



Ministry
of Defence

The Defence Housing Strategy 2025

Fixing Defence
Family Housing and
Delivering for the
Nation



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Foreword: The Secretary of State for Defence



Home is at the heart of all of our lives, the foundation for everything we do. For our military personnel who embody the best of Britain, they deserve a safe and decent home.

But service families have been repeatedly let down, and the last Government left military housing broken. In 1996, John Major's Government struck a disastrous privatisation deal – selling off Armed Forces married quarters and renting them back at the taxpayers' expense. By the time I became Defence Secretary, these rental payments had hit £600,000 a day, with all maintenance costs also falling on the Government.

After six months in office, I announced the landmark buy-back of these 36,000 homes, bringing our forces family housing into public ownership where they belong.

This gave us the opportunity to stop the rot and start the renewal of these homes alongside supercharging the use of Defence land for both military and civilian housing. This Defence Housing Strategy is our plan to do that.

No excuses

I commissioned this Defence Housing Strategy to be done differently. For the first time, this is an independently-led plan, informed by the special Defence context but supported by expertise from civilian housing development and management.

It is based on Defence data and new analysis, but with an expectation to match the best civilian housing organisations so there can no longer be any excuse for military families to receive poorer housing than they would as civilians.

I'm determined that forces families hold us to account for the progress we make. The input of Service Personnel and their families has driven this Defence Housing Strategy with Forces Families Federation Representation on the independent team developing the Strategy and 6,300 responses to a survey produced for this work. In the future, Service Personnel and their families will be an integral part of a new forces housing organisation, and we will publish their satisfaction with the service they are receiving.

Reform

Changing the experience that service families have of their homes means changing the way the Ministry of Defence – and Defence housing – operates.

Informed by the early work contributing to this Strategy, in April 2025 I announced a new Consumer Charter for forces families to drive the common-sense standards that any of us should expect. This means tougher requirements on contractors so that homes are clean and functional when families move in, quick repairs when things go wrong, named

housing officers to help, an end to rules that stop families improving their own homes, and a new, simpler complaints process to sort out problems.

This process will be strengthened further by the new Armed Forces Commissioner, recently created in law by our government, who will have powers to inspect UK Defence sites, commission reports into issues affecting service families and act as a direct point of contact for personnel and their families.

Running hand-in-hand with a reformed approach to managing military homes, this Strategy sets out a new approach to housing development that releases more Defence land and works in partnership with public and private bodies to deliver more homes for the country and greater benefits for Defence.

At the heart of this is a new ‘forces first’ focus that will be the new basis for all decisions we take in this area, from housing support and home-ownership, to priority for new homes built on Defence land – realising the potential of Defence land to reinvest in our homes.

To embed this reformed approach, we will create a new standalone public organisation – the Defence Housing Service – that will deliver this change with the level of expertise reflecting that the Ministry of Defence is one of the largest landlords and landowners in the country.

Invest

A failure by governments to value forces family homes in the way Service Personnel and their families do is shown by chronic underinvestment and stop-start funding of previous years.

We will honour our Service Personnel and their families with a decisive break from the past, by setting out a 10-year funding programme to deliver this Strategy, with £9bn investment over the next decade, including an extra £1.5bn in this parliament set out at the Strategic Defence Review.

We cannot fix deep long-run failings overnight, but this decade of investment will drive a programme of renewal across all homes, and finally deliver upon the promise to widen access to family housing from old-style ‘married quarters’ to homes that meet the needs of modern Defence families, as well as reflecting the increase in personnel set out in the Strategic Defence Review.

Act: a generational renewal

This Defence Housing Strategy is the most comprehensive plan ever set out for the renewal of military family housing and development of Defence land. And it will kickstart one of Britain’s most ambitious building programmes in decades – delivering new homes for both military and civilian families and driving economic growth.

On behalf of the Ministry of Defence, I make the commitment that we will deliver these recommendations in full.

Completing it will be the work of years, not months, but action has begun immediately and will now accelerate.

I’d like to record my thanks to all members of the strategy review team and their Chair, Natalie Elphicke Ross, for her work in leading the development of this Defence Housing Strategy and say a special ‘thank you’ to all those from forces families who contributed their views. It will deliver a generational renewal of our military housing, as a critical part of the nation’s contract with those who serve. It will show our Armed Forces – and their families – that we are on their side. It delivers for Defence, and it delivers for Britain.

The Rt Hon John Healey MP
Secretary of State for Defence

Foreword: The Minister for the Armed Forces



Everyone who has served in uniform has been let down by substandard military accommodation, or knows someone who has.

Having served in the Royal Marines for 24 years, the scathing assessment of forces families that informs this Defence Housing Strategy is no surprise to me. I share it.

High-quality Service Family Accommodation, with rents set at a significant discount to the open market, should be an active driver of people into our Armed Forces. But for the past fourteen years, it has too often been the opposite.

This is indefensible not just in its own right but because of the devastating impact unfit homes have on morale and retention. By extension, this impacts the operational effectiveness of our Armed Forces.

In our first 15 months in government, we have shown we are serious about changing that. The buy-back of the service family estate drew a line under almost thirty years of a failed experiment

where private investors cashed in while families lost out. The new Consumer Charter announced earlier this year put forces families back in the driving seat, with new rights to basic standards and levels of service.

This change is already starting to take effect, with families now able to call on named housing officers, benefit from the ending of bureaucratic rules on pet ownership and decoration, and urgent works already fixing some of the 1,000 worst homes.

This Defence Housing Strategy is the next milestone in our Plan for Change for Defence housing and development.

It sets out the organisational change needed to give this area the dedicated focus and expertise it needs to transform the experience of forces families.

It will deliver a reformed approach to put our Armed Forces and veterans first, giving them greater support and access to housing options, including a new approach to developing Defence land.

It is backed by committed, multi-year investment that will end the shameful underfunding that is the familiar experience of Service personnel who have too often been moved into homes that are dated, or faced long battles to get basic repairs done.

We will now move at pace to implement this Strategy and make our military family housing something that our Service personnel – and all of us – can be proud of.

Alistair Carns DSO OBE MC MP
Minister for the Armed Forces

Introduction: Chair of the Defence Housing Strategy review team



Our pride in our armed forces must include pride in our military homes. For too long Service personnel and their families have had to endure substandard housing.

Having visited military homes and spoken to forces families, I have seen first-hand the type of problems that need fixing. The buy-back of Defence family homes from Annington provides a huge opportunity to renew the entire estate. This Strategy seeks to do just that with an ambitious plan for a decade of renewal - the biggest military housing programme in over 50 years.

Military homes are vital to support the Armed Forces in their operational duties. This Strategy includes a plan ensure the right homes are provided in the right places, where and when they are needed.

A key reform proposal is the establishment of a new Defence Housing Service. This new organisation should have a service ethos at its heart to put the needs for Service personnel and their families first. The challenge faced by forces families in settling in a permanent

home, after years of being mobile, is significant. It's disruptive for the whole family and a sacrifice that military families make. This Strategy proposes a 'Forces First' approach to the development of Defence land, aiming to boost housing and home ownership opportunities for both veterans and serving personnel during and beyond service life.

The Defence housing estate should serve the needs of the nation as well as the Armed Forces. The Ministry of Defence owns a lot of land. The release and development of surplus land by the Defence Housing Service would help build the homes our nation needs, boost the economy, support the renewal programme and ensure a long-term financially sustainable footing for Defence housing.

In developing the Strategy, it's been brilliant to have a committed expert panel who have provided deep knowledge of the experience of Defence families, housebuilding, property management and the housing industry. Their collaboration with some of the very best military people and Ministry of Defence officials to produce this ambitious Strategy has been invaluable.

For too long, Defence family housing has been neglected. This Defence Housing Strategy seeks to change that - to fix Defence family housing and deliver for the Nation.

Natalie Elphicke Ross OBE

Chair, Defence Housing Strategy review team

The Defence Housing Strategy: Fixing Defence Housing and Delivering for the Nation



Report Context and Executive Summary

In January 2025, the Secretary of State for Defence, the Rt Hon John Healey MP, announced the successful buy-back of Defence family homes from the Annington legacy sale and leaseback arrangement. This landmark buy-back created the opportunity to deliver radical improvements to the Defence housing estate while using Defence land more effectively.

The result is this Strategy to fix Defence family housing that recommends changes that will deliver the most important housing programme for Service personnel and their families in over 50 years. Moving on from Annington, Defence housing can be run far more efficiently, while the quality of housing can be greatly improved.

The ambition of this Strategy is to ensure that Service personnel and their families are provided with high quality housing that meets military operational requirements. Defence housing should also deliver for the nation and be provided more cost effectively. As part of this approach, the potential of Defence development land for civilian housing and other infrastructure purposes can also be unlocked.

The Strategy review team have carefully considered the many previous reports into Defence housing that have been published in recent years. These reports have all recommended improvements be made to Defence housing, that service families should be better supported and that major investment should be made to improve the quality of the Defence housing that is provided. With the Annington buy-back, this has become possible. This Strategy sets out how to deliver the improvements that have so long been needed.

The Strategic Defence Review published in April this year highlighted the importance of good quality accommodation for the morale and retention of Service personnel. Under the Strategic Defence Review, an unprecedented £7 Billion commitment was made for Defence accommodation in this parliament, including an additional £1.5 Billion to improve Defence family homes. This Strategy recommends that the ambition and commitment to Defence homes goes even further.

Critical to the drawing up of this Strategy has been the support of the Forces Families Federations and the experience of service families, 6,300 of whom shared their views on their priorities and needs for Defence housing. Defence housing must put Service personnel and their families first and the voice of the service family must be a more central part of the future arrangements for Defence housing.

The Strategic Defence Review 2025

“Enhancing the standard of Service Family Accommodation (SFA) and Single Living Accommodation (SLA) is essential to the morale and retention of Service personnel, as is ending the uncertainty regarding access to SFA by personnel in long-term, non-married relationships (including same-sex relationships). Years of squeezing funding for the maintenance of SFA and SLA has contributed to a crisis in recruitment and retention. Current plans for investment do not arrest the overall rate of decline. The Government’s decisive deal to buy back thousands of military homes offers an important opportunity to reset the parlous state of SFA following decades of underinvestment, with benefits likely to be felt in Scotland, Wales, and England in particular. The MOD should reinvest the proceeds from housing development on Defence land as well as drawing in private capital. The forthcoming Defence Housing Strategy should consider all options, including redesigning and remodelling the SFA estate to deliver wider societal benefit, increasing housing density where appropriate while supporting the Government’s commitment to housebuilding. Supporting Service personnel’s aspirations for home ownership should also be explored.”

The Strategic Defence Review 2025 - Making Britain Safer: secure at home, strong abroad, page 134.

A strategy to transform Defence housing

This Strategy, which delivers on the Strategic Defence Review, is divided into three pillars. The first pillar concerns a ten year plan to deliver a generational renewal of Defence housing. The second pillar is for Service personnel and their families to come first with a new Defence Housing Service established with a service ethos at its heart and a ‘Forces First’ priority in its work.

The third pillar is to ensure that as we fix Defence housing, we deliver for the nation too. This includes using Defence development land to help build the homes our country needs, recycling land and housing sales receipts to renew the Defence housing estate with the lightest impact on the public finances and, in doing so, ensuring that Defence housing is placed on a financially sustainable footing for the long term.



The Secretary of State for Defence The Rt Hon John Healey MP and the Minister for the Armed Forces Alistair Carns DSO OBE MC MP at RAF Wittering meeting with a Service family.

Pillar One - A Generational Renewal

The primary objective of this Strategy is to renew the Defence housing estate to ensure our Armed Forces and their families have the standard of homes they deserve. This 'generational renewal' will see 9 in 10 Defence homes modernised or upgraded so that all homes are of the right standard. To achieve this, the first pillar of this Strategy sets out the fundamentals for a 10-year planned renewal programme. As part of this programme, military housing standards should be overhauled and improved.

This Strategy sets out steps to improve the quality of Defence housing significantly. The adoption of a planned lifecycle maintenance and improvement programme is expected to result in the overall cost of housing maintenance reducing over time. New systems should be put in place to monitor

housing quality and ensure that safety requirements are met. Space and other property standards for military housing must be modernised and made compliant with the expectations for modern housing and lifestyles.

The overall size of the housing estate needs to grow to meet both the expansion of the Armed Forces and the recognition that housing must be provided to cater for modern military family lives. A new supply and demand forecasting and delivery model is necessary to ensure that the future needs of the Armed Forces are planned for, that housing is provided in the locations where it is required and that the number of empty homes is reduced.

New housing zones should be introduced to reduce the number of moves service families are required to make, as well as to make the management of the housing estate more cost efficient overall.

Pillar Two: Forces First

Nearly 6 out of 10 military families live in Defence family housing. The Strategy aims to put Service personnel and their families first with the establishment of a new Defence Housing Service. This new organisation must have a service ethos at its heart to ensure the needs of Service personnel and their families come first.

Defence homes should remain in public ownership. The Defence Housing Service should be established as a standalone dedicated housing organisation accountable to Defence Ministers and to Parliament. As part of the new arrangements, families would benefit from better information and housing officers can be empowered to support families, with greater autonomy to act on housing management and repairs.

These new arrangements are backed up by the new Consumer Charter for forces families. The complaints system should be overhauled with an independent redress mechanism ultimately overseen by the Armed Forces Commissioner.

The Strategy also recommends greater support is provided for Service personnel to purchase their own home. A 'Forces First' approach will see priority for new homes (including discounted homes) for Service personnel and veterans embedded within the Defence development programme. The Forces Help to Buy scheme should be reviewed with a view to increasing uptake. Alongside this, a 'one-stop shop' portal is recommended so that information is made more easily accessible about housing schemes that support Service personnel

and veterans, including links to the VALOUR-recognised support centres.

The welfare and views of Service personnel and their families really matter. Therefore, the Forces Families Federations must be independent representatives within the governance structure of the Defence Housing Service and be consultees on housing policy changes. Welfare based and discretionary housing allocations should continue to be supported, with any resultant costs allocated to the appropriate budget within the Ministry of Defence.

Pillar Three: Delivering for the Nation

The Ministry of Defence owns or has rights over 1.4% of all land in the United Kingdom. This Strategy sets out a plan to turbocharge the use of surplus Defence land for housebuilding. It can accelerate the delivery of new homes that our nation needs – not only for service families but for civilian families across the UK.

It has been assessed that over 100,000 new homes can be built on Defence development land. The building of these new homes should be taken forward by the Defence Housing Service, with receipts recycled into the improvement of the Defence housing estate. Further development opportunities can be unlocked through a new Defence Development Fund to replenish Defence development land. A 'Forces First' approach should be embedded in Defence development activities, with opportunities created for Service personnel and veterans to have purchase priority for new homes.

In bringing forward new housing, the Defence Housing Service should work closely with military front line commands to identify land no longer required for operational military



DIO Head of Accommodation Air Cdre Leah Griffin, Chair of the Defence Strategy Review Team Natalie Elphicke Ross OBE and Defence Families Champion Trish Jakeman.

use that is suitable for housing and national infrastructure. It should also work closely with private sector investors, housebuilders and other public bodies, including devolved governments as well as Mayoral and other local authorities.

Critical to the successful delivery of new homes, including Defence homes for military use, will be the faster delivery of developments. To facilitate the faster delivery of homes and in order to meet the national endeavour to fix Defence homes, specific planning powers and flexibilities should be put in place. This could include exploring innovative development and planning tools alongside MHCLG, such as the establishment of Development Corporations in line with Government objectives, as well as fast tracking development on Defence owned land where it is solely required for Defence homes.

Defence homes are a distinctive form of publicly owned affordable housing provided in the national interest for a specific public good. Accordingly, Defence homes should benefit from affordable housing designation for planning purposes. This would enable Defence homes to be secured through Section 106 agreements as well as purchased by the Ministry of Defence on a similar basis to a registered provider of social housing.

To help drive a new model of land release and higher housebuilding rates on Defence land alongside the delivery of high-quality Defence homes, designating Defence homes as affordable housing will support a 'Forces First' approach for Defence homes so they are given necessary priority in Section 106 agreements.

It is essential that the Defence Housing Service is financially efficient and placed on a financially sustainable footing for the long term. Accordingly, funding certainty should be secured through a multi-year settlement that is sufficient to fund the organisation and take forward the renewal and development programme.

A longer-term rent settlement should be included within the financial planning for housing, with rents moving to an affordable, fair level as the quality of Defence housing improves. The Defence Housing Service should operate a ring-fenced profit and loss account, cashflow statement and balance sheet.

Together these three pillars of the Strategy can secure a generational renewal to fix Defence family housing, put our forces first and deliver the homes that our country needs.

About Defence family housing

Why is housing provided for the Armed Forces?

The provision of Defence accommodation is vital for the effective operation of the Armed Forces. There are two overriding objectives in providing Armed Forces accommodation: one relating to physical location and the other to supporting military personnel in their family lives.

The location-operational objective is for Service personnel to be housed near to their assigned duty station. The provision of accommodation ensures personnel are housed nearby to meet military operational requirements in the designated location.

In addition to providing individual accommodation (called 'Single Living Accommodation' or 'SLA'), family housing is provided by the Ministry of Defence for discounted rent to Service personnel to support their family and parental lives (called 'Service Family Accommodation' or 'SFA'). It is family accommodation that is the focus of this Strategy. The provision of these homes in turn supports the recruitment and retention of Service personnel, many of whom are required to move to different locations, sometimes frequently. Ensuring the right family homes are provided where needed and at an affordable price to support Service personnel and their families is a core personnel requirement to enable the Ministry of Defence to retain its trained fighting forces.

Defence family homes can support family cohesion and wellbeing, particularly during operational deployments or periods of separation. They should provide families with comfortable, stable and secure living arrangements, to enable Service personnel to carry out their duties with peace of mind regarding their family's wellbeing.

Defence family housing is provided both within secure military establishments (referred to as 'behind the wire'), as well as in military housing estates close to military establishments. This housing can also be located in 'mixed communities' i.e. where there is a blend of military and civilian housing.

Military estates can foster strong bonds among service families, offering a vital support network that enhances resilience and mutual support across the Armed Forces community, particularly in times of conflict or when families are dealing with lengthy deployments.

Some families nevertheless choose to buy a home outside of a military estate, in part because of the additional stability this may provide. Recognising the benefit of enabling this option for morale and retention, financial support for home ownership is also provided by the Ministry of Defence.

How is Defence family housing provided in the Armed Forces?

