



army families federation

AFF asked Army families for their questions on FAM. The FAM team have provided the answers to many of them, which are contained in this document. Please note that some of the responses may change as policy develops.

March 2018

Pilot

1. Will families with additional needs be included in the pilot?

There are no plans to exclude families with additional needs from the pilot.

2. Will families with pets be included in the pilot?

Families with pets will be included in the pilot, and will be able to express their preference (like all families) for Service Family Accommodation (SFA) or private rental sector accommodation. Following engagement with estate agents local to the shortlisted pilot bases, there is roughly a 50:50 split of landlords that allow pets. In the private rental sector, there will be a range of properties that are suitable for Service Personnel (SP) and their families with pets.

3. Is there a 'plan B' if the FAM trial shows that FAM will fail?

We have carefully considered how accommodation could be provided in the future, including taking the preferences of SP into account. The FAM pilot is planned to start in late 2018 and will test key parts of this new policy. This will enable us to hear what personnel think of the new system. Once the pilot is complete, we will consider the findings. Throughout the process we will be listening to the views of personnel.

Costs

4. How will FAM deal with local landlords raising their rents in areas with Armed Forces families, as they will have a captive market?

As part of the pilot design, we will be looking carefully at the rental market at each base. The rental market is, like most other markets, driven by supply and demand, with price increases typically seen when demand outstrips supply. As the total number of properties and overall population in an area would stay the same, we are

not anticipating an adverse impact on local markets. However, we will be carefully monitoring pilot sites for evidence of this kind of activity.

5. Will the amount of financial assistance and rental allowance depend on where you live? e.g. Will areas such as London receive a higher rate?

Yes. Under current proposals, personnel opting to rent on the pilot would receive a core accommodation payment, plus a geographic rental payment that would account for how expensive the area is.

6. Who will fund the deposit?

The current proposal is that the MOD will pay a deposit to SP up-front as an advance of salary, with repayments made at the end of the tenancy agreement.

7. Will commuting costs be paid, especially if lack of private rental results in a significant commute?

Yes, personnel will receive either daily Home to Duty (HDT) or Get You Home (GYH) allowances, depending on their proximity to their assigned location to cover their commute.

8. What happens if a family cannot afford the rents in the area near their soldier's workplace, even with the rental allowance?

Personnel will be able to express a preference for the accommodation they wish to live in. For those opting to rent privately, they will receive a geographic rental payment, which will adjust for how expensive the area is. The policy is being designed so that the size of accommodation an SP is eligible for, will cost broadly the same whether it is SFA or in the private rental sector.

Sourcing

9. Will families have to source their own houses?

It is expected that the majority of personnel will be able to source their own properties when renting, and there will be additional support for personnel that can't source the property themselves.

10. Will families be expected to deal with all the complexities of renting, such as handing in notice when posted, arranging deposit, signing tenancy etc.?

As is common practice today for many personnel, whether single or living with partners outside marriage, personnel who live in the private rental sector will need to arrange their own accommodation via estate agents. Unlike today, under current proposals, personnel will receive additional leave to enable them to do so.

11. How will this work with short term and short notice postings?

We recognise that Defence careers need to be mobile. SFA will remain an accommodation option, and for those who enter the private rental sector, the policy is currently being developed so that payment will be made to SP to cover all reasonable transaction costs.

12. How will families with additional needs be supported in sourcing appropriate accommodation?

This is developing policy. We recognise that some SP may need additional support to rent in the private sector, but this work has not yet been finalised.

Availability

13. Have the MOD calculated whether there are sufficient rental properties near each unit/HQ?

As part of preparation for the pilot, we will consider the local rental market at each location. Following the pilot, each base will implement FAM in a way that takes account of the local housing market. The MOD will continue to provide subsidised accommodation for all personnel.

14. How will they choose who is allocated SFA and who goes into private rental?

This is part of design work currently under development. We will update you when more information is available.

15. What is the maximum distance the Service person will be expected to commute to from their place of work?

Personnel are eligible to the rental payment and daily commuting allowances living up to 50 miles from the base, therefore, this is the maximum distance expected.

16. Will the Service person be given additional time to commute?

As is the case today, SP in any form of Service accommodation, and those living in their own homes, will need to choose an accommodation option from which they can easily commute to work.

17. Will you be allowed to retain the property you already live in?

Under current pilot proposals, no personnel will be required to move from the accommodation they currently occupy.

Administration

18. Private rental landlords often require financial reference checks; families' credit ratings can be affected by frequent checks. How will the potentially adverse effect of multiple credit checks on the families' credit rating be mitigated?

As part of their normal practice, letting agents will carry out credit reference checks. This is standard practice for those renting in the civilian sector, and does not impact the overwhelming majority of those living in rented accommodation.

19. Who will run the scheme and oversee it?

The MOD accommodation team will oversee the FAM pilot, with local representatives at each pilot site.

Security of tenure

20. How will the MOD deal with a landlord ending their letting contract during the soldier's posting? Will the MOD pay for any additional costs incurred due to the contract ending early? Will additional support be given to those with deployed partners?

Where an SP's contract is terminated, the MOD will provide temporary SFA and associated moving costs into SFA and back to the private rental sector. Support mechanisms will still be available where required, for families and those with deployed partners.

Community

21. How does the MOD expect to maintain a sense of community?

The Armed Forces People Programme (AFPP) sits within a broader Defence commitment to 'transform to become a modern and inclusive employer, which better attracts, retains and values its people, regardless of their background, makes best use of their talent, and makes it possible for them to provide their service more flexibly.'

