



Defence  
Infrastructure  
Organisation

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SFA Address

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<Date>

Dear Sir/Madam

## THE COMBINED ACCOMMODATION ASSESSMENT SYSTEM - WHAT IT WILL MEAN FOR YOUR SERVICE FAMILY ACCOMMODATION CHARGE FROM 1 APRIL 2016

1. As a part of the New Employment Model (NEM), the Ministry of Defence is committed to providing all Service personnel with an accommodation package that is attractive, supports military agility, and is affordable to Defence. On 1 April 2016, the Combined Accommodation Assessment System (CAAS) replaces Four Tier Grading (4TG) as a fairer, more transparent way to calculate Service Family Accommodation (SFA) charges. Under CAAS, your SFA charges will continue to be heavily subsidised compared to market rates.
2. In July 2015 we sent you a letter to provide an estimate of your CAAS Band. This letter now **confirms** your CAAS Band from 1 April 2016 (Enclosure 1 to this letter provides a breakdown of your SFA's assessment scores).
3. **SFA Assessment.** In order to conduct the CAAS assessment for your SFA either a surveyor visited in person, or we assessed it based on surveys of similar properties near you (Enclosure 2 explains what a CAAS assessment covers).
  - a. **SFA Type.** Your SFA is Type <1 – 5, A – D>, and is allocated over entitlement for Service reasons. See Enclosure 5 to this letter on how charges will work for SFA occupied over entitlement for Service reasons.
  - b. **Current 4TG charge.** Your SFA's current 4TG charge is <1 – 4> which is £xxxx<sup>1</sup> per day (or £xxxx for a 30 day month) in line with allocation charging policy.
  - c. **CAAS Band.** Your SFA has been assessed as CAAS Band <A – I>. Its CAAS Band charge will be **higher** than its current 4TG charge.
  - d. **Transitional CAAS Band.** For occupants of SFA where charges will increase by more than 10%, transitional arrangements will stagger increases over a number of years. Your SFA will move to a Transitional Band on 1 April 2016. Your Transitional CAAS Band is <A – I>. Based on current charges<sup>2</sup>, this equates to £xxxx per day (or £xxxx for a 30 day month)<sup>3</sup>.

<sup>1</sup> Based on published 2015 unfurnished accommodation rates which do not take into account other charges (eg CILOCT, furniture).

<sup>2</sup> SFA charges for 2016/17 will be subject to recommendation by the Armed Forces Pay Review Body and published in February 2016.

<sup>3</sup> These charges will not take into account other charges (eg CILOCT, furniture).

e. **Increases from 1 April 2017.** Your SFA charge will only increase by one CAAS Band per year until your SFA reaches its CAAS Band, unless a greater increase is warranted due to improvements to your SFA conducted after the date of your SFA's CAAS assessment. The Policy for charging where SFA are occupied above entitlement for Service reasons remain extant (the lower of Band A at Type entitlement or Band of Type occupied) which may result in a change to the Type of SFA changing for the setting of the Charge. This is shown in the table below.

f. **Your transitional pathway.** The transitional pathway for your SFA looks like this<sup>4</sup>:

When?	1 Apr 16 to 31 Mar 17	1 Apr 17 to 31 Mar 18	1 Apr 18 to 31 Mar 19	1 Apr 19 to 31 Mar 20	1 Apr 20 to 31 Mar 21	1 Apr 21 to 31 Mar 22	1 Apr 22 to 31 Mar 23
SFA Type							
CAAS Band	band	band	band	band	band	band	band
Cost	£ per day	£ per day	£ per day	£ per day	£ per day	£ per day	£ per day

4. **Your Right to Challenge your SFA's CAAS Band.** A challenge to your SFA's CAAS Band (at paragraph 3c) can be made within **28** working days of receipt of this letter; further detail is at Enclosure 3.

5. **More about CAAS.** The attached enclosures are there to help answer any questions you may have. Further information on CAAS is available in Joint Service Publication (JSP) 464 Volume 3 Parts 1 & 2 (<https://www.gov.uk/government/publications/jsp-464-tri-service-accommodation-regulations-tsars>) and also at [www.gov.uk/new-employment-model](http://www.gov.uk/new-employment-model). If you still have questions, you can also ask your unit NEM champion, welfare or administration staffs.