Defence family housing consists of almost 50,000 homes across the UK. The size of this estate makes the Ministry of Defence one of the nation's largest landlords. In context, it is around five times the size of the largest private sector landlord, equivalent to a top ten housing association and the third largest public sector landlord in the country after Birmingham and Leeds City Councils.

Why is Defence housing unique?

Defence homes are occupied under a Crown licence rather than a tenancy. This reflects and supports the operational flexibility required to move and deploy Service personnel at pace and scale as and when required. Mobility is a requirement for Service personnel to support operational needs. Mobility patterns are hugely varied across the Armed Forces. Some Service personnel are required to move more often than others, for example every 2-3 years.



The Secretary of State for Defence the Rt Hon John Healey MP and Minister for the Armed Forces Alistair Carns DSO OBE MC MP being shown military accommodation at RAF Wittering by the Director of Accommodation Phil Riley.



Defence Housing Strategy Review Team meeting with the Forces Family Federations.

Defence homes are currently operationally managed within the National Armaments Director (NAD) Group of the Ministry of Defence. The NAD Group contains Defence estate portfolio and expertise within the Defence Infrastructure Organisation (DIO), which also supports the Armed Forces to enable military capability by planning, building, maintaining, and servicing other infrastructure.

The DIO has responsibility for allocating, managing and maintaining Defence homes. This is done through a core dedicated housing team within the DIO together with five primary service contracts – one covering housing management and customer service (Pinnacle) and four repairs and maintenance contracts (Amey and VIVO Defence Services) covering different parts of the country. These contracts run from April 2022 to March 2029 and apply to homes across the UK. Together the arrangements are referred to as ‘Future Defence Infrastructure Services’ or ‘FDIS’. The FDIS Accommodation contracts were

announced on 24 June 2021 with a value of £650 million and they were intended to ‘deliver safe, compliant and good quality housing which meets the needs and expectations of Service personnel and their families’.

However, the FDIS contracts have not achieved this purpose. The introduction of and performance under the FDIS arrangements has been problematic in a number of areas, particularly in its early years when families reported significant failings in service.

The DIO’s responsibility for managing the stock of Defence homes includes planning for the right number of homes of the right types to be in locations that match operational requirements. In order to manage any stock shortfall at a particular time which results in insufficient accommodation to meet Armed Forces needs in a particular location, the DIO holds a deficit accommodation contract with the housing contractor Mears which includes

provision for additional family housing and single person accommodation. The Mears contract is to find and supply homes in locations as needed and to manage the upkeep of those homes while occupied. The Mears contract runs from April 2022 to 2029 and when announced had an assessed value of £350 million.

The DIO's responsibility for the housing estate includes making assessments about property renewal and improvement programmes. It also includes building and buying new homes to meet Armed Forces housing needs – for example where operational changes are made to where military personnel are located. Where homes are no longer needed, for example as a result of changes to operational locations or property type, it is necessary for surplus homes to be disposed of or otherwise utilised. This can include renting surplus homes to third party housing providers (such as housing associations or councils) or civilians.

Given the scale of the infrastructure requirements of the Ministry of Defence, there are expert development teams within the DIO who work on land and property disposal and residential development projects, including acquiring new homes for the Defence housing estate.

Pillar One – A Generational Renewal



Pillar One – A Generational Renewal

Meeting Military Operational Requirements

- 1.1. The Defence housing estate is hugely expensive to run on the one hand, but has offered such poor outcomes on the other, that it's a recognised reason for people wanting to leave the Armed Forces. 36% of all personnel across the tri-services reported being 'dissatisfied' with the overall quality of their Defence family home in 2024.
- 1.2. The Defence housing estate is not meeting the operational needs of the Armed Forces as too many homes are not in the right places, of the right type or in the right condition. The challenges in fixing this are complex and considerable but must be urgently addressed. Work undertaken by the Strategy review team has assessed that 9 in 10 (around 43,000) Defence homes must be modernised or upgraded, of which 3 in 10 require substantial refurbishment or replacement (14,000). There are four separate but interlinked issues that all need to be addressed: quality, capacity, location and size.
- 1.3. Capacity constraints in the current housing estate mean that there are not the right number of homes to meet needs. There is an urgent requirement for additional homes to provide widened access to housing for core Service personnel as well as additional homes required for the planned expansion of the Armed Forces.
- 1.4. Regrettably, there was not previously adequate forward planning or capital financing made available to meet the increased demand for homes from within the Defence housing estate in order to ensure that previous commitments made in September 2023 to widen access to meet modern family life could be met by the provision of Defence homes.
- 1.5. Alongside the poor quality of many homes, more than half of the estate is below minimum energy efficiency standards (i.e. EPC D or below), almost twice that of the social housing sector. Over half of the properties were built more than 50 years ago.
- 1.6. Given the age and condition of the Defence estate, there is significant concern over the incidence of damp and mould and other health hazards arising as a result of underinvestment in the Defence housing estate over many years. Work is underway to assess and reduce the incidence of damp and mould, particularly in relation to the most severely affected homes. However, there is more to be done

and action to tackle damp and mould and other safety hazards should be undertaken as a priority matter. There are a number of homes with reported damp and mould awaiting inspection. Some properties are so badly affected that they cannot be fixed other than by significant structural work or replacement. Ensuring all homes are brought to a safe and good standard is central to the extensive renewal and development programme proposed by this Strategy.

- 1.7. Accordingly, it is essential that the Government's programme for Awaab's Law to tackle hazardous homes is met. Changes will need to be put in place, including with contractors, to be able to meet the important expectations and requirements that flow from Awaab's Law in providing safe and healthy homes. Appropriate systems should be put in place to be able to meet and monitor compliance with home quality and housing safety requirements, with publication on these matters at least annually.
- 1.8. It is proposed that the new renewal and development programme must be underpinned by a new commitment to clear standards for renewing Defence housing and acquiring new homes. These military housing standards should be in line with the modern property standards comparable to those used by high quality large professional landlords, with additional adaptations to better meet military life such as built in storage, showers and hard-wearing flooring surfaces.

- 1.9. Military housing standards need to keep pace with changes in housing safety and energy efficiency expectations, such as the implementation of Awaab's Law and meeting higher Energy Performance Certificate (EPC) levels. It is recommended that all renewed properties should be at a minimum of EPC C, with an increase in the number of homes meeting EPC B over the renewal period. All new build properties built for Defence purposes should be expected to be at least EPC B, with an increase in the number of homes meeting EPC A. Better energy efficiency helps to reduce heating bills too.
- 1.10. There has been some improvement in the management of key health and safety requirements such as landlord's gas and electrical inspections. These changes need to be fully embedded. Health and safety requirements such as landlord's gas and electrical inspections must be met. Appropriate systems and training should be established to provide confidence that modern property management and consumer requirements will be understood and met consistently.

Recommendations:

- (1) New military housing standards should be established for renewing Defence housing, acquiring new Defence homes and managing the Defence housing estate. These military housing standards should aim to achieve and maintain modern property standards comparable with those of high quality large professional landlords, with additional adaptations to better meet military life.**
- (2) Military housing standards will need to keep pace with the Decent Homes Standard, housing safety requirements, such as the implementation of Awaab's Law in line with the Government's timetable and meeting higher energy efficiency (EPC) expectations. This must include tackling damp and mould and other safety hazards as a priority action.**
- (3) All renewed properties should be at least EPC C, with an increase in the number of homes meeting EPC B over the renewal period. All new build properties built for Defence purposes should be expected to be at least EPC B, with an increase in the number of homes meeting EPC A.**
- (4) Health and safety requirements such as landlord's gas and electrical inspections must be met. Appropriate systems and training should be established to provide confidence that modern property management and consumer requirements can be understood and met consistently.**
- (5) Appropriate systems should be put in place to be able to meet and monitor compliance with home quality and housing safety requirements, with publication on these matters at least annually.**

1.11. The current Defence housing estate is not correctly balanced for the requirements of the Armed Forces. There are surplus homes in some areas, including unacceptable levels of empty homes, but a lack of homes in others where demand is not being met. This is made worse by a large number of empty homes that are void because of disrepair. This results in a high number of properties left empty, as well renting arrangements made with third parties

(such as housing associations and councils). The Strategy review work has identified that there are around 5,000 homes that are poorly located or otherwise could be removed from the core Defence housing estate. These homes could either be subject to separate arrangements from the core housing estate or sold, with the receipts then recycled to support the overall renewal and development programme.

- 1.12. Proposed policy changes to widen access to accommodation for Service personnel will mean that the housing required for core personnel is forecast to increase by around 6,000 homes. The challenge is greater due to planned increases in the number of Service personnel in the coming period, which could mean a total of over 9,000 extra homes needed.
- 1.13. Housing provision is also highly variable in size. There is some housing within the Defence estate which is very large as well as homes of very high quality. For example, a brand-new large family home measured over 181m², with 5 bedrooms, 3 bath/shower rooms, built-in wardrobes, a garage and parking, an attractive garden and an electric car charging point. Meanwhile, at the other end of the spectrum, the estate includes small family homes that do not meet appropriate modern standards, are tired and are in desperate need of a complete overhaul or replacement – with regular reports of damp, mould and structural problems. Going forward, housing must be made available that will meet the needs of all Service personnel and their families, including right-sized, suitable homes across all ranks.
- 1.14. These challenges around capacity, quality, location and size cannot be solved separately. Increasing capacity cannot be achieved simply by bringing empty properties back online, without fixing underlying quality issues and ensuring that the homes provided are where they are needed and are of the right size.



Defence Housing Strategy Review Team Chair Natalie Elphicke Ross OBE and SRO David Brewer meeting Commanding Officer of The Royal Scots Dragoon Guards, Lt Col Christopher Majcher and Quartermaster, Maj Trevor Gray at Leuchars, Scotland.

Moving away from ‘fix on fail’ to planned lifecycle maintenance

- 1.15. Funding constraints means that housing maintenance has been operating on a reactive ‘fix on fail’ basis for many years – in other words, only considering fixing things that are broken. This means that only certain reactive repairs have been carried out and there is no rolling lifecycle maintenance programme in place. While there was an expressed intent to move towards a proactive repairs approach from 2022, in practice neither the funding nor organisational structures and processes were put in place to achieve the expressed intent. As a result the ‘fix on fail’ approach has continued.
- 1.16. A ‘fix on fail’ approach inevitably degrades property condition as well as the living experience for forces families. ‘Fix on fail’ also costs more – first, the cost of a reactive repairs basis is inevitably greater than planned maintenance over time and second because the condition on failure, and therefore the cost of remediation, is invariably worse than would be the case with a planned maintenance programme. The backlog of repairs and improvements to Defence homes has increased in recent years and had affected several thousands of Defence homes by July 2024. Action has since been taken to significantly reduce the backlog of repairs and improvements and this work is continuing. Going forward a professional planned lifecycle maintenance programme should be put in place in line with that comparable with high quality large professional landlords to keep homes working well, reduce overall operating costs and improve the experience for service families.
- 1.17. Where there has been some capital programme funding made available in recent years, too often the result has been partial works within housing estates. This has left some properties upgraded while neighbouring properties were not. Capital programmes, such as new windows and boilers, have been started but not completed, as money has run out during the programme period. This adds to the costs and complexity for completing such works at another time.
- 1.18. Lack of certainty around capital funding has been combined with requirements to spend available funding within short time periods. This has contributed to a situation where contracting arrangements are entered into at short notice with constrained periods for carrying out the works. This increases cost. The Strategy review team assessed that in some cases new kitchens and bathrooms have previously cost three times or more than would be expected in a pre-planned programme. As a result, fewer homes have been upgraded for the amount of money provided than would otherwise have been the case.

Improved forecasting and accountability for Defence housing

- 1.19. The scale of the housing programme proposed to be delivered through this Strategy means that effective planning for the supply of housing required and accurate multi-year forecasting for the demand and availability of properties as well as the age and condition of property is fundamental.
- 1.20. Currently there is no single supply and demand forecasting model to assess future accommodation demand against delivery across the Ministry of Defence. This contributes to internal disagreements around the primacy of modelling work and is part of the fragmented accountability for Defence family homes within the Ministry of Defence. In turn, this adds to the overall mismatch in the shape of the Defence housing estate and misunderstandings around the potential availability or cost of providing homes.
- 1.21. A key issue is that those responsible for overseeing housing policy, including around allocations, and rights to different types of properties and rents, sit in one part of the Ministry of Defence; while those responsible for holding and managing the Defence homes budget, understanding the property, ensuring delivery and holding the direct relationship with the families, sit in another part of the Ministry of Defence. During the course of the review work, the Strategy review team observed that even simple choices, such as whether to allow pets or what colours to paint the walls, require the involvement of multiple teams from across the Ministry of Defence. This inevitably delays action and increases operational costs. Solving this institutional mismatch is critical to ensure a responsive and customer-focused organisation where these decisions sit with the team dealing directly with families and their homes. Similar issues arise with Defence development land (which is addressed under Pillar Three of the Strategy).
- 1.22. It is proposed that the Government should develop and maintain a comprehensive supply and demand forecasting and delivery model for Defence family housing. This should provide a rolling ten-year forecast including the type and number of properties required by housing zone. It should be capable of supporting impact assessments around changes in the overall size of the Armed Forces as well as more granular mobility costs, for example by specialism or regiment. These should be developed as part of the preparation for the implementation of the Strategy. While a complex undertaking, a comprehensive modelling system would make it possible to assess and cost proposed changes to policy, operational needs and changes to demographics or preferences over time. This would not only reduce costs and identify efficiencies but also support recruitment and retention as the right number of homes in the right places can be planned for and made available to support the long term operational effectiveness of the Armed Forces.

This would enable more efficient use of the housing estate overall and improvements in allocations.

- 1.23. In undertaking preparatory work towards a major renewal programme, it has become clear that the data collection and information records for property condition have been inadequate for many years. Some of the information about what repairs or improvement work has been undertaken on properties is not readily accessible due to legacy procurement and contractual relationships. Stock condition surveys have not been carried out as regularly or comprehensively as would be expected. The lack of reliable and comprehensive property information increases costs and delays works from being carried out. The lack of information also hampers the assessment and prioritisation of regeneration and renewal programmes.
- 1.24. Work has been ongoing during the preparation of the Strategy to improve the extent and quality of the property condition information, including the commissioning of an independent stock condition survey. This work must continue in order to ensure decisions

around renewal and replacement of stock are fully informed. Property and stock condition information, including regular stock condition surveys, should be improved and made more regular so that a full review of the estate is undertaken within, at most, each five-year period.

- 1.25. Moving forward, there is significant scope for modernising and digitising work undertaken in relation to Defence homes. Inter-connected systems that use the flow of information from one system to another are critical to secure efficiencies and ensure accuracy. There is significant scope for more effective integration and interoperability in systems and processes across the Ministry of Defence, the Defence Housing Service and, in future with Defence homes contractors. Data integrity and data management around the condition of homes should be improved so that it becomes reliable and comprehensive, with appropriate data management controls. Modernised and digitised property and asset management systems and processes should be embedded within the Defence Housing Service.



Recommendations:

- (6) Property and stock condition information, including regular stock condition surveys, should be improved and made more regular so that a full review of the estate is undertaken within, at most, each five-year period.**
- (7) Data integrity and data management around the condition of homes should be improved so that it becomes reliable and comprehensive.**
- (8) Modernised and digitised property and asset management systems and processes should be embedded within the Defence Housing Service, with appropriate data management controls.**
- (9) Future third-party contracting arrangements should include data interoperability requirements.**
- (10) A professional planned lifecycle maintenance programme should be put in place in line with that comparable with high quality large professional landlords to keep homes working well, reduce overall operating costs and improve the experience for service families.**
- (11) A single housing supply and demand forecasting model should be developed and maintained. This should provide a rolling ten-year forecast including the type and number of properties required by housing zone. It should be capable of supporting impact assessments around changes in the overall size of the Armed Forces as well as more granular mobility costs, for example by specialism or regiment.**

Accountability and delivery

1.26. Fixing Defence housing will be the most important housing programme for service families in over 50 years. Works will be undertaken on multiple locations across the UK at the same time, while also meeting the ‘in real time’ operational needs of the Armed Forces and the needs of individual service families. Collaborative and detailed working with military front line

commands around military assignments will be required to carry out the renewal and development programme. Given the operational context and programme complexity, it is proposed that Defence homes remain in public ownership, with the Defence Housing Service established as a public body, accountable to Defence Ministers and Parliament. To do otherwise could undermine the ability to carry out the programme for change and

the operational effectiveness of the Armed Forces. The reasons for this are explored further in the section “*Focus on: What form should the Defence Housing Service take?*”. In order to ensure greater transparency and accountability, an Annual Report of the performance of the Defence Housing Service against its strategic objectives should be presented to Parliament. This should include data in relation to meeting the Decent Homes Standard.

1.27. Mid-tour moves may be needed for the efficient management of renewal works. It will be important to minimise the number of moves required, given the impact that moves have on service families. Where such service moves are required the cost of these should be met in the usual way. In relation to local renewal plans for regeneration and major works, service families should be involved in local renewal plans for their home areas.

Recommendations:

- (12) Defence homes should remain in public ownership.**
- (13) Collaborative and detailed working with front line commands around military assignments should be undertaken to implement the renewal and development programme.**
- (14) Mid-tour moves may be needed for the efficient management of renewal works but these should be minimised. Where such service moves are required the cost of these should be met in the usual way.**
- (15) Service families should be involved in local renewal plans around regeneration and major works in their home areas.**
- (16) An Annual Report of the performance of the Defence Housing Service against its strategic objectives, including in relation to meeting the Decent Homes Standard, should be presented to Parliament.**

Housing for modern military family lives

1.28. Meeting Defence housing needs has to reflect wider societal changes over time. For example, in the general population the number of non-married cohabiting couples aged between 25-29 increased from 57% to 72% between 2011 and 2021. At the same time, married couples in this age group reduced from 20% to 12%. General divorce rates increased from 6% to 9% between 2001 and 2021. Shared parental responsibility and visiting arrangements are a common feature of wider society.

1.29. Reflecting societal changes for the military therefore also includes catering for a broad range of family arrangements. Currently, a military parent with shared childcare responsibilities, or a couple who are not married or in a civil partnership, do not have an automatic right to family housing, while a married couple does, irrespective of whether they have children. There are resultant pressures on family relationships and maintaining effective contact following separation which in turn can be a driver to leave service altogether.



“If this [family accommodation entitlement for non-resident parents] rolls out – the future for single parents living in blocks with children is unbelievable. The change will be phenomenal. This is the first time there is an option for single parents who only get their children part of the time.

To give all those Service personnel and children a stable home is outstanding.”

