refunded.

The extension of entitlement to service housing for those in registered long term relationships, and those with responsibilities for children who stay with them for more than 80 nights a year, has been broadly welcomed. These groups will now be able to access service accommodation (in the UK) on the same terms as those who are married and in civil partnerships. The reaction to 'needs based' amongst Army families is much more mixed, and is discussed below.

FHTB being made permanent has also been acknowledged as part of the overall 'offer' to the Armed Forces (although please note the comments on flexibility and location below). The introduction of the Dual Accommodation Expense has been welcomed in the Army, to the extent that it now introduces parity across the single services.

Beyond these points, it is difficult to say at this early stage whether the New Accommodation Offer will offer 'better' accommodation 'choices' for all families. It would be more accurate to say that it gives the opportunity to express a preference for a wider range of options than at present; some families, in some locations, will be allocated this preference, but this is not guaranteed. It is planned that SFA will be the default option, and then much will depend on the SFA stock available at any one time.

Full details of the allocations process (which is key to the successful roll out of this significant change of policy) are not yet available, so the extent to which preferences (eg SFA v private rental, a property size significantly larger or smaller than the entitlement size, location) can/will be taken into account is not clear. One of the few clear conclusions from the FAM pilot that has been pulled through into the New Accommodation Offer is the preference for SFA, given the flexibility it offers to highly mobile families when compared to private rental.

Given this, and that there has been a sharp increase since the FAM pilots in both rental and house purchase costs, we expect demand for SFA from the newly entitled cohort to be high. There are locations where the SFA estate is already under pressure; whilst there are plans to bring more existing SFA online, this is unlikely to be a quick process given the condition of some void properties. We are concerned that the current mix of properties in terms of sizes and locations will not meet this demand; whilst some couples have registered their LTR, many will not have previously done so as there was previously little tangible benefit in doing so. It is also unclear how many already entitled service personnel may now have an entitlement to a larger house to accommodate children from previous relationships whom they have with them for more than 80 nights. Whilst the use of PRS is expected to pick up this slack, we remain concerned that there are locations where demand cannot be met.

It will require an increased level of long term, planned investment to ensure that there are the appropriate number of houses, of the right size and condition, in the right locations, to meet the aspirations of Army families regarding access to service

accommodation under the NAO. Given the current constraints on spending within Defence, and therefore within DIO, we are concerned that there is insufficient resource to meet current demand for repairs and void reductions, let alone to meet an increased demand. We would like reassurances that the planned void reduction programme to support NAO launch will be met, and that all options of flexing expenditure between RDEL and CDEL will be explored to ensure that current SFA occupants do not see a reduction in their level of service.

Given the mix and condition of the SFA estate and increased demand on the housing stock we are concerned that some families who *have not* requested the Private Rental System option (PRS) may therefore find themselves placed on this route, and having to source and secure PRS in an increasingly competitive and fast-moving rental market. To date, the Ministry of Defence has indicated that only those families returning from overseas postings will have any significant support in sourcing/securing PRS.

2. Do you foresee issues with housing being allocated based on need rather than rank?

While there will be transitional protection (TP) for those who experience a reduction in their entitlement under NAO, there are personnel and their families - generally those with a longer period of service - who see this as a reduction in the overall 'offer' (the package of remuneration and other benefits) that they have committed to. Within, and overlapping with, this group are those who do not have children, or whose children are older and outside the age range and circumstances accepted as entitled. It is clear from conversations and analysis of comments and enquiries that many personnel and families in these groups are concerned about their future accommodation, and indicate that this may play in to longer term career decisions.

Although the full details of how TP will work have not yet been released, it is understood that families who experience a reduction in entitlement under NAO will be offered access to a similar sized property to their current entitlement for up to 3 years after the launch of the new offer on 11 Mar 2024. This can be waived, but cannot then be re-instated.

It is unclear at this stage the extent to which having a greater number of SFA estates that accommodate a mixture of ranks will be received; they do already exist in some locations. Previous surveys that AFF have conducted, and which the MOD have undertaken in relation to the FAM pilots, suggest there are concerns - from all ranks - about living in mixed areas; in particular the constraints that this places on day to day life when a neighbour might be in your chain of command. (Service personnel are subject to a much wider range of standards of behaviour than experienced in civilian life).

Our surveys have also suggested that while it is accepted that larger families need larger houses, some families perceive 'need' as being more than the number of children in a family. The unique demands of Army life - for example the ability to bring another family member into the home to assist with child or other caring when the/one of the service people is deployed, or the ability to work from home (many Army families are very mobile, and non-serving partners have often adapted to this by developing a work from home career) - are all perceived as needs.

3. Is the private rental sector a viable option for service families?

Some service families are already using the private rental sector, and there is evidence that it will work for some families, in some locations, in some circumstances. However, as highlighted above, there are also concerns from families around availability and cost of private rental in Army locations, and not just those in the South of England. This market is very competitive, and families feel they may not be best placed - for a number of reasons, largely around frequent moves, and the time it takes to find and secure a home in a new location - to obtain the home they are looking for without support similar to that currently provided to families who are placed in substitute SFA. We are concerned that the delays in sourcing may result in a significant increase in those serving unaccompanied for extended periods of time, with the resultant strain that this can place on families.

4. What issues do you see with the rollout of the Future Accommodation Model?

We have discussed many of the key issues above. As with any new policy that involves people, not all scenarios can be envisaged and we will be tracking this closely to identify emerging issues.

However, there are two further areas where we anticipate some issues emerging:

- NAO does not currently apply overseas. While we understand that this is being looked at and the numbers are relatively small initially, there will be families who will be entitled to housing for a UK posting, but not for an overseas posting.
- Alignment with the Allowances JSP 752. Whilst we have reassured that all allowances regarding relocation have been factored in, and will be offered to the newly entitled cohort, this has not yet been published. And the extent to which other allowances will be offered to bring parity with those who are married and in civil partnerships is not yet clear.

5. How successful was the FAM pilot and what lessons can the MOD learn from it?

The MOD's key findings on satisfaction with the FAM pilot are publicly available. We would note that this was based on a small cohort, in limited locations, and with a markedly different offering; in particular, there was a genuine choice offered to participants as to which option they could access, and those who opted for PRS were often already resident in a private rental, so this pathway was not fully tested. And TP remained in place for all officers, so this aspect was not tested.

As noted above, the pilot confirmed the popularity of SFA (with previously non-entitled participants often opting to go into SFA). The extension of entitlement to those in LTR, and parents whose children stay with them for over 80 nights or more a year, were popular across all cohorts as a reflection of modern family circumstances, and NAO reflects that.

6. How effective is the Forces Help to Buy Scheme? Should the MOD consider alternative ways to enable personnel to buy their own homes?

The limited evidence that we have available suggests that it is largely welcomed by service personnel and their families, and offers - for some - the right help to allow them to own a home. As the RAFFF commented, we have some evidence that the rules around the scheme mean that it does not meet the needs of all service personnel, particularly

those who are highly mobile or whose family circumstances have changed. Given how mobile the Army continues to be, buying a home - particularly for the long term - remains, in our view, a complex option and does not negate the need for access to service accommodation in an assignment location.

As the other FamFeds have commented, without the expertise in this sector, it is difficult to comment on alternatives; we would support looking for options for greater flexibility within the current scheme (which is now well-established and recognised).

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CHIEF EXECUTIVE