It recognises the significant demands and constraints resulting from military service on both the individual and their families, and is committed to providing comprehensive support and reward to our people that meets the aspirations of a modern diverse society. This is known as 'the Offer'. As part of the developing FAM, there is ongoing discussion to understand the current SP support welfare services provision (as is) and identify potential issues/additions (to be).

Council tax

22. Will families continue to pay CILOCT at the same rate as now or normal council tax?

Personnel who rent will pay normal council tax directly to the local authority. The rental payments provided will take into account the difference in council tax costs across the country. Personnel in SFA will continue to pay CILOCT.

Change of offer

23. How will the MOD deal with change of offer from rank to requirement?

There will be 'transitional protections' during the pilot for those who would see their accommodation eligibility decrease under FAM. The period that these protections are retained post-pilot are still being decided.

Moving

24. Will removals still be paid for by the MOD? / Will Disturbance Expense still be provided?

There is no change to these expenses and allowances proposed by FAM. They will only be provided for assignment and change of circumstance moves.

Landlords

25. Will the MOD provide assistance in dealing with landlords who are not fulfilling their duties? / What happens if there is a dispute with the landlord over maintenance?

If SP opt to enter the private market, they will have the same legal protection that civilians currently have. Although rogue landlords are rare, if standards are still not met, they will be able to escalate the issue to the local council and to the ombudsman.

Maintenance

26. Will move-in/move-out standards still apply?

There are no plans to alter move-in/move-out standards for those in SFA. For those who rent privately, this is a matter for agreement with the landlord/letting agency, although a form of inventory inspection is common at the start and end of most tenancies.

27. Will the walk away scheme still be on offer?

There are no plans to change this scheme. For those who rent privately, you will need to agree the requirements with the landlord or letting agent for the end of your tenancy agreement period.

Cost saving

28. Will this scheme actually reduce costs for the MOD?

Due to the inefficiencies in the current system, we believe we can make greater use of the private rental sector to deliver savings, whilst protecting the overall effective subsidy personnel receive. These savings will be made through reduced overheads, maintenance and administration costs.

29. How can the MOD save money if they have to pay towards the significant rental costs in areas such as London and the South East?

The cost of accommodation is already linked to the private rental sector, with around 80% of Service Family Accommodation being privately owned. Using an allowance through FAM will allow Service personnel to choose where their money is spent, and more importantly, provide them with greater freedom of choice, on where, how and with whom they can live with. The overall pot of money used to subsidise

the accommodation will not be cut, and savings will be made through reduced overheads, maintenance and administration costs.

30. What is the estimated cost saving of handing back houses to Annington Homes?

Negotiations with Annington Homes Limited are currently ongoing; we are, therefore, unable to comment at this stage on potential cost-savings.

Furniture

31. Will issue furniture still be available?

There are no proposals to alter 'issue furniture' as part of SFA. Furnished properties can also be available in the private rental sector.

Security

32. How will the MOD deal with issues of security of Service personnel going to work in their uniform?

Service personnel are aware of security threat levels, and should continue to act accordingly.

33. How will families with a deployed Service person, living in a private rental, feel safe living in a civilian area for six months?

Many patches today are mixed, or located outside the 'wire' in the wider civilian community. Under current proposals, SP will receive guidance ahead of a move to a new posting, setting out residential areas and the available amenities that they may wish to consider when making a choice.

Dual serving

34. Will dual serving couples receive two rental allowances?

Dual serving couples will receive one rental payment linked to their family needs and one core accommodation payment.

Own home

35. What support will be given to those who are already living married unaccompanied?

Under current proposals, SP and their families will receive financial support and welfare support. For financial support, SP who own would receive a core accommodation payment, which they can choose to put towards the cost of a mortgage. SP who rent close to base will receive the rental payment. In terms of welfare support, as today, the welfare system will continue to look after those living married unaccompanied.

36. Will Forces Help to Buy be enhanced to assist families in moving into their own home?

There are currently no plans to enhance Forces Help to Buy (FHTB), however, we are currently working on extending the duration of the scheme – the MOD will announce this as soon as further details are available

37. Will the MOD assist families with moving, including cost of stamp duty?

The policy for home purchase moves is still to be confirmed, however, the current position is that personnel will be provided with support for professional service fees when purchasing a home for the first time. This support will not include the cost of stamp duty.

Other

38. Will the non-serving partner be able to deal with housing issues?

For those who opt to live in SFA, there will be no change in how housing issues are dealt with today. For those who live in the private rental sector, a single person or family will be able to source and negotiate their contract, as well as deal with maintenance requests - as many do today.

39. Will this apply to MPGS personnel?

MPGS personnel will be outside the FAM pilot with an unchanged accommodation offer.

40. Will families who buy a property and get posted be exempt from new landlord tax rules?

No. UK tax laws will apply.

Communications

41. When are families going to be told what is happening and when?

A video update was produced in late 2017, and more recently a one page information leaflet was forwarded from the MOD. We will provide regular bulletins throughout 2018 until the pilot begins. More information about short listed pilot sites is expected to be known by Spring 2018.

42. If FAM has not yet been decided, why has a tax exemption been approved in the last budget?

The 2017 budget included a measure that will make any allowances paid under FAM tax free. This will mean that the total tax paid by personnel in SFA and personnel using FAM allowances will be the same. In planning the pilot, many things must be put in place to ensure we are ready at 'go live' date, and this is one such example.