Mark (non-resident parent) & Jack

1.30. In September 2023 it was promised that access to housing would be expanded under a ‘Modernised Accommodation Offer’ (MAO). This should have meant that more homes would be available to serving families to better reflect modern family life. For example, giving the same rights to housing for a separated parent caring for children as for parents who

remain together as well as providing opportunities for people in long term relationships who are non-married or in civil partnerships to live together. The scheme was short-lived. It was ‘paused’ before it went live, leaving families in limbo. Understandably, Service personnel have lost confidence when such announcements have not been followed through into delivery.

- 1.31. The House of Commons Defence Select Committee (1st report of 2024/25 session, December 2024) concluded that “By mishandling the implementation of the Modernised Accommodation Offer (MAO), the MOD has created a situation in which groups of Service personnel are now more likely to feel aggrieved, whatever form the scheme takes. With a limited supply of housing, some personnel will inevitably lose out. It is vital that the Government manages the morale and retention consequences”.
- 1.32. The Strategy review team found that there was inadequate planning and capital investment to have enabled the MAO to be rolled out within the Defence housing estate. As previously noted by the Defence Select Committee, without increasing the supply of housing where needed, it is inevitable that some Service personnel will miss out the opportunity of having an affordable, subsidised family home provided for them and their family.
- 1.33. It is proposed that widened access to accommodation for those in long-term relationships or with shared parental responsibilities is planned for and delivered as part and parcel of the renewal and development programme in order to better reflect modern families and relationships. A ‘bricks and mortar’ approach to widening access to accommodation, delivering on the main commitments made in this area under the Modernised Accommodation Offer (MAO), should be put in place that prioritises building, buying and bringing back into use homes for Service personnel. This approach should be fully embedded within the renewal and development programme for the Defence housing estate. Over time, this will ensure that all qualifying Service personnel can have their family housing needs met. This will require considerable additional capital investment in the Defence housing estate as it will mean an expansion of Defence homes, but it is the only way to sustainably deliver on the promises that have been made to families.
- 1.34. Widening access to Defence homes will take time to deliver. In the interim, it is recommended that an additional rental support accommodation allowance should be provided to qualifying Service personnel for the purposes of widening access for those families whose needs cannot be met in a particular location. This is so that families may make arrangements to rent privately where Defence family homes are not immediately available to them. Previous proposals around MAO did not plan for the growth in the Defence housing estate to meet demand. The Strategy review team considered that a permanent, costly reliance on the rental market would be financially inefficient and not meet military operational needs.
- 1.35. In order to support families to make plans accordingly, detailed information on the roadmap to widening access should be provided to families as soon as possible, and certainly before April 2026, and this change of approach to widen access should be phased in on a sensible timeframe. Work to ensure the readiness of the programme to widen access should be taken forward as part of the preparation for the implementation of this Strategy.

Recommendations:

(17) A ‘bricks and mortar’ approach to widening access to accommodation, delivering on the main commitments made in this area under the Modernised Accommodation Offer (MAO), should be put in place that prioritises building, buying and bringing back into use homes for Service personnel. This approach should be fully embedded within the renewal and development programme for the Defence housing estate.

(18) An additional rental support accommodation allowance should be provided to qualifying Service personnel for the purposes of widening access for those families whose needs cannot be met in a particular location.

(19) Detailed information on the roadmap to widening access should be provided to families as soon as possible, and certainly before April 2026, and this change of approach to widen access should be phased in on a sensible timeframe.

The right homes in the right places

1.36. As at 1 January 2025, the total Defence housing estate comprised 47,604 homes of which 39,028 were let (including sub-lets to civilians as well as military). At the same time, 18% of Defence homes were sitting empty, some 8,576 empty (void) properties. This is despite the fact that in 2022 there was a commitment to reduce the total number of empty homes (voids) from 19% to 10% of the housing estate by September 2023. That did not happen.

- 1.37. It has been an important part of the Strategy review work to understand who is occupying Defence homes, why so many homes are empty and what can be done to ‘right shape’ the Defence estate so that Defence homes are in the right location and of the right type and standards to meet military requirements.
- 1.38. To a great extent, the Annington arrangements hindered the ability of the Ministry of Defence to deal effectively with its housing estate and resulted in a larger number of homes being held empty to meet the Annington commercial arrangements. This is explained further in the “*Focus on: The impact of the Annington arrangements on the Defence housing estate*” section.

Meanwhile, underinvestment meant that many properties remained empty as there was insufficient funding to bring them back into use, including to meet wider national housing needs.

- 1.39. This Strategy proposes a new approach to tackling empty homes and Defence land by optimising the estate to reduce costs, securing value from non-core homes (e.g. those sublet to civilians) to reinvest in the wider estate and ensuring that operational housing requirements can be met over time.
- 1.40. In line with the renewal and development programme, empty homes (voids) should reduce over time as the Defence housing estate is 'right-shaped' so that year on year there should be demonstrable progress in the number of empty homes within the core housing estate. In locations where additional Defence homes are needed, bringing into use empty homes for core Service personnel should be prioritised (other than where such homes are to be reprovisioned or replaced). Progress in reducing the number of empty core properties should be monitored and reported on at least annually.
- 1.41. The nature of the 'in real time' mobility requirements of the Armed Forces requires a degree of operational flexibility that is currently reflected in a 'management margin' of properties that are not occupied, of around 10% or 4,500 properties. Of these, at any time around half may be allocated and awaiting moves to take place. As forecasting maturity is improved and the housing estate is 'right shaped' over time, there may be opportunities to reduce or manage this operational margin more tightly, thereby reducing costs.

Military homes for military personnel

- 1.42. While the majority of Defence homes are occupied by Service personnel, that is not the case for all Defence homes. As at 1 January 2025, there were 2,600 homes that were subject to commercial lettings arrangements with third parties. These include to housing associations, local authorities and private sector landlords. Primarily, these homes have been made subject to these arrangements because they were not needed to meet military housing requirements at the time the arrangements were entered into. In addition, around 1,200 homes were being used for other purposes, including storage, offices and welfare. Some of these properties are not now suitable for housing, for example because they have been reconfigured for these other uses. Other homes are not needed in specific locations. There are additional empty homes that are not required for current or future military needs.
- 1.43. The process of making housing allocations is highly complex. Currently there is an overly complicated and extensive list of who must be housed, who may be housed and the type of mandatory or discretionary housing that is to be provided. This 'rights to housing' policy includes an even more detailed list of specific requirements for each category of house that someone may request or require (as applicable), according to their rank and role.

- 1.44. Changes are needed to streamline and modernise these requirements. This includes in relation to the allocation of Defence family homes. In broad terms, if there is a spare (surplus) home - which may be a bigger home or a home in a preferred location - then that can be requested by Service personnel. In addition, if there is a spare home not being used by core serving personnel, it can be requested by other people who are not core serving personnel, including civil servants and civilian contractors.
- 1.45. Currently around 70% of total Defence homes are occupied by core Service personnel. Going forward, as the portfolio is 'right shaped' over 90% of total Defence homes will be required for core Service personnel. The correct number of core homes required to be available for operational reasons should be properly planned and provided for. This should include many serving families who will be able to

access family housing on a widened access basis over time. Indeed, steps to widen access cannot be taken sufficiently quickly or cost-effectively without priority allocations being made of Defence family homes to Service personnel. Accordingly, the legacy use of surplus Defence homes for non-core occupants such as for civil servants and contractors, will not be able to continue. As a consequence, there is an opportunity to re-visit and simplify the allocations, property and rental criteria to make it simpler and more efficient. In addition, an effective implementation of widened access will also necessitate detailed changes in policy and processes. This is explored further below.

Current use	70% of Defence homes needed for core military personnel
Required forecast use	90% of Defence homes needed for core military personnel



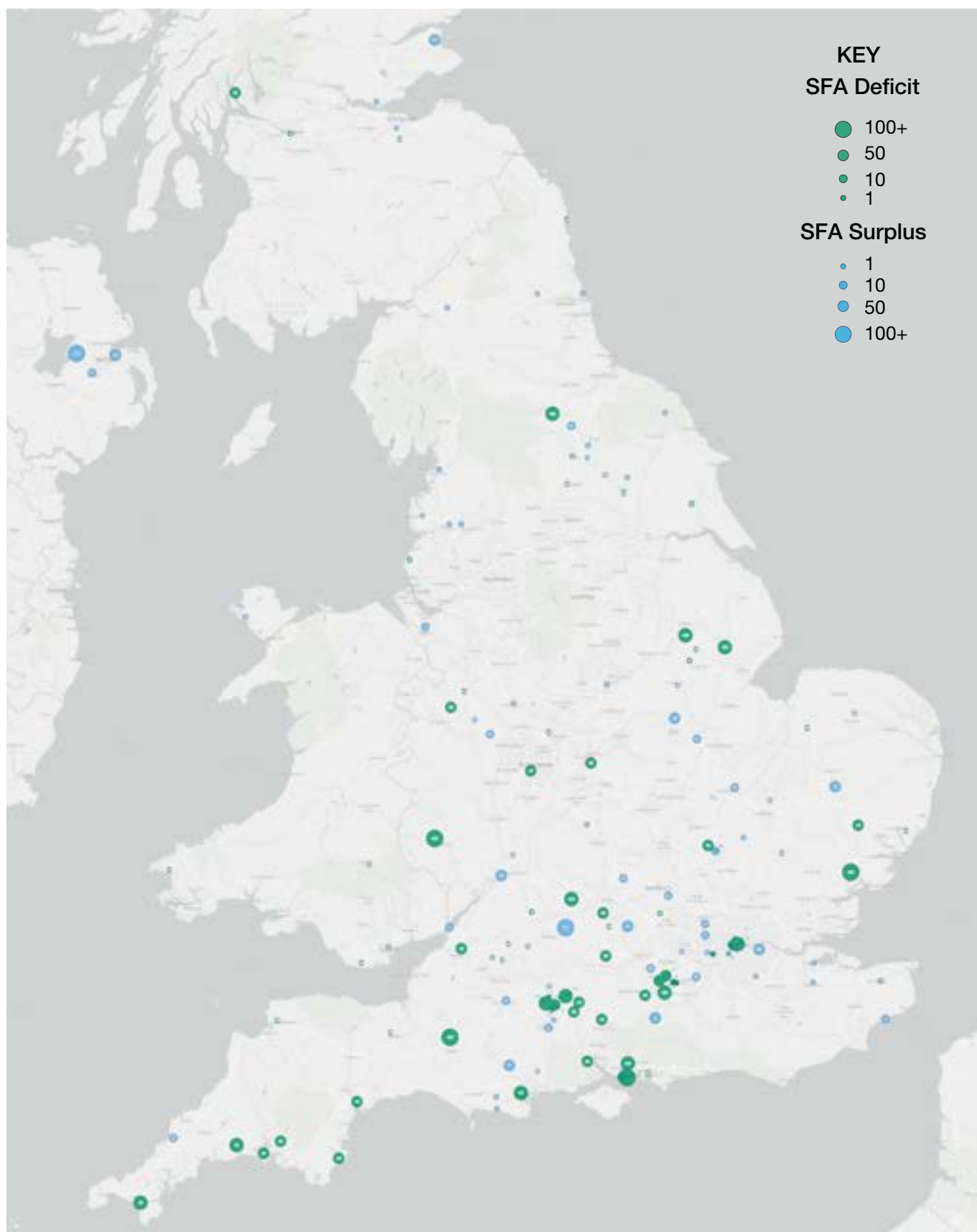
Optimising locations with housing zones

- 1.46. The level of surplus and deficit of properties varies across the UK, creating distribution imbalances in housing availability. Surplus and deficit variations can include the size and type of properties as well as the overall number within a location.
- 1.47. Ministry of Defence policy currently has a ten-mile radiating policy with the ability to extend this by exception to 20 miles with a Unit Commander's consent. This means that there will first be an allocation assessment made of available property closest to the duty station, then radiating out to the ten-mile policy perimeter. The previously proposed modernised accommodation offer included draft policy guidance intended to extend the perimeter from ten miles to 20 miles (with additional travel considerations, for example the time taken to travel to the duty station).
- 1.48. For estate planning purposes, work for the Strategy has made an assessment around the grouping of duty stations into new zones within a draft policy perimeter range. Instead of applying the existing radiating policy, availability of accommodation has been assessed within the specified housing zone as a whole.

1.49. This zonal approach creates 64 accommodation planning zones across the UK - grouped according to their proximity within the 20-mile radius with the purpose of maximising housing provision for forces families within this boundary and minimising displacement and overlap in regions of the country with multiple duty locations. A degree of moderation has been undertaken to take account of natural geographies, for example physical barriers such as rivers and road transport and the density of sites. Consideration has been given to travel time to duty stations as well as distance.

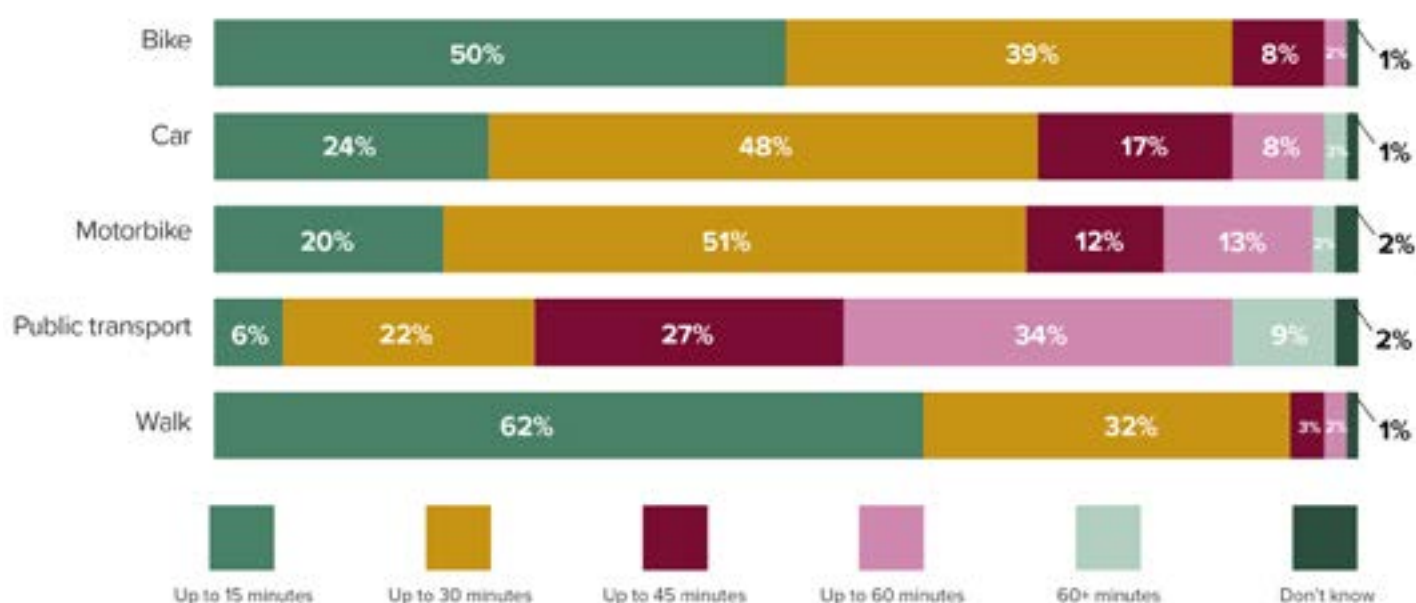
1.50. Applying a zonal basis has significant benefits. Analysis of supply and demand identifies a potential increase of around 1,000 Defence homes to cater for unmet demand when transferring from a 10 mile radiating distance to the 20 mile zonal approach. The change could reduce the number of moves that families may have to undertake, if a new duty station falls within the same zone as their existing duty station, enabling families to more easily stay in their current home. A changed approach could also still prioritise proximity to places of work, while also allowing a wider range of Defence homes to be offered to meet needs in most areas. Applying this approach creates opportunities for adding new build homes to meet Defence needs as well as for retaining, consolidating or disposing of surplus land. Estate based efficiencies, including housing zones, could save around £450 million, which if realised should be retained to reinvest into the housing estate for the benefit of Defence family housing.

Right Number - Right Size - Right Location



1.51. The appetite of service families for a zonal rather than radiating/duty station approach has been tested as part of the Families Questionnaire. The majority of respondents (70%) would like the option to stay in their Defence home if posted within 20 miles. Proximity to the duty station (less than 30 minutes commute) was a priority for the majority of respondents.

How long would the serving person be willing to daily commute (one way) to their duty station? (combined with Q26) (n=5,358)



Source: Families Questionnaire.

1.52. The administrative and financial efficiencies of a zonal approach are such that it is recommended to become the preferred approach for Defence homes allocation going forward.

1.53. Proposed housing zone boundaries should be subject to consultation with the Forces Families Federations and front-line commands before being finalised. This should be taken forward as part of the preparations for the implementation of the Strategy.

- 1.54. Detailed consideration should be given to any resultant impact on travel allowances ensuring that the most mobile cohorts continue to be able to be posted as a priority allocation to each duty station. There should be a presumption that, where possible, families are not required to move if their duty station remains within the relevant zone.