6. **Summary.** CAAS will modernise how your SFA is assessed, and will correct the inaccuracies of the current grading system. All additional income that Defence will receive as a result of these changes will be re-invested into Service accommodation. Charges will rise on average, but this is because the current 4TG system was not being applied correctly or in a timely manner. The introduction of CAAS will ensure that a fair charge is paid for good quality housing by measuring Condition, Scale and Location and applying an appropriate level of discount. If you are in a property that is below top condition, is smaller than it should be, or is further from recognised key amenities, the charge will attract levels of discount.

Yours faithfully

Ian Tolfts  
Air Commodore  
for Chief Executive, Defence Infrastructure Organisation

Enclosures:

1. CAAS assessment summary sheet for Your SFA.
2. Assessing your SFA.
3. Your right to challenge your SFA's CAAS Band.
4. CAAS Frequently Asked Questions.
5. Charging policy for SFA allocated over entitlement.

<sup>4</sup> Based on published 2015 unfurnished accommodation rates which do not take into account other charges (eg CILOCT, furniture).

**CAAS ASSESSMENT SUMMARY SHEET FOR SFA**

**Enclosure 1**

Address	
Postcode	
SFA Type	
BSUID / UPRN <sup>5</sup>	
Effective Date of Charge	1 April 2016
Energy Rating Band (A-G) <sup>6</sup>	
Assessment Type	<i>Survey or Extrapolated</i>

Condition	Decent Homes Level
1. Safety - Category 1 Hazard (includes Noise assessment <sup>7</sup> )	DH+ / DH / DH-
2. Repair	DH+ / DH / DH-
3. Modernity - Facilities & Services	DH+ / DH / DH-
4. Thermal Comfort (Energy Efficiency Rating) (DH+ = EER Band D and above; DH = EER Band E / DH- = EER Band F or below)	DH+ / DH / DH-
<b>Condition - Overall Score</b>	<b>DH+ / DH / DH-</b>

Scale	Upper / Middle / Lower
<b>Size<sup>8</sup></b> <b>Gross Internal Area (GIA)</b> [Does not apply if EFA applied] <b>Explanation:</b> <b>Upper:</b> to Scale <b>Middle:</b> Reduced Floor Area >10% below Scale <b>Lower:</b> Reduced Floor Area > 25% below Scale	
<b>Effective Floor Area (EFA)</b> [Does not apply if GIA applied] <b>Explanation:</b> <b>Upper:</b> Cumulative, not individual rooms >10% below Scale <b>Middle:</b> Pass / Fail <b>Lower:</b> Pass / Fail	
<b>Features<sup>9</sup></b> <b>Explanation:</b> <b>Upper:</b> 5 deficiency points or less <b>Middle:</b> >5 points <b>Lower:</b> >10 points	
<b>Scale - Overall Score</b> (Combined total of GIA or EFA and Features)	<b>Upper / Middle / Lower</b>

Location	Urban / Intermediate / Remote
Accessibility	
Broadband Accessibility (Speed ≥ 17.8 Mbits/s)	
Deprivation (≤ 10 percentile)	
<b>Location - Overall Score</b>	

<b>CAAS Overall Assessment</b>	<b>CAAS Band (A to I)</b>	
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<sup>5</sup> This is a unique code DIO use to identify your SFA.

<sup>6</sup> The Energy Rating Band is based on the Standard Assessment Procedure (SAP) used by Government to assess and compare the energy and environmental performance of dwellings. Ratings are from A (most efficient to heat) to G (most expensive to heat).

<sup>7</sup> For some airfields, interim noise data will be used for 2016-17 pending completion of a full noise survey. If the full noise survey results in a lower CAAS Band this will be applied retrospectively.

<sup>8</sup> Refer to thresholds at JSP 464 Part 3 Vol 2 Chapter 4 Annex A.

<sup>9</sup> Combined total of positive and deficiency points JSP 464 Part 3 Vol 2 Chapter 4 Annex A.

## ASSESSING YOUR SFA

- CAAS assesses SFA across three factors: **Condition**, **Scale** and **Location**. This enclosure explains in simple terms how each factor is assessed.
- Condition.** Four criteria (Safety, Repair, Modernity and Thermal Comfort) are measured to determine whether the standard of your SFA is Decent Homes Plus (DH+), Decent Homes (DH) or Decent Homes Minus (DH-). Your SFA has to 'Pass' all four criteria; a 'Fail' in any one leads to a move to the next lower Decent Homes standard until all four 'Pass' at that standard. Note that Noise is assessed under Condition – technical noise maps exist for many locations and where appropriate, a deficiency is applied. In the example below, The DH+ standards for Safety, Repair and Modernity are met, but the Thermal Comfort score falls short of DH+ standard. It therefore fails against DH+. The CAAS assessment looks to see if the Thermal Comfort score is enough to 'pass' at Decent Homes standard. It is, so the overall Condition score for the SFA is 'DH'.

