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## **FUTURE ACCOMMODATION MODEL (FAM) PILOT AND WIDENING ELIGIBILITY FOR SERVICE FAMILIES ACCOMMODATION**

### **Introduction**

1. You may be aware of today's announcement by the Secretary of State for Defence concerning the Future Accommodation Model (FAM) pilot and widening eligibility to Service Families Accommodation (SFA). As the Army's Principal Personnel Officer, I thought it helpful to provide you with a short reminder of the benefits we seek from this generational programme of change, whilst acknowledging and addressing the concerns that some of our people harbour. I would be grateful if you would distribute this letter widely throughout your respective chains of command and ensure that this information is made available to our families.

### **The Current SFA Model**

2. As an institution, we recognise that 'patch life' is highly valued by many Army families. It enables new arrivals to settle in easily amongst a like-minded community. And it provides an invaluable support network, most notably when soldiers are deployed on exercises and on operational tours. From a family perspective, this sense of community directly supports operational effectiveness.

3. SFA offers proximity to work. Our Army surveys, and those of the Army Family Federation (AFF), consistently show high satisfaction levels with the SFA estate as a place to live and with its value for money.

4. The reliance on SFA differs across each Service, which reflects current organisational models. The Army model places a premium on individual mobility. The high percentage of our families who choose to 'follow the Flag' and live in SFA is a consequence of this requirement. By contrast, the Navy's career model is arguably more stable. Naval personnel rely less on SFA. A higher percentage of their workforce choose to live in their own homes and commute to work. The popularity of SFA at a tri-Service level is largely driven by the Army (43%), with just under a third of RAF (32%) and just under three tenths of RN/RM (29%) personnel opting for SFA instead of the other packages. During the week, 86% of Army personnel live in service accommodation.

5. These factors matter to us. The Executive Committee of the Army Board has agreed that we should seek to ensure that the choice to serve accompanied as a family and to live in a military community is maintained wherever possible. We also want to be assured that the level of rental payments will be set and maintained correctly in the face of an uncertain rental market.

## The Case for FAM

6. Improving choice is a central tenet of FAM. It aims to improve the accommodation offer by widening **eligibility** and **entitlement** to more of our people. The current model works for many, but not for all. By way of example it does not support:

- those who are single or in unmarried long term relationships;
- those with partial custody of children; and
- those who wish to live somewhere other than in Service accommodation, including single service personnel.

That's a fairly large and growing constituency that, morally and reasonably, we should seek to include.

7. FAM aims to support **home owners** through the payment of a core accommodation payment which can be used towards housing costs whether the serving soldier is daily or weekly commuting. It will open what we currently know as the 'Over 37 Package' to anyone, regardless of age. Again, in a UK-based Army and to reduce a perception of housing dependency, we should be open to this.

8. Over time, FAM is likely to alter the current entitlement system, adopting a **needs-based** rather than **rank-based** approach. As part of this, subsidy would reflect the size of family only. We recognise that this is a significant change from the current model and that we need to work through the implications. That said, we would anticipate some form of transitional protection for those affected.

9. FAM aims to **widen entitlement** to subsidised accommodation but this will only take effect should the pilot programmes prove successful. It may alter the balance of where and how Service personnel live, by using the private rental sector more and SFA less. But, as a principle we should not expect to pay more for a broadly similar house rented privately as we do for a married quarter.

## Widening Eligibility

10. Ahead of the FAM pilot, and to better reflect the diversity of modern families, we are updating accommodation policy to enable those Service personnel who are not married but who are in qualifying **long term relationships** to live together in surplus SFA on an eligible basis. Eligibility is not the same as entitlement. But the change is an important one, as it demonstrates that the MOD is trying to offer a twenty-first century solution. It is a move in the right direction.

## The FAM Pilot

11. FAM may well represent a significant change from the current model. But no decisions will be made until it has been thoroughly tested and the benefits and value for money case are agreed at the end of the pilot. We must use the pilot to understand how well the private sector can meet our needs in terms of quality, quantity and availability of housing, using this to quantify the attractiveness and affordability of private rental for our people.

12. Defence will conduct pilots at three sites over 3 years. The Army's pilot site is Aldershot and we assess that around 500 Service personnel will be involved. On current planning, those who are serving in or posted into Aldershot units from Jan 20 will be offered a choice between the current accommodation options of SFA and Single Living Accommodation and the new FAM options of

private rental and support for home ownership. These options will be open to Army personnel with more than 4 years' service.

13. Whilst we aim to offer choice during the pilot to understand people's preferences, it is vital that we genuinely test the model. This may mean that if uptake, in terms of numbers and a representative sample of the Army, is not sufficient we may have to revisit the **voluntary** nature of the private sector later in the pilot to ensure we gain the right evidence.

## **Conclusion**

14. FAM represents a genuine opportunity to modernise the accommodation offer. But the programme currently lacks an evidential baseline. The experience of those who take part in the pilot sites will be central to gaining the evidence we need. Subsequent decisions, based on the evidence gained, will affect how the Army lives for a generation. So we are moving forward cautiously. No decisions will be taken until all the available evidence has been analysed and the Army's senior leadership will be closely involved throughout; the pilot remains fully reversible.

15. The policy governing the FAM pilot will be available from June. In the meantime, Army HQ staff remain available to brief principals and Service personnel as required. Further information is available on the FAM website: [www.gov.uk/futureaccommodationmodel](http://www.gov.uk/futureaccommodationmodel).

## **DCGS**