Recommendations:

- (20) Empty properties (voids) should reduce over time in line with the programme of works and the 'right-shaping' of the estate, so that year on year there should be demonstrable reductions in the number of empty homes within the operational core housing estate. Progress in reducing the number of empty core properties should be monitored and reported on at least annually.**
- (21) The correct number of core homes required to be available for operational reasons should be properly planned and provided for.**
- (22) New broader housing zones should become the core approach for housing allocations enabling greater housing options for families as well as administration and financial efficiencies.**
- (23) Proposed housing zone boundaries should be subject to consultation with the Forces Families Federations and front-line commands before being finalised.**
- (24) Detailed consideration should be given to any resultant impact on travel allowances ensuring that the most mobile cohorts continue to be able to be posted as a priority allocation to each duty station. There should be a presumption that, where possible, families are not required to move if their duty station remains within the relevant zone.**

Modernising space standards

- 1.55. The work of the Strategy review team has found that based on Ministry of Defence allocation criteria, the smallest Defence family home typically provided is approximately 85.5 m². In contrast, the largest Defence home that is allocated to senior officers can exceed 250 m². As part of the Strategy review, work was undertaken to map modern civilian space standards as a best fit against the current military criteria for housing allocations. This exercise was more complicated than might be expected due to the unique way in which the requirements for Defence homes are described in the Defence policy rules. All officer housing considerably exceeds national space standards. However, there are homes in each category for other ranks which fail to meet modern space standards.
- 1.56. Space standards were further tested through a detailed ‘deep-dive’ examination at a current operational location which revealed a mismatch to best practice modern space standards. The site chosen for the deep dive was a base location with a notable number of properties built to the 1961 Parker Morris standards. While those home sizes and layouts were considered appropriate for the time, they are not now reflective of a suitable aspiration for modern home sizes, space standards or layouts.
- 1.57. Moreover, in relation to important matters such as overcrowding, a different calculation and application of space contained in the Defence policy rules, for example in relation to room sizes and living configurations, makes it difficult to readily confirm compliance with required minimum space requirements.
- 1.58. Further work undertaken for the Strategy review team found that there were a small number of allocations of homes that are currently made which fall below appropriate space standards. This is currently being recognised by rent reductions on a property-by-property basis. While the numbers involved are believed to be small, rent reductions are not an appropriate response to the poor living conditions and potential overcrowding that can result from sub-standard space requirements.
- 1.59. The Strategy review team were told that more generally a work-around is in place where Service personnel are allocated larger homes to meet their needs in order to ensure that families are not overcrowded. Going forward, homes must be both described and allocated to cater appropriately for the size of a household, with effective monitoring in place around space standards to ensure that is the case. Homes that are not suitable for modern family living based on the household size should be identified and re-characterised accordingly.
- 1.60. In relation to officer housing, the Strategy review team heard evidence about the importance placed on generously sized accommodation. However, as with all other housing,

there are examples of officer family housing in poor condition or which is not configured for modern liveability. The Strategy review team found that the condition of these properties could be very poor, with small rooms and old fashioned internal layouts that contributed to a negative family living experience. Such properties should be considered for replacement with modern suitable housing, with any funds from the disposal of such homes recycled accordingly.

- 1.61. Previous attempts to rebase the size and availability of properties in order to utilise the estate better have not been well managed nor well received. Language that has been framed in terms of 'rank versus need' has been seen as unnecessarily divisive by Service personnel. The Strategy review team

heard that this debate had contributed to poor morale and has led some officers and their families to consider leaving service altogether. All Service personnel should have an appropriate home which meets their needs and contributes to the ambitions of respect within the service community. That should still reflect the current, deeply ingrained expectation that promotion through the ranks entails an expectation of a larger home. However, the current inequality between properties that are excessively small and others that are excessively large by modern standards should be reduced over time. This should be achieved through the right-shaping of the housing estate and modernising policy requirements.



1.62. The ambition set out in this Strategy should be achieved through a generational renewal of the Defence housing estate. A clear renewal pathway should be developed and published, that identifies the outline programme for delivery. The key principles of a generational renewal should include new military standards for improving and building homes, with an aim for at least one-third of the Defence housing estate to be new homes. All Defence homes should be modernised and renewed as a result of the renewal programme. Military homes should be provided for military personnel. Where Defence homes are made available they must meet the needs of all Service personnel and their families, including right-sized, suitable homes across all ranks, with relevant policy and guidance streamlined and updated accordingly. There should be put in place a lifecycle planned maintenance programme for major works and a reactive programme of repairs, ending a 'fix on fail' approach, in order to ensure that Defence homes are maintained in good condition for the long term.



Recommendations:

(25) A generational renewal of the Defence housing estate should be put in place, starting work immediately on a ten year programme of renewal and development to fix Defence housing and meet operational needs.

(26) Key principles of a generational renewal should include:

A) The end of a ‘fix on fail’ approach.

B) The delivery of a lifecycle planned maintenance programme for major works and a reactive programme of repairs.

C) By the end of the renewal and development programme, at least one-third of the Defence housing estate should be new homes, with the remainder of homes renewed to high quality military renewal standards.

D) Military homes to be provided for military personnel.

E) Where Defence homes are made available they must meet the needs of all Service personnel and their families, including right-sized, suitable homes across all ranks.

(27) Policies should be updated to modern property criteria that is readily comparable to civilian standards, including space standards, and property allocation and rents policy and guidance should be streamlined accordingly. Systems should be put in place so that compliance with comparable overcrowding requirements can be made and action taken to address any issues accordingly.

(28) A renewal pathway, that identifies the outline programming for the renewal and development work, should be put in place and published.

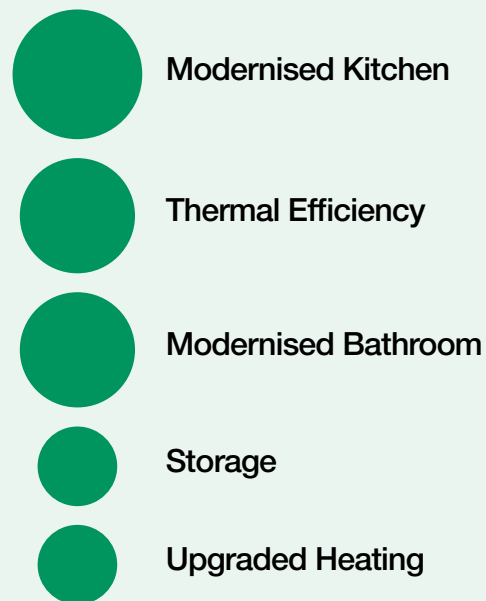
Focus on: Defence renewal and new build standards

As a result of the renewal and development programme, all Defence homes are expected to be made safe, spacious and warm. As part of this, modern property standards for renewal and new build homes should be specified and met. Opportunities to invest in energy efficiency and reduce home heating costs should be actively explored.

The renewal and development programme should consider the broader amenity context within which homes are provided. There may be opportunities for improved amenity areas and better play facilities within local areas.

The Strategy work in this area has been informed by responses to the Families Questionnaire. Responses identified that the most valued improvements to current family homes were modernised kitchens, thermal efficiency, modernised bathrooms, storage and upgraded heating. Adequate storage, especially built-in wardrobes and garages, was frequently cited as a high priority.

The most valued improvements to current SFA were modernised kitchens and bathrooms, alongside thermal efficiency, storage and upgraded heating with these seen as essential upgrades. Preferred options and their level of importance have been used to weight the responses, represented by the size of the bubble.



Source: Families Questionnaire, questions 16 and 17

The Strategy review work has also considered whether a Defence new build specification might be adopted for purpose built Defence homes and further work is being undertaken to develop ideas for a new build Defence home standard. The Families Questionnaire results highlighted

that respondents felt it was important for new build estates to include decent broadband, plentiful off-road parking, green spaces and amenities suitable for all age groups. In addition, there are features that are identified as important to Defence families, including bedroom sizes and home office space.

Respondents highlighted the importance of consistent layout, size and fittings across new build SFA to ensure predictability. Preferred options and their level of importance have been used to weight the responses.

Fittings

- 01
Broadband speed of more than 100mbps
- 02
Water pressure that can allow more than one shower to function at once
- 03
Solar panels
- 04
Smart heating and energy controls
- 05
Outside tap

Design & Layout

- 01
Bedroom size 
- 02
Utility room 
- 03
Separate home office 
- 04
Storage cupboard / airing cupboard 
- 05
Space for modern kitchen appliances 

Source: Families Questionnaire, questions 31 – 34

Renewal standards for Defence homes

Going forward, all Defence homes should be assessed for renewal with:

- New hard-wearing and easy-to-maintain flooring and carpets.
- Fresh, bright paint throughout.
- Modern bathroom with a family bath and/or shower.
- Modern kitchen with new cupboard storage.
- Improved storage solutions.
- Enhanced thermal comfort (target EPC B, minimum EPC C) for lower energy bills and legislative compliance.
- Opportunities for garden upgrades and approved home improvements.

Refurbishment and Renewal

Some homes may need to be assessed for:

- Boiler replacement with a new combi boiler or air source heat pump.
- Internal house layout remodelling.
- Rewiring as needed.
- Upgraded windows and new doors.

Remodelling for significant refurbishment

In a smaller number of cases, additional steps will be required, including:

- Extensive roofing works.
- Whole house rewiring or electrical work.
- Full house damp proof course.
- Remodelled houses with modern layouts and fittings.

‘Test and see’ showcase homes: Over the coming period, showcase homes should be developed to test and demonstrate the proposed new renewal standards with service families. These will serve to enhance understanding in the roll out of the renewal and development programme.

New build standards for Defence homes

The Strategy review team explored the case for a set of new build standards for new Defence Homes. Currently there are detailed specifications applying to the acquisition and provision of homes for different cohorts of Service personnel. These are specified by reference to rank, service, civilian occupation levels, and configuration and range from modest homes to extremely large homes.

There is little correlation between the sizes of homes being built for open market sale, Ministry of Defence size requirements and house type specifications, and modern space standards. The requirements and descriptions of homes by rank and role are not readily aligned to modern house types and modern living descriptions.

The modern standard house types the Strategy review team has been considering have taken into account the particular needs for service families, such as additional storage. Over the coming period, showcase new homes should be built to test and demonstrate the new Defence build standards.

Work has been undertaken by the Strategy review team to consider a set of new modern standard house types to provide up to date and appropriate living environments.

Criteria for new home designs

The indicative criteria for new home designs could include:

Long-Term Use: Homes to be designed with long-term use as an overarching principle.

Market Appeal: Designs to be attractive for open market disposal if Ministry of Defence requirements change in the future.

Cost Efficiency: Component parts and build methodology to prioritise long-term ownership and maintenance costs.

Optimised Land Use: Incorporation of 2½ and 3-storey homes to maximise land coverage.

Standardisation: A standard menu of housing types to streamline planning, delivery, and enable manufactured led construction where appropriate (MMC).

Adaptability: Designs to aim to accommodate varying family sizes, future uses, and multi-tenure developments.

Energy Efficiency: Homes must meet the energy efficiency and carbon emission standards in the Building Regulations, working towards the forthcoming Future Homes Standard, and should consider a ‘no gas’ objective, using low carbon and renewable heating solutions, such as heat pumps and solar panels.

Resilience: Homes to be resilient to multiple tenancy use, with features like hard flooring and easy-clean wall finishes.

Construction and skills: Consideration to be given to the construction material, such as timber frame construction and external walling to reduce reliance on skill-shortage tradespeople and materials, while also providing opportunities to support additional skills and employment opportunities for Service personnel and veterans.

Compliance: Strict building regulation compliance management must be secured.

Focus on: The impact of the Annington arrangements on the Defence housing estate

The Annington arrangements are widely seen to have been “disastrous”, in the words of the Defence Select Committee. The work undertaken for this Strategy has uncovered additional unwelcome consequences of these arrangements that have hindered the ability of the Ministry of Defence to deal effectively with its housing estate and resulted in a larger number of homes being held empty to meet the Annington commercial arrangements.

That is because, in addition to paying a usage rental payment to Annington to occupy Defence homes under the leaseback agreement, the Ministry of Defence was required to hand over a certain number of properties to Annington for them to refurbish and sell on for profit (750 homes every two years). A higher number of homes were therefore held vacant for longer in order to ‘package up’ the required homes for those commercial arrangements to take effect.

As at January 2025 with the Annington transaction concluded, there remains a ‘tail’ requirement to provide a final tranche of around 170 properties to Annington. Over 18,000 Defence Homes worth £5.2 billion, with associated developable land, were handed over to Annington during the

lifetime of the deal. The National Audit Office has previously said that billions of pounds in asset value were lost as a result of this arrangement. It has also left the Ministry of Defence holding a significant number of properties in the wrong locations leading to both higher void numbers and to a large number of properties being used for purposes other than for the core military families for which they were intended.

Another consequence of the Annington arrangements is that it led to perverse outcomes in that if the Ministry of Defence invested in a property that was subsequently transferred to Annington, the Ministry of Defence did not see a return payment for the uplift value of that investment and might even see its usage fee increased by reason of the higher market value of the properties. Conversely, if it did not invest in properties, then there were ‘dilapidations’. These were additional payments required to be paid to Annington to reflect the poorer condition of the properties concerned, as the Ministry of Defence was responsible for the repair and maintenance obligations of properties under the leaseback arrangement. With properties being packaged for sale in batches and left empty, those properties then deteriorated, requiring increased dilapidations payments in addition to handing over the property to Annington.

Pillar Two: Forces First



Pillar Two: Forces First

2. Forces First

- 2.1. At its best, Defence housing provides secure and stable living conditions for military personnel and their families. Nearly six in ten Armed Forces families live in Defence family housing. Service personnel in decent housing told the Strategy review team that knowing their families are looked after gives them the confidence to focus on doing their very best to serve the nation in their military roles.

‘My family and I have recently moved into a refurbished and modernised house and this clean and comfortable property has greatly improved my attitude towards continued service and also revitalised my family’s satisfaction towards supporting my career.’ (Families Questionnaire)

‘I am very grateful to the MoD for providing us with such a lovely family home to enjoy. I love being part of the service family community. We have made lots of great friends here...’ (Families Questionnaire)

- 2.2. Conversely, many Service personnel said that they worried about their families not being in safe and good housing, or their loved ones not being heard when raising complaints about serious matters. Findings from the Armed Forces survey (‘AFCAS’) have consistently placed the impact of

service life on family and personal life as the top reason influencing personnel to leave the Armed Forces. In the latest survey this has increased to nearly two-thirds (64%) of respondents.

‘I had always believed that the military supported my family and me in securing adequate housing, and I found the recent decline in that support quite disappointing. This perceived lack of assistance has significantly contributed to my decision to leave military service. Service members and their families make great sacrifices, and it is reasonable to expect that the Ministry of Defence provides quality housing at a reduced rate.’ (Families Questionnaire)

- 2.3. The inconsistency in the provision of housing is reflected in the AFCAS results, where accommodation is both a positive driver for staying in the Armed Forces as well as negative driver influencing decisions to leave. Nearly 1 in 4 respondents cited accommodation as a positive reason to remain in the Armed Forces, with nearly 1 in 3 (30%) respondents describing it as negative.

‘We aren’t asking for luxury — just fairness, dignity, and a standard of housing that reflects the Service and sacrifice of military families. A clean, safe and well-maintained home shouldn’t be a lottery.’ (Families Questionnaire)

2.4. The provision of Defence family homes is a key part of the overall offer to Armed Forces personnel and can play a vital role in supporting the inherently mobile nature of military life. It can address the challenges posed by the geographical isolation of many postings and the frequent need for personnel to relocate at short notice without the added burden or financial strain of securing accommodation in each new location.

2.5. Defence family homes can support family cohesion and wellbeing, particularly during operational deployments or periods of separation. It can provide families with stable and secure living arrangements, enabling Service personnel to carry out their duties with peace of mind regarding their family's wellbeing. Military estates can foster strong community bonds among service families offering a vital support network that can enhance resilience and mutual support across the Armed Forces community. A stable home environment is essential to maintaining morale and contributes significantly to retention within the Armed Forces.

***'All I want is for my family to be safe and comfortable in SFA. And for SFA to reflect the pride and standards that are common with the Armed Forces.'* (Families Questionnaire)**

2.6. Promises have been made time and again over many years that the Defence housing estate would be modernised. In 2015/16 housing was made the

centrepiece of a 'New Employment Model' for the Armed Forces. It was promised that no-one would be put in a home that had damp and mould. Heating bills would go down. There would be modern kitchens and bathrooms. All homes would meet the Decent Homes Standard. That didn't happen.

2.7. As noted above, in September 2023 it was promised that access to housing would be expanded under a 'Modernised Accommodation Offer'. This should have meant homes made available to more serving families to better reflect modern family life. For example, giving the same rights to housing for a divorced parent caring for children as for parents who remain together as well as providing opportunities for people to live together who were non-married or in long term relationships including same sex relationships. That didn't happen either. Understandably, service families have lost confidence when the announcements made over the last decade have not been followed through into delivery.

***'Improve customer service...have a better complaints system where they are looked at with a view of the Serving Personnel. Hold the contractors and management company to task. Be honest, listen to us, act on what we say, and improve communications.'* (Families Questionnaire)**



2.8. The current housing arrangements are not meeting the needs of service families. The Strategy review team found that the way homes are currently managed through a series of private contracting and outsourcing arrangements have led to a transactional ‘tick box’ culture which lets families down. This must be replaced by a new customer-based culture that puts forces families front and centre. A new organisational structure is needed to deliver the extent of the change required. It is recommended that a new standalone organisation – the Defence Housing Service – should be established, with a service ethos at its heart.

2.9. The new Defence Housing Service will need to be appropriately resourced with systems and staffing that is commensurate to a housing and development organisation of its size and scale. Specific governance, finance and legal frameworks should support working at the pace necessary to deliver change. Appropriate delegated authorities around decision-making, procurement, contracting, risk management and other commercial matters are needed to upgrade homes or build new homes at the speed required to meet the ambition of the renewal and development programme. It should be permitted to secure the funding flexibility and operational freedoms to be able to deliver

opportunities for improvement and development at pace. It is expected that this will be as a standalone public body that is accountable to Defence ministers and Parliament.

- 2.10. The Defence Housing Service must have strong governance and accountability from the outset with a strong, independent board to embed values and drive the organisation forward. In addition to effective reporting on the performance of the new Consumer Charter for forces families, the voice of the family needs to be embedded within the independent

governance arrangements of the new Defence Housing Service. While the Defence Housing Service is expected to be established as an arm's length public body, this should be further evaluated and further information is set out in the *"Focus on: What form should the Defence Housing Service take?"* section below.

Recommendations:

(29) A standalone, professional, Defence housing organisation should be established, the Defence Housing Service, with a service ethos at its heart that puts the needs of Service personnel and their families first.

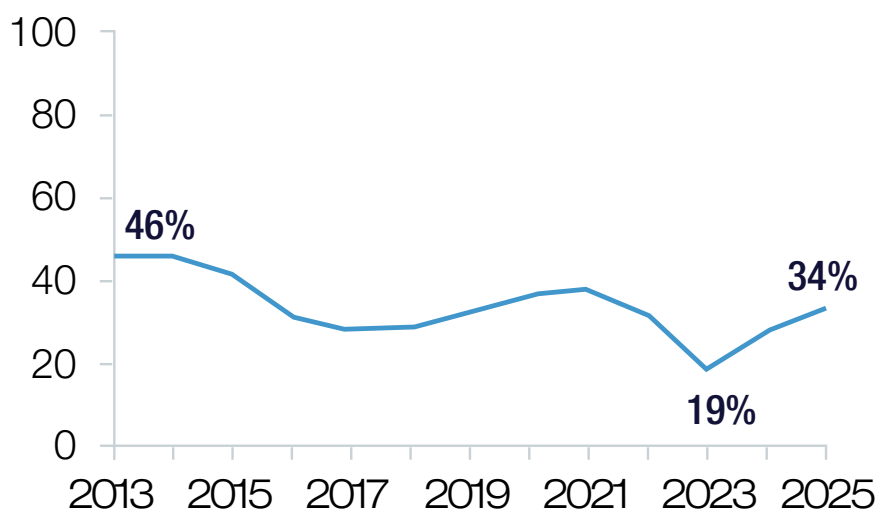
(30) The Defence Housing Service should be accountable for meeting its delivery function to the Ministry of Defence and Defence Ministers through its departmental governance arrangements. This may include through its establishment as an arms-length body and this should be further evaluated.