Safety	Repair	Modernity	Thermal Comfort
<b>DH+</b>			
✓	✓	✓	✓
<b>DH</b>			
✓	✓	✓	✗

- Scale.** Scale is about SFA size and having the right number of key fixtures (eg power sockets or shower) for the type of SFA you live in. SFA are measured using Royal Institute of Chartered Surveyors standards and MOD Joint Service Publication 315. Deficiency points are applied if key fixtures are lacking. SFA will be assessed as **Upper**, **Middle**, or **Lower**. If the SFA is to Scale or no more than 9.9% below, and has no deficiency points it is classed as 'Upper'. If not to Scale, reductions to 'Middle' and 'Lower' will occur if the overall floor area or usable space are reduced, or if key features are lacking as follows:

Category	Standard
Upper	To scale
Middle	Floor space >10% below scale (but <25%); <b>or</b> Effective Floor Area <sup>10</sup> >10% below scale; <b>or</b> Net total of feature deficiency points more than 5 (but less than 10)
Lower	Floor space >25% below scale; <b>or</b> Net total of feature deficiency points more than 10; <b>or</b> <b>Both</b> floor space >10% below scale and net total of feature deficiency points more than 5.

- Location.** Your SFA postcode has been assessed against Accessibility, Broadband and Deprivation to produce a rating as follows:
  - Accessibility.** Using Department for Transport indicators, public transport/walking time to eight key amenities<sup>11</sup> is assessed, resulting in SFA falling into one of three categories:
 

Urban	Intermediate	Remote
less than 20 minutes travel	between 20 and 40 minutes travel	more than 40 minutes travel
  - Broadband.** Failure to meet 17.8 Mbits/s (current national average broadband speed) will result in a downgrade of one category (eg Urban to Intermediate). MOD will review this in 2018 in line with planned revisions to the Government broadband standard.
  - Deprivation.** A national register of deprived areas (taking into account criminality, etc) is maintained by the Office of National Statistics. SFA within the ten most deprived areas are downgraded one category.

- If you want to explore the assessment process in greater detail, or understand the specific CAAS assessment results for your SFA contained in Enclosure 2, you can consult Joint Service Publication 464 Volume 3 Parts 1 & 2:

<https://www.gov.uk/government/publications/jsp-464-tri-service-accommodation-regulations-tsars>.

<sup>10</sup> Effective Floor Area (EFA) is the usable area of the rooms while retaining functionality (RICS Code of Measuring Practise)

<sup>11</sup> Food store, GP, employment centre, primary school, secondary school, further education institution, hospital, town centre.

1. **Right to Challenge.** If you believe an error has been made in assessing your SFA, you have the right to challenge the CAAS Band assessment on receipt of this letter, on routine occupancy, or on change of SFA Type / CAAS Band. Your challenge must be made within 28 working days of any of these events. The challenge follows a 2-stage process detailed below. Crucially, any challenge must be against the factual component of the CAAS assessment: Condition (including garage charges if applicable), Scale or Location.

2. **Basis of Challenge.** The basis of the challenge must be stated e.g. *you disagree with the condition assessment of the SFA because you believe it does not meet the modernity criteria under Decent Homes Standard*. In considering the basis of the challenge you should familiarise yourself with JSP 464 Volume 3 Part 2 (<https://www.gov.uk/government/publications/jsp-464-tri-service-accommodation-regulations-tsars>) which details Condition, Scale and Location criteria, where you will also find challenge policy and a template letter to be used.