2.11. Delivering improvements to customer service standards is made more complicated by the extensive outsourcing arrangements which are in place. Not only do these outsourcing arrangements fail to produce the right outcomes for Service personnel and their families, they are also expensive when compared to similar costs borne by other large housing providers. Work undertaken for the Strategy review indicated that running costs may have been two to three times the average for a comparable housing landlord. A direct like-for-like comparison is difficult to make given the nature of the contracting and public sector accounting arrangements. Going forward, benchmarking value for money metrics against comparable housing landlords will be more achievable with the proposed new organisational and accounting structures.

***'The repairs and maintenance contract needs serious evaluation before any new estate is built. If you don't have the mechanisms in place to maintain the estate then it is futile building more houses.'* (Families Questionnaire)**

2.12. The Defence Select Committee has noted that poor contractor performance under FDIS contracts has led to delays, missed appointments, and substandard repair work. Satisfaction with maintenance and repairs in Defence homes was only 34% in 2025 up from 19% in 2023 but still unsatisfactory and well below the peak level reported in 2014 (46%).

Defence Homes: Satisfaction with maintenance and repairs



Source: UK Regular Armed Forces Continuous Attitude Survey Results 2025.

2.13. Given the failings of the past, building confidence with service families is key. As part of the emerging work of the Defence Housing Strategy, in April 2025, the Secretary of State announced a new Consumer Charter for forces families, setting out new standards and expectations for Defence homes, together with funding to make immediate improvement works to 1,000 homes that are in terrible condition. To help make a house a home, the Consumer Charter envisages greater flexibilities and empowerment so that service families can enjoy greater choice. This includes being able to have pets without needing to ask permission first and make choices around internal paint colours.

2.14. The importance of these changes was reinforced by responses to the Families Questionnaire, which found that the ability to personalise Defence family housing such as painting interiors was ranked as the top priority, helping individuals and families create a sense of “home”. Being able to individualise outdoor space was also a high priority, such as making changes to the garden, patio space or installing an outside tap.

‘We should be able to do more to the houses we live in. When we take on new SFA most of us don’t how long we will live in it. A magnolia box is not a home. We should be able to paint rooms and leave picture hooks in, have patios or decking in the garden.’ (Families Questionnaire)

Top 5 improvements



01

Modernised kitchen



02

Thermal efficiency



03

Modernised bathroom



04

More storage



05

Upgraded heating

Top 5 changes



01

Interior paint



02

Enhance garden



03

Install a security system



04

Install outside tap



05

Install a patio

Source: Families Questionnaire, questions 16 and 17

- 2.15. Going forward, there must be a better understanding of families and their housing needs, including looking to support family choices. Families should be able to speak to their named housing officers about routine matters, with sensible local decision-making empowered. Key to making that happen will be ensuring that day to day policy decisions and guidance that affect the living arrangements in and around a home (from play equipment to paint colours) should be overseen by the Defence Housing Service.
- 2.16. 'De-layering' the current contracting arrangements is essential in order to create a consumer based culture. Early changes within the current contractual arrangements have been observed during the Strategy review work, such as the move to named housing officers and higher quality specifications for kitchens and bathrooms.
- 2.17. Those delivering services to families on the frontline need the tools to be able to respond swiftly and flexibly to be able to meet the needs of families. For example, in relation to preparing a home for the new move in standards, local housing officers should in future be able to authorise reasonable expenditure from a discretionary local budget to address specific local issues. That may be matters such as replacing a degraded handle or soap dish, or authorising the repair of a broken fence panel. This change in approach would empower housing officers to be able to see and fix smaller issues that can make a significant difference to the lived experience of families. Going forward, the new organisational structure of the Defence Housing Service should support more agile procurement and management of change to embed the new service and delivery standards over the longer term.
- 2.18. While there were good examples provided to the Strategy review team of where adaptations and facilities had been provided to meet specific needs or disabilities, there were also concerns raised about delays in assessing and meeting needs. It was unclear whether sufficient consideration was given to family needs when considering allocations or why information was often required to be repeatedly provided by families. In relation to allocations and moves, information that has been provided by families about their education and health needs must be retained effectively so that these matters can be taken into account when assessing and supporting family requirements in different housing locations.

Recommendations:

(31) Housing officers delivering services to families on the frontline should be given the training and flexibility to be able to respond swiftly to the needs of families including empowering local decision-making for routine matters. This should include future discretion to make small, but important, repairs or improvements on a case-by-case basis within a local context.

(32) Decisions around day to day housing and estate management issues, such as play equipment and paint colours, must sit with the Defence Housing Service.

(33) More effective administration systems should be put in place to ensure that appropriate information is available to reflect families' housing needs and ensure that disabilities and special education needs can be better met.

Embedding the Consumer Charter

2.19. Work to embed the Consumer Charter includes a programme to roll out the availability of floorplans and photographs for each home. Too often, families have been required to move to a new property without knowing whether their furniture will fit in, or what the property even looks like. The programme to update property information with photos and floorplans has begun since the Consumer Charter

was launched. However, there is much work to do to update the experience of service families to have access to basic property information that is more typically seen in the main housing market.

***'A key element to get right is availability of information on SFA when moving location, an update of the portal to be at a similar level to Rightmove would be ideal, currently, many houses don't even have photos, and those that do are of poor quality.'* (Families Questionnaire)**

2.20. The Consumer Charter commits to a strengthened move-in standard so families can have confidence that the home they are moving into will be ready on time and will be clean and functional. Families Questionnaire responses highlighted some of the frustrations experienced by poor move-in standards:

2.21. The importance of a much higher move-in standard was reinforced by early inspections by the Strategy review team that found that the properties were not reaching an appropriate move-in service level. Following the ostensible completion of upgrade works, visibly dangerous metal and other objects were seen to be protruding from internal walls inside properties and gardens, at a child's height. There were uncovered electric wires and boiler hot pipes as well as old and degraded bath fittings in otherwise newly refurbished bathrooms. In one case, a ceiling had a botched job of sagging white tape covering up a ceiling defect in the living room. Nearby there were empty homes where rubbish bags had been left to rot in bin sheds.

'...Too often, families are marched into homes that are clearly not ready to be lived in — properties that are dirty, poorly maintained, and missing basic items like curtain rails or shower screens. It is incredibly disheartening to uproot your life, only to be handed keys to a house that feels neglected and far from a place you'd want to call home.'
(Families Questionnaire).

2.22. There was also a puzzling lack of consistency observed in estate management. In one area where a row of large properties was empty and awaiting a decision on eventual disposal, the grass had been beautifully mown. By contrast, in a neighbouring area with homes occupied by personnel who aren't officers, common areas were unkempt, unmown and overgrown, making them difficult to use for playing and reducing amenity benefit.

2.23. Steps are being taken to consider wider changes to the role of the housing officer. This should include ensuring that they physically inspect and take responsibility for the condition of housing and communal areas in their patches. Pre-occupation 'snagging' inspections should be put in place, with greater contractual freedom between the housing officer and the contractor at the local level to identify and put right any safety and visual issues prior to a family moving in.

2.24. The Strategy review team noted marked improvements at a follow up inspection of homes that had been prepared for moving in more recently. The overall property standard was very much improved in terms of safety and visual amenity. The new approach for move in standards and on the ground pre-occupation inspections and oversight, including by named Housing Officers, should be further embedded through the changes recommended in this Strategy. Continued vigilance in both data and visual monitoring is required to ensure that the expected changes are happening on the ground.

Recommendations:

(34) The new Consumer Charter for Forces Families launched by the Secretary of State for Defence in April 2025 should be the cornerstone for the new approach for services to families and should be regularly reviewed and updated. Performance against ongoing consumer commitments to families should be measured and published at least annually.

(35) Dedicated housing officers should provide a day to day point of contact for families, ensuring repairs and issues are properly prioritised, with checks that work has been carried out to the right standard.

(36) An ongoing programme of visual inspection monitoring should become standard practice to ensure that the expected changes are happening on the ground, in addition to good quality data and contractual performance monitoring.

Supporting home ownership

2.25. While around four in ten families would prefer to live in Defence homes, around six in ten would prefer to live in their own home. Forces families often have to juggle the mobility requirements of military life with keeping a foothold on the housing ladder and supporting family educational and health needs. The housing journeys shared with the Strategy review team demonstrate complexity, and some ingenuity, in how families achieve this. Along with good quality subsidised Defence homes, there are a range of housing choices that could provide greater opportunity for forces families and boost the recruitment and retention of Service personnel.

2.26. As part of the Defence Housing Strategy, when undertaking developments on Defence development land, a “Forces First” approach should be embedded, including priority purchase access to new homes and discounted housing for Service personnel and veterans. Consideration should be given to supporting specialist and affordable housing allocations for Service personnel and veterans in addition to opportunities for skills, training and employment. This is explored further under Pillar Three.

2.27. The most common reason why Service personnel purchase their own home continues to be to provide greater stability for themselves and their family. Three-quarters of Service personnel cite mobility as a barrier to home ownership. Overall, less than half own their own home. That is six percentage points lower than the peak home ownership level reported in 2021, and lower than all levels reported between 2017 and 2023. Officers are considerably more likely to own their own home (72%) than other ranks (39%). Home ownership remains much lower amongst Army personnel (37%) compared to the other services (between 54% and 60%).

2.28. The Families Questionnaire highlighted a range of barriers to ownership including affordability, saving for a deposit, market volatility and work unpredictability.

‘Our lifestyle is too unpredictable to plan, we can’t even book a holiday for the family with certainty let alone plan on buying a house.’ (Families Questionnaire)



2.29. The Families Questionnaire also found that 70% of respondents would like the option to retain their Service Family Accommodation if relocating within a 20-mile radius, suggesting a strong desire for continuity and housing stability.

‘Buying my own home has cemented me in my home county. If I was posted away from my home I’d sign off on the same day.’ (Families Questionnaire)

2.30. Forces Help to Buy has been a popular home ownership support scheme. However, the level of support provided under it has not kept pace with property prices. Take up has fallen. Access to the scheme does not fully take into account the differing financial circumstances of families, for example in relation to partners’ earnings.

‘Greater emphasis should be placed on supporting Service personnel to access and sustain home ownership. The Forces Help to Buy (FHTB) scheme is a positive initiative that benefits both personnel and the public purse, as the funds are loaned and repaid directly from salary. Expanding this scheme could provide even greater impact.’ (Families Questionnaire)

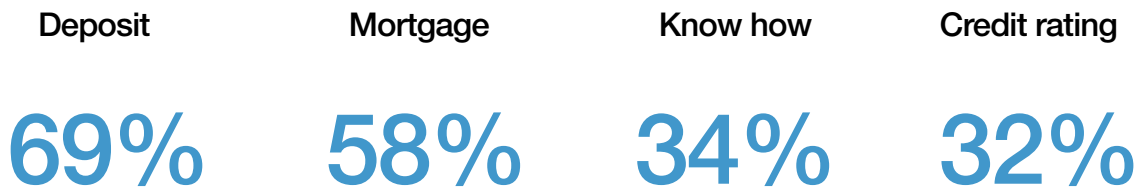
‘I am looking at buying my own home in the future and looking to get Forces Help to Buy assistance with it, but it is difficult if you are buying a home alone. I need to raise a very good deposit.’ (Families Questionnaire)

The Forces Help to Buy scheme allows Service personnel to borrow up to £25,000 interest-free to help buy a home and is repaid from salary over ten years.

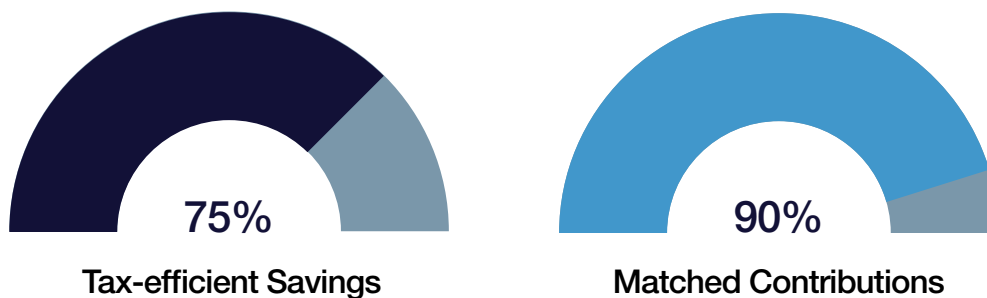
2.31. Understanding the homebuying process is crucial for Service personnel, yet many find it daunting. It is important that training and resources are made available to assist. The Ministry of Defence’s Joint Service Housing Advice Office (JSHAO) was closed in 2022, but monthly briefings on homebuying remain available. Support for homebuying and financial management could enhance the confidence and capability of Service personnel in purchasing homes. Encouraging Service personnel to save for homeownership through schemes like Lifetime ISAs and access to credit unions could also support financial readiness.

Barriers to Ownership & Deposit Support

Barriers to ownership: Many cited the relative affordability and security of Service Family Accommodation (SFA)/Single Living Accommodation (SLA) as a disincentive to home ownership while others feel that barriers included saving for a deposit and market volatility.



Deposit support: Financial incentives such as tax-efficient savings or matched contributions were seen as attractive options to support non-homeowners in saving for a deposit.



Source: Families Questionnaire, questions 53, 55 and 56

2.32. The Strategy review team was told that there can be a lack of understanding and information about renting and rental obligations. This was particularly the case where Service personnel had joined up at an early age. Examples were given where families were divorcing or changing work requirements where the private rented sector, and private rented deposit loan scheme, were more relevant than home ownership for that period of time. In view of this, it would be beneficial for a review of the private rented deposit loan scheme to consider whether it can provide more targeted support to meet different family circumstances.

2.33. Having discussed 'housing journeys' with Serving Personnel and the Forces Family Federations, the strategy review team consider that there is a need for independent advice to assist families considering their housing choices. Currently, Service personnel reported that they could access career based information, such as likely moves and duty station locations, as part of their managed career progression discussions. However, some reported feeling uncomfortable about raising issues about family based housing choices within a career progression context. It is important that high quality informed but independent advice is provided which can be accessed by Service personnel and their partners (separately or together) in order to better assist with family choices. Families where both partners are Service personnel have particular challenges in navigating career and

home arrangements where allocations and allowances are not well matched to modern joint working arrangements.

2.34. There are a number of schemes available in the general housing market that provide priority or access to Service personnel, veterans and their families, but information about these is not well understood. These can include Shared Ownership and discounted home ownership schemes. In addition to the Ministry of Defence's contribution to legal fees for home purchases, special Stamp Duty Land Tax exemptions apply for Service personnel serving abroad. There are also a significant number of housebuilders who provide additional support, discounts and schemes to the Armed Forces, including Barratt Redrow, Taylor Wimpey, Persimmon, Linden Homes, Avant Homes, Vistry Group and Allison Homes. As well as home buying support there are a number of organisations directly supporting training and employment opportunities for service leavers and veterans, such as Barratt Redrow's Armed Forces transition programme or working with charities and social enterprises like Building Heroes and BuildForce. The Ministry of Defence services, the Veterans Welfare Service and Defence Transition Services, offer support for those leaving service and veterans. For veterans at risk of homelessness, there is additional support provided through Op FORTITUDE.

- 2.35. Going forward, it will be important for the Defence Housing Service to work closely with those organisations and services who may be able to assist individuals and families with welfare related moves.
- 2.36. Additionally, a ‘one-stop shop’ of information about housing, home ownership, and veteran services should be provided through a housing choices portal. This should be a dedicated resource providing information and routes to support, housing opportunities and specialist advice for Service personnel and their families. Information should be made available about additional services and support for families through other housing schemes, such as shared ownership or support schemes.
- 2.37. As part of the Defence Housing Strategy, when undertaking developments on Defence development land, the new “Forces First” approach will drive further progress in this area (as set out under Pillar Three of this Strategy).

Recommendations:

(37) A ‘one-stop shop’ portal should be put in place which also links to the veterans’ VALOUR recognised centres and includes information about schemes available in the wider housing market that support Armed Forces personnel and veterans, including as part of the new Forces First approach. Relevant housing information should be made available to those accessing support via the VALOUR programme.

(38) The Forces Help to Buy scheme should be reviewed with a view to increasing uptake, including against current property prices and its application in different family circumstances.

(39) Additional savings products which specifically support the circumstances of mobile Armed Forces should be considered. This might include additional retention bonuses and access to credit unions.

Budgeting for discretion

- 2.38. One of the most complex areas in relation to planning and budgeting for future housing estate locations and numbers is the application of a wide range of local 'discretions'. These discretions are departures from the usual allocation criteria based on duty station, location or house size to meet personal circumstances or preferences. The exercise of these discretions has financial and budgetary consequences but understanding of and accounting for such discretions is under-developed within the Ministry of Defence.
- 2.39. There are a number of reasons why housing discretion has developed over time. The size and distribution of the Armed Forces has changed but the Defence housing estate has not. Family lifestyles and preferences have also changed.
- 2.40. Service mobility is a key issue that impacts on family life. The exercise of discretion in allocations can allow Service personnel to keep children in local schools or meet wider family work requirements while continuing to benefit from subsidised housing. The Strategy review team found that some Service personnel who retained housing many miles from their home, by choice, continued to benefit from subsidised rents for their Defence homes and in addition received travel allowances to and from their duty station as well as space in barracks-style single living accommodation (SLA) provided at the duty station itself. While the exact situation may differ, the exercise of such discretions is not uncommon - there are currently around 2,200 families who are living in homes away from their allocated duty areas.
- 2.41. Within the context of forecasting housing supply and demand along with financial accountability, unless discretion is equally matched across the estate, for every exercise of discretion at one location 'A' there is likely to be a family home then sitting empty in a second location 'B' perhaps for the duration of that posting. Therefore in location B, the home is either left void or is filled by someone who is not within the primary entitled group of Service personnel. In some circumstances where there are empty homes, there are Service personnel who are single with no children who would otherwise be allocated to barracks accommodation (SLA) who can request to occupy those empty homes. There are around 1,100 such personnel who are occupying family homes on this basis. For those personnel, SLA accommodation should have been budgeted for them, which can also have resultant impacts on SLA occupancy levels. In other cases, homes are either left empty or let to non-serving personnel.
- 2.42. In view of the considerations for the welfare, family needs and the preferences of Service personnel, within the context of recruitment and retention, the exercise of discretion

has a clear value within the operational setting. However, the exercise of discretions also has consequences for budget and accommodation planning purposes. This is not currently costed or budgeted for - and it should be.