3. **Submitting your Challenge.** Use the template detailed at paragraph 2 above, attaching any supporting evidence you feel is appropriate (e.g. photographs). All challenges (both at Stage 1 and at Stage 2) will be processed via a single point of contact, and must be submitted in writing or by email (telephone challenges will not be accepted) to:

Address: FAO CAAS Team - carillionamey The Matchworks, Unit 4, Speke Road, Garston L19 2PH

Email: [CAASchallenges@carillionamey.co.uk](mailto:CAASchallenges@carillionamey.co.uk)

Alternately if submitting on Dii a template letter is also available at <http://defenceintranet.diif.r.mil.uk/Organisations/Orgs/DIO/Reference/Publications/Pages/CAAS.aspx>

4. **Two Stage Process.** The two stage challenge process is:

a. **Stage 1 - Challenge.** If you wish to submit a challenge, you must do so within **28** working days of receipt of this letter<sup>12</sup>. Stage 1 will be administered by CarillionAmey (CA) with DIO oversight; CA have **three** working days to acknowledge receipt of your challenge and **28** working days in total in which to respond in full. A challenge will have two possible outcomes:

(1) **Uphold the Challenge.** Where it is agreed that the assessment is incorrect (in accordance with JSP 464), the challenge will be upheld and the assessment amended accordingly if appropriate.

(2) **Reject the Challenge.** If the correct assessment is apparent, the challenge will be rejected. An appeal to this decision can be made at Stage 2 (see below).

b. **Stage 2 - Right to Appeal.** You retain the right to appeal an unsuccessful challenge; the timescales mirror Stage 1 and the appeal will be administered by DIO. An appeal will have two possible outcomes mirroring those at Stage 1: **Uphold** or **Reject**. However, if the Stage 2 appeal is not upheld, there is no further recourse.

5. **Referring the Challenge.** At both Stage 1 and Stage 2, in exceptional circumstances it may prove necessary to refer more complex cases to a higher authority. You will be informed if this referral may mean that the 28 working day timeframe will not be met.

### Notes:

1. A successful challenge may result in a change of underlying data, but may not impact on the overall CAAS Band. E.g. the number of electrical sockets recorded was wrong; the actual number means an extra point is applied to the assessment but the impact is insufficient to incur a reduction in CAAS Band.

2. A reassessment of SFA following a challenge to the CAAS Band may mean that the correct Band to be applied is actually a higher one; the occupant will be notified that the higher charge will be applied in line with policy timescales.

3. For the period from date of the covering letter above to 31 Mar 16, any successful challenge will result in a review of all SFA that were grouped together for assessment purposes, with the potential for any changes (including increases) to be applied to them all after appropriate investigation.

4. Challenges to interim noise assessments of airfields will not be dealt with: once full noise surveys are complete in 2016, if the CAAS Band lowers as a result, this will be applied retrospectively.

<sup>12</sup> DIO recognise that postal delivery speeds vary and that up to 5 working days may elapse between date of letter and receipt of letter.

**Why is the current charging system for Service Family Accommodation (SFA) changing?**

There are a number of problems with the current 4 Tier Grading (4TG) charging system. It is out-of-date – for example, at the moment charges depend in part on how close the home is to a phone box, and yet modern expectations, like a fast broadband connection, are ignored. 4TG is also complex and subjective, meaning that different Boards of Officers have given different charges to largely identical properties. Finally, 4TG is also time-consuming to apply, meaning that nearly half our properties have not been re-assessed in the last four years, even where improvements have been made, like installing new kitchens or bathrooms. As a result, most SFA are not being charged at the correct rate.

**What are we changing to?**

CAAS will introduce a fairer, simpler and more transparent system that calculates your charges based on new criteria which have been tried-and-tested in systems that are already used elsewhere. The new system will enable us to clearly explain how and why your charge is set at the level it is. Professionally qualified housing specialists have been conducting assessments to make sure that they are consistently applied.

**What factors will be assessed?**

CAAS still considers the condition, scale and location of the property, just like the 4TG system, but uses modern, objective assessments that will apply fairly and equally to all. The criteria have been designed so that the charge you pay will be much more closely dependent on the factors that you have told us matter to you. The condition of the property will be most important – homes that have not been improved will be significantly cheaper - but other factors will also have a significant impact e.g. 10% discount may apply, in consideration with other weighting factors, if your broadband connection is slower than the national average.

**So is this just a money making exercise?**

No, CAAS modernises the charging system as a replacement of 4TG, and rebalances the current inaccuracies in 4TG to meet the charge income levels that 4TG should have produced if it was maintained properly. All additional income to the Department will be re-invested into Service accommodation. Charges will rise on average, but this is because the old 4TG system wasn't being applied properly. The changes will ensure that a fair charge is paid for good quality properties – if you are in a property that is smaller, of lower condition or more remote, the charge will still be discounted.