- 2.43. In the near term, the exercise of discretion should be costed and assessed. Over time, and with better understanding of where and why such discretion is operating, this should be managed within the overall costs and operation of the estate. The 'management margin' is the mechanism by which a specified number of homes are intentionally unoccupied in order to provide the necessary operational flexibility to manage operational mobility.

- 2.44. As maturity improves around forecasting and the supply and demand forecasting model is developed, the total number of homes impacted by the use of discretion should fall within, and not in addition to, the management margin. Where there is a persistent exercise of discretion, for example against particular locations, there may be adjustments required to the housing offer accordingly. Better transparency, accounting and understanding of these matters will ensure more effective forecasting, costs management, prioritisation of allocations and provisioning of homes.

Recommendations:

(40) The cost of welfare based and discretionary housing allocations should be routinely identified and quantified by the Ministry of Defence.

(41) As maturity improves around forecasting and the forecasting model, the total number of family homes impacted by the use of Service personnel discretion should fall within, and not be in addition to, the management margin (being the number of homes set aside to provide operational flexibility and mobility).

Exercise of discretion – non-serving personnel

2.45. Another area where discretion has been applied is around non-serving personnel. Many examples were provided – from looking after spouses suffering a service-based bereavement to divorce and supporting veterans in need. There were many examples of thoughtful and supportive housing decisions within the Defence family as a whole. However, where accommodation had been provided by discretion on a time limited basis for non-serving personnel, those responsible for making welfare-based exemptions in the initial decision, are not generally involved in the same way when it comes to implementing move-on arrangements.

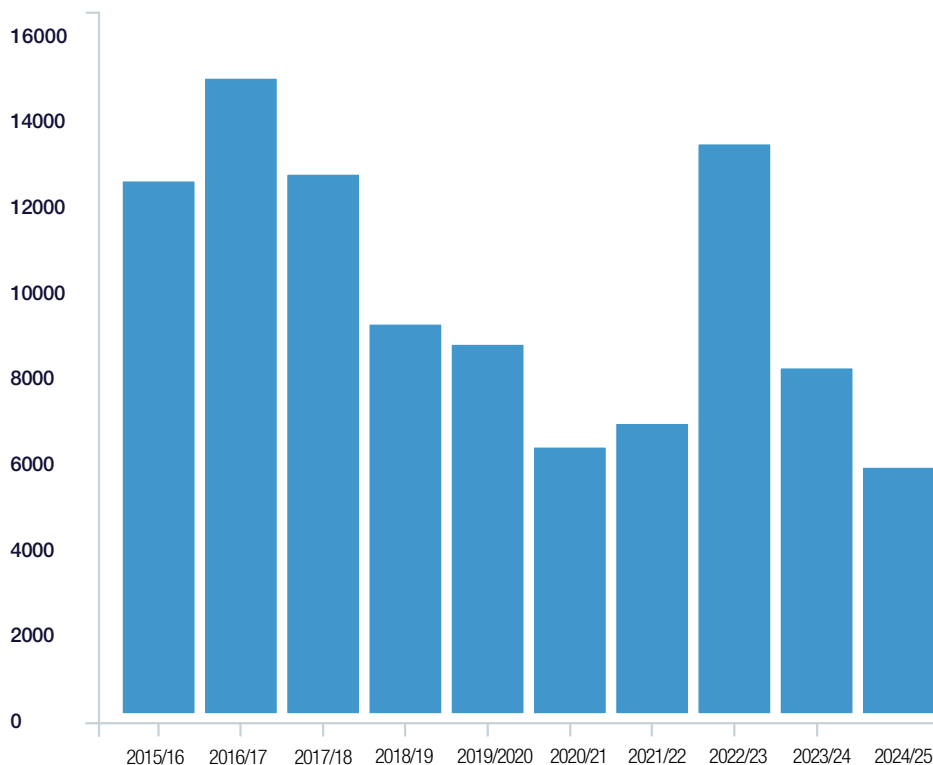
2.46. Examples were provided to the Strategy review team where overstaying in Defence homes had continued for extended periods of time. In one situation of marital breakdown, a non-serving spouse remained in the Defence family home for 18 years before eventually leaving. In another case, following a marital breakdown, the former (non-serving) spouse remained in that Defence home for 7 years before being removed.

2.47. The Strategy review team found that internal understanding about the extent to which there is support available outside of Defence housing for Service personnel, veterans and their families was very limited. In addition, there is significant welfare and financial support provided by the Ministry of Defence at the end of service and in other circumstances. As outlined above, broader housing information should be included within the ‘one-stop shop’ information portal. As a number of the priority schemes in the general housing market apply within the immediate years of leaving service, it is important that an effective housing management approach is applied to ensure service leavers and others are guided to the additional support that is available within the general housing market, while Defence property is available to be provisioned for the operational needs of the Armed Forces.

Complaints, access and redress

2.48. Evidence provided to the Strategy review team showed that the number of complaints has reduced in recent years, after 2022/23 saw a surge in the number of complaints to over 13,000 complaints, more than double the preceding year. However, some families told the Strategy review team that they had stopped complaining because they felt that there was no point.

Number of complaints by financial year



Source: DIO Accommodation

2.49. Some of the examples of complaints raised with the Strategy review team in sessions with families were very serious indeed – for example no heating for days in winter with babies and toddlers in the home, recurring damp and mould, broken or condemned boilers

not fixed. The Strategy review team heard from Members of Parliament who identified similar and serious complaints. This underlines why the new approach outlined in this Strategy is needed.

- 2.50. When things go wrong, the current complaints system is complicated and lengthy. There are two types of complaints that can be used for housing related issues; the first is the management, maintenance and repair complaints process run by a contractor (Pinnacle) that is open to Service personnel, their families and third parties affected by conditions on the Defence estate. There is also a 'Service Complaints' system that can only be used by Service personnel (and former Service personnel) that deals with issues relating to their military service.
- 2.51. It is also the case that non-serving family members in some circumstances cannot fully represent their own family and housing needs without the serving partner (who may be away on deployment) as they do not have access to the relevant systems held by the Ministry of Defence, for example in relation to housing applications. While there are informal mechanisms in place to work around this issue, it contributes to family stress and a lack of personal control in relation to that person's family housing. This should be addressed so that nominated (non-serving) persons can be better supported to deal with all matters relating to the family housing they live in.
- 2.52. The Strategy review team also met directly with families who spoke of how they felt "unheard" and "invisible". When raising a serious complaint, a non-serving partner had been told that the only view that mattered was that of the serving person. Concerns were raised with the Strategy review team that the employment context in which Service Complaints are made, meant it can be difficult for people to raise complaints about their family housing. Pressures around raising complaints through military chain of command structures or where a serving and non-serving partner had different views about how to raise complaints were stress points. This is particularly important given that some Service personnel will be worried about conditions for their families and how to provide a good family home for them.
- 2.53. There is inevitably a power imbalance in the dynamic between the service families and the Ministry of Defence which, together with a cultural bias towards 'just getting on with it', underlines the particular responsibility of those in senior leadership positions within the Ministry of Defence to ensure that the housing and complaints mechanisms are accessible and fit for purpose so that families are properly supported.

2.54. A single streamlined housing complaints system is needed which should include independent redress, operating separately from the chain of command structure. This must be equally accessible by Service personnel and their family members. The Armed Forces Commissioner, which has been newly created by statute, can provide that independent redress in a similar way to the ombudsman schemes available to residents in other parts of the rented housing sector. This will create a stronger and fairer framework in which families can feel confident and comfortable in making sure that they can ask for what they need and have the back up of an accessible, fair and independent complaints process.

Other routes of representation

2.55. The work of the Forces Families Federations in helping individual families and speaking up for Service families is an essential part of the framework of family and service support. This should be formally recognised by the Defence Housing Service and Ministry of Defence as a whole, including as required consultees for policy changes that affect accommodation. In addition, there should be service families' representation within the independent governance arrangements of the new Defence Housing Service.

2.56. Service families use a range of mechanisms to escalate complaints and concerns where they are not being addressed, including through their Members of Parliament. Some Members of Parliament who met with the Strategy review team reported challenges in contacting residents to provide support, such as being denied access to hold casework surgeries. Others reported that while they felt they had a good relationship with local senior commanders they nonetheless felt actively discouraged in taking up individual cases as these were considered to be matters for the military. However, it must be right that Members of Parliament are able to represent all of their constituents whether civilian or military and steps should be taken to ensure that this is better understood and supported.

Recommendations:

(42) A single streamlined housing complaints system should be put in place with an independent redress mechanism for UK Defence family housing. The Armed Forces Commissioner which has been newly created by statute can provide that independent redress in a similar way to ombudsman schemes otherwise available to residents in the housing sector.

(43) Where non serving persons do not have access to systems in the same way for their serving person, nominated access or similar arrangements should be put in place to support them being able to take all decisions around their family housing.

(44) The role of the Forces Families Federations should be formally recognised by the Defence Housing Service and Ministry of Defence as a whole, including as required consultees for policy changes that affect accommodation.

(45) The newly constituted Defence Housing Service should embed service family representation within its independent governance arrangements.

Overseas accommodation

2.57. Where Service personnel are assigned overseas, Service Family Accommodation is provided in a range of different countries. Overseas family housing has also been under-resourced and under-supported for many years. There are also issues identified with overseas single living accommodation. It is important that greater attention is given to the condition of overseas

accommodation, both for single personnel and families. Greater flexibilities and different approaches may be required to cater for different types of accommodation in different countries. These are matters that should be subject to a separate detailed review in a similar way to UK Defence family homes so that overseas accommodation can also be made fit for forces and their families for the longer term.

Recommendations:

(46) A separate detailed review should be undertaken in order to make recommendations for the improvement of conditions to properties and service standards as well as potential financial and operational efficiencies for the provision of overseas accommodation (both SFA and SLA).



Focus on: The new Consumer Charter for forces families

In April 2025, the Secretary of State for Defence launched a new Consumer Charter for forces families with the aim of improving the lived experience, communication, and customer service level for all service families.

The Consumer Charter is designed to create a more customer-focused approach to housing, ensuring that families feel supported and involved in decisions affecting their homes. The Consumer Charter includes the following commitments:

- A strengthened move-in standard so families can have confidence that the home they are moving into will be ready on time and will be clean and functional.
- Better information for families ahead of a move, including photographs of the accommodation they are moving to and floor plans of all homes when a family applies for housing.
- An improved repair service, including an undertaking to complete urgent repairs within a set timeline consistent with Awaab's Law (damp and mould remediation), and a new online portal for Service personnel to manage repairs.
- Raising the minimum standard of Defence housing with a new programme of works targeted at the worst homes.
- Better and clearer communication for families, including a named housing officer for every Service family who is available to assist with housing related queries.
- A new, simpler and faster complaints process that will shorten the process to two stages in line with industry best practice, so that Service personnel and their families have a quicker resolution, backed up by the new Armed Forces Commissioner.
- Modernising policies to allow more freedom for families to make improvements, giving them a greater sense of pride in their homes.

Understanding Your New Consumer Charter

UNDERSTANDING YOUR NEW CONSUMER CHARTER

A **more robust move-in standard** so that you can have confidence that the home you are moving into will be ready on time and will be clean and functional.

Providing you with **improved, clearer information ahead of your move**, including photographs and floorplans when you apply for SFA.

More reliable repairs, including **a requirement to complete urgent repairs within a set timeline** consistent with Awaab's Law, and **an online portal for service personnel to manage repairs**.

Raising the minimum standard of SFA with a **new programme of works, initially targeted at 1,000 homes that need to be refurbished most**.

Better and clearer communication for you, including **a named housing officer for every service family** who you can contact for specific housing related queries.

A new, **simpler complaints process** that will shorten the process to two stages to provide you with a quicker resolution.

Modernising our policies to allow more freedom for you to make improvements, giving you a greater sense of pride in your home.

Focus on: What form should the Defence Housing Service take?

Detailed consideration has been given as to whether housing and housing functions should remain within the Ministry of Defence, either directly or in an arms length public body, or be transferred to another organisation.

Given the control required by Ministry of Defence to meet operational needs, the purpose of the housing and the close relationship around welfare outcomes and the exercise of housing discretion, transfer outside the public sector to a housing association or other private sector structure is not appropriate. It would be most likely to set back the renewal of the estate, increase costs of delivery and hamper operational effectiveness of the Armed Forces.

This is first because the previous estate transfer to Annington was an unhappy experience for the Ministry of Defence. The Annington arrangements have left serious estate management problems that will need their own dedicated and focussed resource to resolve. Second, for operational reasons, the Armed Forces need to be able to transfer Service personnel from one place to another, often at short notice. This requires the Ministry of Defence as a whole to have operational control over its housing stock

and who is in occupation of particular homes. That would be hampered by a transfer of the estate to a third party organisation which is not part of the Ministry of Defence family.

Third, much of the planned improvement of the estate will involve wider Defence land and require working closely with front line commands to consider the current and future requirements of the Armed Forces. This process will be most effectively carried out with military front line commands being involved in decision making and prioritisation around the regeneration and renewal of the housing estate, which can be best achieved within the Ministry of Defence or as a dedicated Defence public body. Fourth, welfare is a cornerstone of how the Armed Forces operate and housing is a central part of that function. While there is more to be done to regularise the reporting and costing of welfare based and other discretion around housing provision, it is undoubtedly a unique and valued central part of being in the Armed Forces, before and on leaving service. That will be best met through implementing the Strategy proposals. Given that this will require policy and operational changes, as well as changes in expectation and practice, this is best done within the Ministry of Defence or as a dedicated Defence public body.

In relation to funding the Defence Housing Service, there is significant scope to drive value from the current assets of land and homes and recycle asset disposals to help meet renewal costs. The new approach should therefore include funding flexibility and operational freedoms to be able to maximise such opportunities at pace, including attracting private finance and institutional investment into development arrangements. However, the core costs of funding Defence housing, as a public asset and for the sole benefit of national Defence purposes, would themselves remain as a cost to the public finances. As such, a

financial benefit in terms of off balance sheet accounting could only be gained from a disposal to a third-party at the expense of the operational control required as set out above. As such, the housing and housing functions need to remain within the Ministry of Defence. In order to achieve the Strategy outcomes, a standalone Defence Housing Service is recommended to be an arm's length public body, this could include a public corporation or a non-departmental public body. However, these structures continue to be evaluated.



Pillar Three: Delivering for the Nation



Pillar Three:

Delivering for the Nation

A new approach to Defence led developments and delivering financial stability

- 3.1. This Strategy proposes a new approach to Defence led developments that will focus on land release and accelerating housing delivery as a vital part of the renewal and development programme. At the heart of this new approach is a focus on creating value from Defence development land for the benefit of Service personnel and the Ministry of Defence as a whole.
- 3.2. Securing wider benefits for a new era for Defence housing means making the best use of Defence development land that is surplus to its existing operational use. This will deliver homes for both civilian and military use, as well as a greater financial return for the Ministry of Defence.
- 3.3. Defence family homes must be put on a sustainable financial footing so investment can be planned and provided for, without putting strain on other military operational needs. This should include a long term plan for rent setting as the Defence housing estate is improved and within the context of the pay and conditions of Service personnel. Budgeting efficiencies and a ring-fenced financial management approach can also drive value and support delivery.
- 3.4. The landholdings of the Ministry of Defence are vast, with ownership or rights held over 1.4% of all land in the UK. In the past, there have been a range of initiatives to bring forward Defence land for development, particularly for residential housing and community based developments. Unfortunately, these initiatives have not delivered a significant reduction in the Defence estate or substantial receipts for investment to improve Defence housing. The amount of land leased or owned by the Ministry of Defence remains close to the same level it was a decade ago.
- 3.5. Work undertaken for the strategy review has assessed that there is long-term potential for over 100,000 homes to be built on Defence development land, together with community infrastructure and environmental improvements. The work of the Strategy review team has included consideration of how land is currently brought forward for development and assessed where there are opportunities to accelerate these activities and drive efficiencies.

- 3.6. The Strategy review team observed that particularly where larger developments had been brought forward in partnership with others, such as major housebuilders, there was good evidence of internal expertise, collaborative working practices with external stakeholders and venture partners, as well as a commitment to achieving wider community and environment benefits through local engagement. There have been some examples where veteran and training support has been embedded within the delivery of the development, for example Entrain Space at Wilton, Salisbury. There have been some examples of good quality housing and regeneration being delivered at specific locations, for example Bordon and Aldershot. Work is underway within the Ministry of Defence to pioneer a new model of development that can secure a Forces First approach in line with the recommendations of this Strategy.
- 3.7. However, in a similar way to the provision of day to day housing services, the Strategy team found fragmented responsibilities and complex internal operational processes within the Ministry of Defence. The challenges include lengthy procurement and business case approvals that delay the bringing forward of planned development on Defence owned land. In some cases, this has resulted in sites not being brought forward in their planned financial year or required resubmission of business and financial cases.
- 3.8. In addition, there will be benefits from consolidating and building on the pockets of expertise that are currently scattered between different teams within the Ministry of Defence, augmented by other industry specialists. As such, the Strategy team considers that specialising and enhancing those functions within the new Defence Housing Service will lead to better outcomes for Defence development land and be more likely to ensure that the objectives for housebuilding and growth are achieved.
- 3.9. It is proposed that:
- (i) In order to develop and undertake complex regeneration, relevant skills and expertise are established within the Defence Housing Service. It should work through a partnerships approach, securing private finance and investment, working with a range of partners through joint ventures and commercial agreements to drive forward developments and boost the delivery of housing and infrastructure. In this way it would make the best use of Defence assets and resources.
 - (ii) Continuing land release is secured through a new Defence Development Fund. This should operate as a continuing 'top up' process for releasing land that is not needed for other Defence operational purposes for potential use for housebuilding and other infrastructure development.