**Is this the first step toward charging market rates for Service accommodation?**

No. We have no plans to charge market rates for Service accommodation. The top rate will continue to be recommended by the independent Armed Forces Pay Review Body, who take into account a wide range of factors, including the wider pay settlement.

**By increasing charges are you trying to force personnel out of SFA?**

No, this is not about forcing personnel out of MOD housing - we will continue to provide subsidised accommodation as part of the wider offer. We also want to help personnel have the widest possible choice of housing options for example, the Forces Help to Buy scheme has already helped around 5000 personnel either purchase their own property or stay on the property ladder.

**Will I see an improvement in the service I receive?**

Through the chain of command and Families Federations, we receive feedback on the performance of our service delivery contractor. We are working to improve the overall standard of service delivery SFA occupants receive. This sits separately to the introduction of CAAS.

**If you are reinvesting the money, how will the standard of accommodation improve?**

The new system will use the Decent Homes Standard which generally sets a higher bar than the current 4TG system. From April 2016, you will not be allocated a home that fails to meet this standard. This means, for example, that there will be modern kitchens and bathrooms and minimum standards on mould and damp. A programme of investment in Energy Efficiency is already being



delivered and will continue with £12M programmed in 15/16, as will improvements to kitchens, bathrooms etc. with a programme of £12M in 15/16. We will run a programme that will benefit approximately 6500 service families – by 2019, they will see a direct reduction in their energy bills of up to £500 a year. A similar programme of SFA improvements is being planned for FY 2016/17.

### **How will my charge be set?**

The Armed Forces Pay Review Body (AFPRB) will continue to independently recommend the top rate – Band A – with an overall spread of charges that is broadly equivalent to the 4TG system. Because CAAS uses new criteria, almost everyone's charge will change in April 2016. All rises will be capped to a set amount each year. The cap will vary according to rank and house size, but will be around £40 a month for junior officers and £20-30 for other ranks. All CAAS Bands are an equal 10% step from each other (the size of that 10% step depends on the property Type) - this removes the unequal discount between types under the current 4TG, to provide a simple, uniform discount that is equal and fair to all.

### **What happens if the charge for my property is due to rise significantly?**

Any increases are being signposted well in advance. If the charge needs to rise, we have a protection system that will set a maximum cap for the increase in any single year. Any large increases will be staggered over a number of years.

### **If I have been undercharged in the past, are you expecting to recover the costs from me?**

No, we won't backdate corrected charges for systemic 4TG errors if you have been undercharged.

### **If I end up paying less under the new system, can I expect a refund?**

No. Charges based on the 4TG system were assessed on different criteria and may not reflect any improvements made to your property. But where your charge needs to be reduced, this will be implemented in full from April 2016.

### **What happens if I move home before April 2016?**

Nothing will happen prior to April 2016, so the charges under the current 4TG will continue to apply. Your charge will change in April 2016 dependent upon the CAAS assessment of the new property. You will receive confirmation of this when you move in to your new SFA.

### **What will happen if I move after April 2016?**

You will move onto the journey that your new SFA has to undertake to reach its confirmed CAAS Band. The same protection system will apply to spread significant increases over a number of years, if no improvements have been carried out to the SFA during the void period prior to move in.

### **When will the change affect me?**

We plan to introduce the new system in April 2016 for SFA both in the UK (including Substitute SFA) and Overseas, although special arrangements exist for British Forces Germany, who will remain on 4TG. We plan to introduce CAAS for Single Living Accommodation (SLA) from 2017 and will provide separate information on this closer to the time.

### **So, is this my SFA's definite charge from April 2016?**

This is your confirmed CAAS Band. Where this letter gives you monetary values, they are based on current rates only. The AFPRB will make recommendations for all charges in their February 2016 report. Typically, any increases have been linked to the rate of inflation.

### **When/where will I be able to find out more about the new system?**

A series of New Employment Model (NEM) road shows / presentations will take place in early 2016 where CAAS will be explained alongside other aspects of NEM. There will be an opportunity for you to ask questions. In addition, you can access CAAS information online at:

<https://www.gov.uk/government/publications/combined-accommodation-assessment-system-the-new-accommodation-charging-system-explained>

or on Dii

<http://defenceintranet.diif.r.mil.uk/Organisations/Orgs/DIO/Reference/Publications/Pages/CAAS.aspx>