- (iii) 'Forces First' should be an embedded commitment for the development programme. Opportunities should be created to give a first choice of new homes to Service personnel and veterans, including discounted homes. This could include opportunities to support veterans housing organisations and military charities as well as exploring additional skills, training and employment support.
 - (iv) The new proposed building standards for Defence family homes, outlined earlier in the Strategy, should be tested and developed with early engagement from forces families. In many locations, the renewal programme will be much more than simply upgrading an individual property. There will be opportunities to modernise the community environment and facilities, such as amenities and playgrounds. Including service families at the outset and throughout the local renewal programme will be essential as well as hugely beneficial in improving places in a way that works best for service family life.
- 3.10. Accordingly, in order to accelerate housing delivery and support wider national objectives, it is recommended that a dedicated delivery function within the Defence Housing Service drives forward more complex regeneration and development activities required around the Defence housing estate and Defence land. It should have appropriate commercial discretion, including the ability to raise private investment and finance, enter into joint ventures and partnerships and secure the right skills and capabilities - all with the ultimate purpose of supporting defence capability through its activities.
 - 3.11. It will be important that appropriate arrangements are put in place to ensure that there are opportunities for businesses, investors and others, especially smaller and regional housebuilders and other businesses and technical/professional specialists, to engage with the Defence Housing Service in relation its development and financing activities.
 - 3.12. Going forward, there will be benefits in establishing the Defence Housing Service with the right operational, legal and financial delegations to enable it to operate most effectively within its multi-year commercial and delivery context. However, there will also be benefits from putting in place greater oversight and accountability around the progress of Defence development together with the infrastructure, social, environmental and financial returns from building on Defence development land.

3.13. Significant financial and operational efficiencies can be secured through the focussed development activities. It is important that the Defence Housing Service works in a collaborative way across the UK Government, devolved governments, mayoral administrations, local government, Homes England and others in order to accelerate and maximise opportunities to deliver at

pace. As with improvements in Defence family housing, it has often been the case previously that developments have not progressed within planned timescales. There is a need to put in place improved monitoring and accountability to ensure that planned development and regeneration can be delivered on time and at pace.

Recommendations:

(47) The Defence Housing Service should drive development and regeneration activities on Defence development land in order to renew the Defence housing estate as well as to deliver additional homes and infrastructure.

(48) In order to accelerate housing delivery and support wider national objectives, a dedicated delivery function should be established within the Defence Housing Service to drive forward more complex regeneration and development activities required around the Defence housing estate and Defence land.

(49) The Defence developments function should have appropriate commercial discretion, including the ability to raise private investment and finance, enter into joint ventures and partnerships and secure the right skills and capabilities - all with the ultimate purpose of supporting defence capability through its activities.

(50) Development activity may be delivered through partnership approaches, including working with other public bodies and through joint ventures. Close working with Homes England and more broadly across UK Government and devolved governments, Mayoral administrations and local government should seek to identify opportunities for additional funding and investment as well as to accelerate the delivery of homes and infrastructure. External private finance and investment can be secured in order to leverage opportunities, maximise value and embed operational efficiencies.

(51) Appropriate arrangements should be put in place to ensure that there are opportunities for businesses, investors and others, especially smaller and regional businesses, to engage with the Defence Housing Service in relation its development and financing activities.

(52) Improved monitoring and accountability should be put in place to ensure that planned development and regeneration can be delivered on time and at pace.



A new Defence Development Fund

- 3.14. A substantial amount of Defence land is suitable for development. Building new homes and infrastructure on Defence development land is not just important to the Armed Forces, it is important for the housing and growth ambitions of the nation as a whole.
- 3.15. Moreover, an accelerated programme of land release and development will yield additional receipts that should be recycled back into the Defence housing renewal programme. It is therefore responsible and appropriate to recycle available assets to support the renewal programme and reduce pressure on the public finances.
- 3.16. Land is held in different places in Defence. Some land has been put in specific disposal programmes. Other land is held within the effective control of each of the Services. As part of the emerging Strategy work, the Secretary of State put in place a significant land review by the Services, with the opportunity for thousands more homes. Over 150 sites have been identified for release and development for housing and other uses.
- 3.17. There is considerable scope to build on the Secretary of State's land review to enable further significant land releases. For this reason, it is recommended that a Defence Development Fund is established to replenish the supply of Defence development land, embedding the principles of the Ministry of Defence's new approach to land release established by the Secretary of State.
- 3.18. Accordingly, land that is not required for other military uses should be identified in discussion with military front line commands and then brought forward for housing and national infrastructure development where appropriate, replenishing a new Defence Development Fund, which in turn can be used to fund housing and development activity.

In April 2025, following the launch of the Tripartite Taskforce (Ministry of Defence, His Majesty's Treasury (HMT), MHCLG), the Defence Secretary wrote to service chiefs setting out principles for the Ministry of Defence's new approach to land release. These include:

- i. Defence land is a public asset, held and stewarded by individual occupiers but ultimately to be used for the good of the nation as a whole.
- ii. Military requirements must be a primary concern but regard will be had to other priorities in decision-making around land use, including Defence housing priorities as well as national housing and infrastructure priorities.
- iii. Determination of future land use should be based on what is best for Defence and the country as a whole.
- iv. As land is brought forward into development, active steps will be taken to replenish land supply through the Defence Development Fund.

Recommendations:

(53) Land that is not required for other military uses should be identified in discussion with front line commands and then brought forward for housing and national infrastructure development where appropriate, replenishing a new Defence Development Fund, which in turn can be used to fund housing and development activity.

Forces First on Defence development land

3.19. A key change in the recommended delivery model for Defence development land is a 'Forces First' approach. In conversations with veterans charities, the Strategy review team was told that it could be difficult for veterans to access developments and homes in the right locations to support employment and family life after service. When undertaking developments on Defence development land, a 'Forces First' approach should be embedded to seek opportunities for Service personnel and veterans to have purchase priority with an allocation of new homes for this purpose. This should include discounted homes, as well as the provision of homes for housing organisations and military charities who provide support and housing for veterans.

3.20. A major multi-year renewal and development programme creates an environment that can support additional opportunities for construction related skills training and employment, including for service leavers and veterans. This should be actively explored with organisations and businesses involved with the Defence development programme.

Recommendations:

(54) A 'Forces First' approach should be embedded in Defence development activities. This should include opportunities for Service personnel and veterans to have purchase priority for new homes. This should include discounted homes, as well as the provision of homes for housing organisations and military charities who provide support and housing for veterans.

(55) With a multi-year major renewal and development programme, there should be opportunities for skills training and employment for service leavers and veterans and this should be actively explored with organisations and businesses involved with the Defence development programme.

Accelerating housing delivery under the Defence Housing Strategy

3.21. The Strategy review team's examination of the land and development work currently undertaken within the Ministry of Defence has identified that the planning system can be a barrier to the successful delivery of new homes and so too, creates risks to the delivery of the Defence Housing Strategy. It is acknowledged that extensive reform of the planning system is underway which is intended to deliver long term sustainable change.

3.22. For the delivery of the Defence Housing Strategy, the near term position is critical for success. This is because there is an urgent need to renew and reshape the estate at pace to match housing availability with operational needs. As such, there is a need to provide more flexibility and planning

powers on military land to accelerate development and ensure it proceeds at the required pace to meet Defence and wider government objectives.

3.23. Supporting the work of the Strategy in this area, a tripartite taskforce was set up between the Ministry of Defence, HM Treasury and the Ministry of Housing, Communities and Local Government (MHCLG) to explore opportunities to accelerate the delivery of new homes in the national interest.

3.24. Expert teams have also been convened between the Ministry of Defence and MHCLG around strategic planning, local planning and planning reform as well as specific land issues affecting Defence development land, such as the Crichel Down rules. They have considered the extent of existing permissive planning regimes for progressing operational military requirements, including the application and limitations of permitted

development for military purposes, Crown exemptions and national interest powers. Consideration has also been given to the emerging planning reforms, including the intended significant changes for development corporations and new towns to accelerate housing delivery.

3.25. Critical to the successful delivery of new homes, including Defence homes for military use, will be the faster delivery of developments. To facilitate the faster delivery of homes and in order to meet the national endeavour to fix Defence homes, specific planning powers and flexibilities should be put in place. This could include exploring innovative development and planning tools alongside MHCLG, such as the establishment of Development Corporations in line with Government objectives, as well as fast tracking development on Defence owned land where it is solely required for Defence homes.

3.26. Defence homes are a distinctive form of publicly owned affordable housing provided in the national interest for a specific public good. Accordingly, Defence homes should benefit from affordable housing designation for planning purposes. This would enable Defence homes to be secured through Section 106 agreements as well as purchased by the Ministry of Defence on a similar basis to a registered provider of social housing. To help drive a new model of land release and higher housebuilding rates on Defence land alongside the delivery of high-quality Defence homes, designating Defence homes as affordable housing will support a 'Forces First' approach for Defence homes so they are given necessary priority in Section 106 agreements.

Recommendations:

(56) Specific planning powers and flexibilities should be put in place to facilitate the faster delivery of homes and in order to meet the national endeavour to fix Defence homes. This could include exploring innovative development and planning tools alongside MHCLG, such as the establishment of Development Corporations in line with Government objectives, as well as fast tracking development on Defence owned land where it is solely required for Defence homes.

(57) Defence homes are a distinctive form of publicly owned affordable housing provided in the national interest for a specific public good. Accordingly, the Ministry of Defence and MHCLG will explore the most effective mechanisms to put into effect the following:

(i) Defence homes should benefit from affordable housing designation for planning purposes. This would enable Defence homes to be secured through Section 106 agreements as well as purchased by the Ministry of Defence on a similar basis to a registered provider of social housing; and

(ii) To help drive a new model of land release and higher housebuilding rates on Defence land alongside the delivery of high-quality Defence homes, designating Defence homes as affordable housing will support a 'Forces First' approach for Defence homes so they are given necessary priority in Section 106 agreements.

Financially Sustainable for the long term

3.27. Delivering for the nation also means putting Defence homes on a financially sustainable footing for the long term. This has two parts:

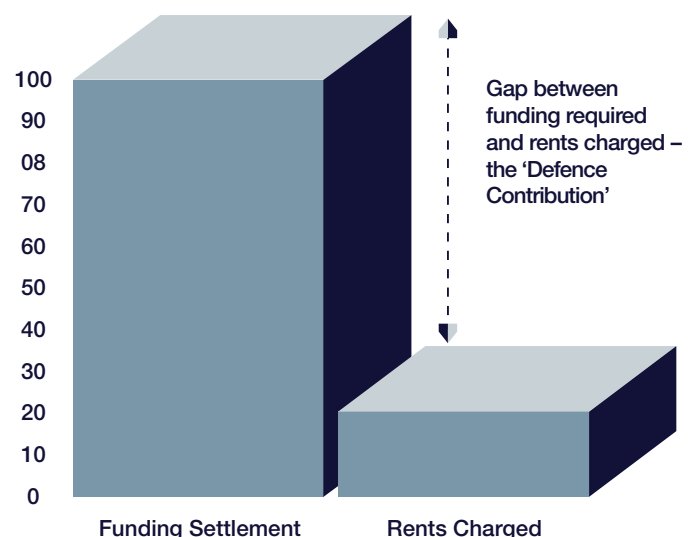
- (i) Understanding the investment and operational funding requirements, and underpinning those requirements with committed long term funding;
- (ii) Driving operational and financial efficiencies from the planning and management of the housing estate through to policy simplification and the right-shaping of the estate.

Understanding the cost of Defence accommodation

3.28. The basis for and costs of providing housing to Service personnel have not previously been well understood across the Ministry of Defence and are not routinely assessed in a comprehensive or accessible manner. Over time, this has led to a situation where there is a significant misalignment between the policy underpinning for subsidy levels, including the individual level of rents charged on the one hand and the costs required to operate and invest in the Defence housing estate on a portfolio basis on the other.

3.29. Defence homes are provided to families on the basis of subsidised rents. This is an important and expected part of the overall terms and conditions of serving personnel. This means that instead of paying a market rent for housing, service families pay a discounted amount of rent. The effect of this is that there is a rent gap between the market level of rent and the actual rent charged (the “rent discount”). The rental income alone is not sufficient to cover the running and investment costs of the Defence housing estate. This means that each year the Defence housing estate requires additional funding from the Ministry of Defence to plug the gap (the “Defence Contribution”).

The Defence Contribution





3.30. The historic policy intent for the value of the rent subsidy, and therefore the level of headline rent set, explained to the Strategy review team is that the highest charging band, Band A, is set at a 70% discount to market level (i.e. rents are around 30% of market value). A further 10% discount to Band A is applied to each reducing band. Rental analysis for pricing policy is made by reference to national statistics and indices. A technical report on this basis is prepared each year. The detail of how the rent pricing policy was first designed is not readily available within the Ministry of Defence and could not be provided to the Strategy review team.

3.31. The application of the overall rents policy to individual properties is made through a banding system called the Combined Accommodation Assessment System (CAAS) introduced as part of the New Employment Model for the Armed Forces. The CAAS bands were introduced in 2015 with effect from April 2016 to update the previous 'four tier grading' system. Each individual property is banded to reflect property characteristics and location (such as distance from shops) as well as its property condition.

3.32. While the charging mechanism is set by reference to Band A properties, currently Band A properties only make up around 7% of the total housing estate, at around 3,300 homes. However, 45% of the housing estate is in charging band C – which means that a starting point (before further individual house condition adjustments) is a discount rate set at over 75% of market value (i.e. rents are around 25% of market rates). The current principle

under CAAS is that as properties improve then the rent charged for those properties increases. That means that as the housing estate is renewed over the period of the renewal programme, the amount of rent that is applied and collected would increase over time as property condition is improved. Across the Defence housing estate, around half of occupied properties are currently subject to rent discounts on the basis of their condition.

Outline of Band discount calculation, if discounted from Market Value

If Band A is 30% of MV		Market Value is 100
Band A	30	30% of MV
Band B	27	10% further reduction to band A
Band C	24	10% further reduction to band B
Band D	21	10% further reduction to band C
Band E	18	10% further reduction to band D
Band F	15	10% further reduction to band E
Band G	12	10% further reduction to band F
Band H	9	10% further reduction to band G

3.33. In relation to the properties required to be provided, there is a further layer of complexity around the descriptions of properties personnel are entitled to. The descriptions do not readily match the size and design of homes that are generally available in a modern marketplace or that are within the Defence housing estate if it were fully utilised as intended in coming years. The built estate has been assembled over many decades and contains a huge variety of internal and external styles and layouts.

3.34. The Strategy review team found evidence of significant additional costs being incurred in order to meet expectations. For example, one brand new senior officer home had cost around £800,000 to purchase for Defence use. More than £20,000 of additional capital spend had to be made for bespoke adjustments. Addressing these matters to provide modern, high quality, appropriate and affordable homes (being affordable to both Service personnel and the Ministry of Defence) is central to the new Defence Housing Strategy.

3.35. The development of each of the relevant organisational policies relating to Defence family homes has been considered in great detail. It is clear that the layering over time of the charging basis for rents, the property descriptions and allocations criteria have created a system that is overly complicated and difficult to administer or monitor. It requires a high degree

of specialism to understand each of the different policies and is difficult for families to understand. The current system is poorly matched to the practical and operational requirements to provide a housing service within the context of a mobile population and a legacy housing estate.

3.36. Currently, an assessment of whether a Service Person and their family are in a home that is suitable, can be provided in the necessary location and meets appropriate space standards is not made, monitored or effectively enforced. This needs to change. The responsibility for delivery, performance and compliance must sit with the delivery function responsible for it (the Defence Housing Service) with that organisation in turn accountable to the military, Ministers and Parliament. Accordingly, changes to accommodation policies should be aligned with delivery responsibilities. It is important that this is clearly articulated and embedded in the governance arrangements between the Ministry of Defence and the Defence Housing Service.

Recommendations:

(58) Changes to accommodation policies should be aligned with delivery responsibilities. It is important that this is clearly articulated and embedded in the governance arrangements between the Ministry of Defence and the Defence Housing Service.

3.37. It is essential that these accommodation policies are overhauled and modernised to ensure that the good outcomes that are intended for high quality, suitable and affordable housing, can be achieved. This includes securing operational efficiencies and flexibilities to ensure that policy and delivery are properly aligned in a way that also aligns with the new housing supply and demand forecasting model.

3.38. Modernising, streamlining and simplifying relevant policies will also ensure that modern digital administrative processes (which may include appropriate applications of AI) can be put in place for the new Defence Housing Service. That would facilitate the effective monitoring and

enforcement of required housing standards. As such it is recommended that there is a streamlining of the policies and procedures around rent and property descriptions and allocations. This would maintain the current principle that as property improves, rent will increase but it would also review the policies from a delivery perspective to ensure that the expressed intent can work on the ground. This lies at the core of the new housing forecasting model to provide the Ministry of Defence and Ministers with the assurance that housing provision is being met as intended.

Heritage and high value assets

3.39. An additional financial strain is the cost of heritage and high value assets which take disproportionately from the available housing budget for Defence homes. In one example brought to the Strategy review team's attention, the required expenditure for a single high value, 'grade one' listed building was sufficient to fix upwards of 50 other Defence homes. The cost of maintenance and repair of heritage and high value assets should be budgeted for separately from the general housing budget, with appropriate additional

funding provided to meet these needs. For some higher value and heritage homes, it may be better to re provision with more modern suitable housing by disposal and the recycling of receipts.

3.40. For heritage homes, consideration should be given to whether there are heritage capital funding programmes that could be accessed to invest in these homes in the broader national interest of preserving and maintaining heritage assets for the enduring benefit of the nation. This should be considered further as part of the preparations for the implementation of the Strategy.

Recommendations:

(59) The cost of maintenance and repair of heritage and high value assets should be budgeted for separately from the general housing budget, with appropriate additional funding provided to meet these needs. For some higher value and heritage homes, it may be better to re provision with more modern suitable housing by disposal and the recycling of receipts. For heritage homes, consideration should be given to whether there are heritage capital funding programmes that could be accessed to invest in these homes in the broader national interest of preserving and maintaining heritage assets for the nation.

Rent levels and subsidy comparisons

3.41. Over time, as the condition of the estate improves, operational costs will reduce and the overall net worth of the housing stock will increase. However, the maximum amount of rent to be collected will not alter the

requirement for a significant Defence Contribution to continue to operate and invest in the housing estate, as a significantly discounted target rent level is expected to be retained as part of the assessment of the pay and conditions of Service personnel. The Defence Contribution required to meet the gap between subsidised rent and overall

costs for the housing estate would reduce only if the rent basis itself is changed in order to generate additional revenue. The balance of the decision of how much subsidy should be provided and how it should be targeted is a matter for the Ministry of Defence as part of its overall pay and conditions settlement, alongside home ownership and other recruitment and retention incentives.

- 3.42. The Strategy review team do not recommend that rents should increase ahead of improvements in condition of Defence homes. However, it is important that the Ministry of Defence understands the cost of its Defence Contribution and has a more granular understanding of the rents gap on a portfolio and investment basis when making decisions about rent levels, pay and the Defence Contribution.
- 3.43. An independent assessment has been undertaken for the Strategy review team to identify the gap between the

value of rents of the Defence portfolio on three different bases: the rent gap relative to social rents, subsidised affordable rents in the private rented sector (using the Local Housing Allowance proxy) and market rents. This work has found that Defence rents are lower than social rents and subsidised affordable rents, and much lower than market rents. As a result, the Defence housing portfolio receives over £100 million a year less than an equivalent social rent portfolio, with rent charged by the Ministry of Defence on average 45% less than social rent. It is £400 million a year less than an equivalent subsidised affordable housing portfolio if benchmarked at local housing allowance (LHA) levels, with rent charged by the Ministry of Defence on average 70% less than LHA. It is about £600 million a year less than would be received on a market rent basis. Defence rents have been calculated to be only 20%-30% of market rents overall.

Defence Housing Portfolio

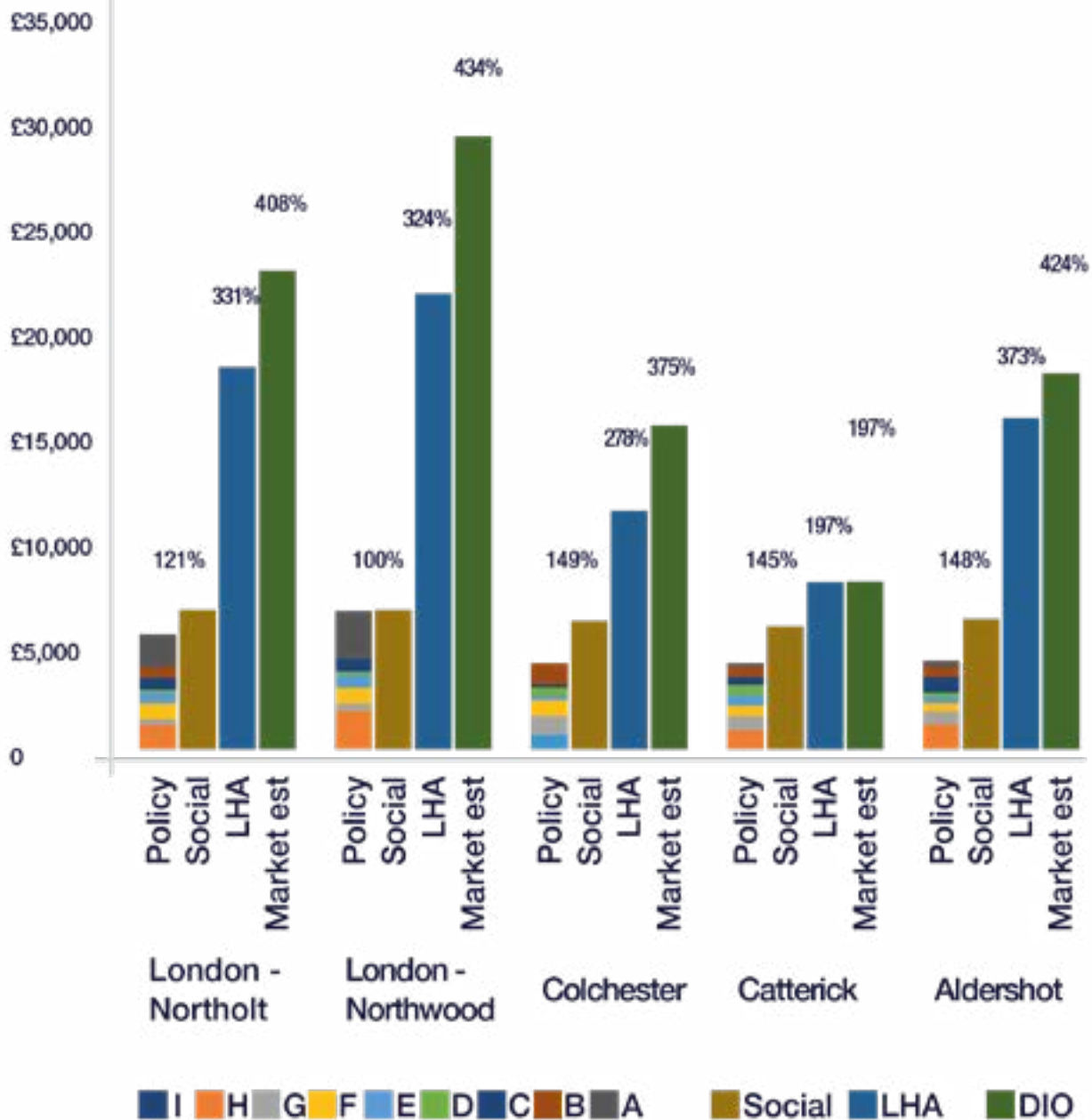
Defence rents are assessed to be:	Portfolio comparison:
Over £100m per year	Lower than equivalent social rent
Over £400m per year	Lower than equivalent affordable rent subsidy levels
Over £600m per year	Lower than equivalent market rents

3.44. Further analysis for the Strategy review team has been undertaken at five cluster sites to consider the relative distribution of rents in different locations. Market rent calculations for the analysis carried out for the Strategy were made against professionally surveyed periodic market rent 'beacon' information on the Defence housing estate that has been regularly collected as part of the Annington arrangements. It is notable that, notwithstanding the availability of good quality, professionally assessed, market valuation information within the Ministry of Defence for the Annington arrangements, the Ministry of Defence did not appear to have made use of this information to refresh its reference rental basis for Defence homes.

3.45. The analysis indicated the value of the Defence discount is highly variable by location. For example, there is a far greater effective discount in London Northwood, an effective discount of over £20,000 per home a year, which also contains a greater proportion of officer housing. By contrast, there is a significant, but reduced, discount to market in Catterick at around £4,000 a year.

3.46. The legacy position of rent charging creates a serious difficulty in addressing rents – both because years of underfunding have resulted in poor housing which must be rectified with greater investment, and because the current charging basis is so low. In turn, that means that the Ministry of Defence is required to make a higher Defence Contribution.

Annual income per property received at current policy rates, compared to selected benchmarks



	Policy	Social	LHA	Market est	Social	LHA	Market est
London - Northolt	£5,553	£6,702	£18,392	£22,662	17%	70%	75%
London - Northwood	£6,767	£6,742	£21,936	£29,385	0%	69%	77%
Colchester	£4,150	£6,196	£11,553	£15,554	33%	64%	73%
Catterick	£4,086	£5,911	£8,058	£8,055	31%	49%	49%
Aldershot	£4,270	£6,328	£15,941	£18,107	33%	73%	76%

Source: Independent assessment undertaken for the Strategy review team

Securing the value of the portfolio

3.47. The Defence housing estate is not just a benefit of being in the Armed Forces in the same way as pay and conditions, it is a valuable multi-billion pound property asset. As part of the operations of the Defence Housing Service, a professional asset management approach should be put in place and be part of the delivery function. Periodic portfolio valuations are needed to underpin the committed

funding programme. This will assist in embedding the effective asset management of this complex property portfolio along with the delivery of a quality service. In turn this will drive better decision making around renewal, regeneration and the reprovisioning of properties. As part of its financial and asset management programme and in a similar way to comparable housing organisations, the Defence Housing Service should be able to manage and/or own additional non-core rental and other properties.

Recommendations:

(60) A professional asset management approach should be put in place with periodic asset valuations.

(61) As part of its financial and asset management programme and in a similar way to comparable housing organisations, the Defence Housing Service should be able to manage and/or own additional non-core rental and other properties.

Pay, rent certainty and the role of the Armed Forces Pay Review Body

3.48. Defence homes have long been recognised to be underfunded. However, it is necessary to drive simplicity, efficiency and transparency alongside increased funding in order to ensure that any new funding settlement is appropriately deployed and Defence homes are placed on a long term sustainable financial footing.

3.49. Currently, budget setting and financial accounting responsibilities are disjointed. For example, the family housing budget is set and managed separately from the accommodation budget for single people. Some top up accommodation rental arrangements, as well as travel from work to home allowances, are funded and delivered as part of the overall personnel costs. These can include alternative family housing provision.

- 3.50. It has been said frequently to the Strategy review team that low rent is a part of the value proposition for the overall pay and conditions package for Service personnel. This is reflected in the institutional arrangements for rent setting. Policy about rent setting for housing is in the control of the part of the Ministry of Defence that oversees employment pay and conditions, essentially equivalent to the human resources function. Rent setting does not sit with those managing the budget for the delivery of Defence housing.
- 3.51. A consequence of this approach is that the costs required to be met by the Ministry of Defence to manage the housing estate are not a required part of the submissions around rent setting within the annual review process for the overall pay and conditions for Service personnel. Consequently, while the Armed Forces Pay Review Body reports in recent years have highlighted poor housing outcomes and this has been reflected in reduced rents, the necessary investment and actions have not been put in place to put it right. This arises as budget allocations to invest and maintain the Defence housing estate are subject to a different internal process within the Ministry of Defence. Having rent setting solely as part of the overall pay and conditions settlement, without considering the overall costs of its upkeep, structurally risks underfunding the housing estate as a whole. The poor condition of housing has been treated as a reason to hold rents down. In fact, poor condition should be a reason to make appropriate investment to improve Defence homes.
- 3.52. There are other landlords, such as social landlords (housing associations), who are constrained by the level of rent that can be charged and who are required to keep homes safe and affordable. Discussions about the level of affordable rents charged are considered in the round as part of Government's multi-year rent settlements for social and affordable housing. These settlements also consider the public finance consequences of rent rises on the wider public purse including welfare payments. The social housing rent settlement then forms the basis for a social landlord to be able to plan its multi-year investment programme.
- 3.53. A similarly structured approach to that of housing associations through a ring-fenced multi-year rent and investment settlement could allow the Ministry of Defence to set rents within the context of an overall pay settlement but also allow for inflationary and other uplifts (convergence) to meet and maintain agreed rent levels. There might be a submission to the Armed Forces Pay Review Body in due course for an external benchmark to apply automatically to rent setting over the period of the renewal and development plan, similar to the consumer price index based calculation that is used in the social housing sector. This should be subject to further evaluation against other approaches.

3.54. A structured multi-year approach to rents would provide greater certainty around funding while the renewal programme is being delivered and would provide reassurance to Service personnel about rent expectations during the renewal programme period. It is not recommended that a wider rent resetting or adjustment to subsidy levels is carried out for 2026/27

(other than periodic inflation related adjustment). It is anticipated that, as with previous reforms, changes to simplify rent-related policies will be a matter for consultation with the Armed Forces Pay Review Body and the Forces Families Federations, as well as for decision within the Ministry of Defence and by Ministers in the usual way.



New homes being built on Defence development land at Bulford, Wiltshire

Recommendations:

(62) Funding certainty should be secured through a ring fenced multi-year overall funding settlement (inflation adjusted) that is sufficient to fund the organisation, maintenance, development and renewal programme.

(63) Funding flexibility should be embedded, to include a move away from annularity and to include recycling receipts through the Defence Development Fund and non-core assets to contribute towards the costs of the renewal and development programmes and accelerate the pace at which renewal and development can proceed.

(64) It is not recommended that a wider rent resetting or adjustment to subsidy levels is carried out for 2026/27 (other than periodic inflation related adjustment).

(65) As the quality of Defence housing improves, an appropriate and affordable level of rents should be charged, with any changes a matter for consultation with the Armed Forces Pay Review Body and the Forces Families Federations. The overall cost of operating and investing in the Defence housing estate, and the associated funding gap arising from subsidised rents, should be properly understood and met by the Ministry of Defence.

(66) The Armed Forces Pay Review Body should be asked to consider the application of an external benchmark to apply automatically to rent setting over the period of the renewal and development plan, similar to the 'CPI plus' calculation that is used in the social housing sector. This would provide greater certainty to support the investment programme and provide assurance to Service personnel about future rent expectations. Approaches to this should be further evaluated.

Budget interdependencies

3.55. In addition to funding certainty, understanding financial interdependencies between Defence family homes and other areas is also important. Currently, there is patchy understanding around the cost of delivery of Single Living Accommodation (SLA). This has some cross-over impact to Defence family housing as a small number of homes have been provided to meet SLA profile accommodation. A detailed review will be required in relation to SLA in order to assess opportunities for further efficiencies and better cost management as well as to improve the condition and service to Service personnel living in SLA.

3.56. There are also allowance interdependencies, for example as set out in relation to the exercise of the cost of discretion in particular situations or the proposed zonal approach for travel and other allowances. Improved financial forecasting and budgeting models will assist in improved understanding of these matters over time.

Recommendations:

(67) A separate detailed review should be undertaken to fully understand and assess the costs of providing Single Living Accommodation (SLA), identify opportunities for efficiencies and better costs management as well as to improve the condition and service to Service personnel in SLA.

Making better use of surplus and empty homes

- 3.57. In addition to the Annington arrangements, underinvestment has been a significant factor leading to additional empty homes. For example, where homes require substantial repair as a result of flooding, roof disrepair or structural damp issues, there has been no money to make repairs, homes have simply been left vacant and ‘left to rot’.
- 3.58. The high incidence of empty properties, getting on for one in five homes, is noticeable across the Defence housing estate. In some locations, this creates the sense of an area being ‘run down’ as well as a loss of rental income. Where homes are needed to meet operational housing needs, there will now be significant additional costs to bring those properties back into use where they have been left vacant and have subsequently deteriorated further. There is also now an opportunity to bring such homes back into use to meet wider housing needs in the national interest, where they are not immediately required for military needs.
- 3.59. The situation around empty homes has been exacerbated by internal accounting treatment which has disincentivised the sale of ‘surplus homes’. This is because receipts received from the sale of surplus land or homes cannot be easily recycled to improve other housing or to bring back on line empty or damaged property.
- 3.60. As outlined above, there is a significant opportunity to drive value by actively managing the housing estate and automatically recycling receipts for re-investment. That would drive efficiency and contribute to the costs required for the renewal and development programme. In relation to surplus homes, this may mean entering into arrangements with third parties to improve and sell homes on the open market, thereby realising greater financial benefit than would be the case if those homes were sold in their current condition. In relation to occupied non-core homes, that may mean holding and managing market rented housing differently. It is recommended that the Defence Housing Service actively explores a range of different investment and joint venture arrangements to harness experience and external capital as well as to realise assets for the greatest benefit to Defence housing.

3.61. In addition to the overall amount of funding required, a committed multi-year funding basis for the Defence Housing Service would drive the greatest financial efficiencies, as well as better outcomes for the renewal overall. This is because putting in place a new approach to provide financial certainty can deliver the change needed over the next decade at a much lower cost. Greater procurement flexibility would be supported by the new structures proposed thereby enabling contracts to be procured at the best value and at the right time. A cycle of stop-start funding and slow decision-making has

led to the decay and disrepair of many Defence homes. Funding certainty would enable a costed lifecycle maintenance programme to be put in place that would be comparable to those which large landlords typically use to plan and deliver works. This will both improve the asset condition of homes and reduce the costs over time. Funding certainty will also ensure that better value for money is achieved for the regeneration, build, purchase and the renewal of homes.



Ring fenced accounting for housing

3.62. As the Defence Housing Service is established as a standalone organisation, it will have the opportunity to put in place finance and accounting processes that are more familiar to, and comparable with, other large housing, property management and development organisations. It

is recommended that the Defence Housing Service should operate a ring fenced profit and loss account and cashflow statement. Given the size of the housing portfolio, it is essential that the Defence Housing Service also maintains a ring fenced balance sheet where investment needs and investment made can be costed and assessed in line with standard accounting practices.

Fixing Defence Homes Funding



01
Committed multi-year funding from the Ministry of Defence



02
Driving financial and operational efficiencies through the renewal and regeneration programmes



03
Creating and recycling value in use of land and utilisation of planning powers, including section 106 affordable Defence homes



04
Recycling value of 'non-core' assets

Focus on: Defence Developments

It is recommended that a dedicated delivery function within the Defence Housing Service, 'Defence Developments', should be set up to drive forward the complex regeneration and development activities required around the Defence housing estate and Defence land.

It should have appropriate commercial discretion, including raising private investment and finance, entering into joint ventures and partnerships and securing the right skills and capabilities - but with the ultimate purpose of supporting defence capability through its activities. Defence Developments may be a subsidiary of the Defence Housing Service, with options for this being assessed.

Eight areas of focus are envisaged for Defence Developments:

(i) **Renewal and regeneration:** The renewal of the Defence estate requires a complex multi-year regeneration programme on a site by site basis. It requires a high degree of project management and technical specialism to deliver this well. Given that the Defence programme may be the largest residential retrofit programme of any landlord in the UK, there could be opportunities for joint

venture partnerships with specialist providers, including energy/solar power generation.

(ii) **Securing additional 'top up' Defence homes where needed:**

The core provision of homes for service families would be through properties owned by the Defence Housing Service. However, as supply and demand fluctuate there is a need for 'top-up' or flexible provision. At any point in time the total demand for top-up housing across the country could range from 500 - 3,000 properties. The duration of requirement for any given location could be from 6 months to 5 years. Factors influencing demand for top-up housing could include:

- Delays to planned unit moves
- Temporary provision while the core estate is under-going major refurbishment works
- Delays securing vacant possession of core Defence homes (e.g. unable to remove existing tenants)
- Temporary provision while new homes are being built or purchased to meet an enduring capacity need

Defence Developments could retain, develop, buy or lease properties to provide the top-up Defence homes requires, with the ability to also rent

these properties on the market or sell when Defence demand falls. This could be delivered through investor partnerships with third parties.

- (iii) **Maximising value from non-core homes:** The Ministry of Defence has 4,000 or more properties that could be sold as part of the estate reshaping. As it manages its stock on a more dynamic basis in the future, the Defence Housing Service is likely to be more active in both acquiring and selling homes. Releasing the capital tied-up in these properties (e.g. which are in the wrong location) rapidly could be key to funding the works needed in the early years of the renewal and development programme.

In addition, some properties may not be retained, for example, where they are in poor condition or the wrong size. If these properties were sold in their current condition and in bulk to a third party, it is likely that would be at a significant discount to market value. In order to achieve an acceptable market value sale, capital investment would be required. Other avenues should also be considered to maximise the value from these properties including through sales, redevelopment or leasing. This might include investing in minor upgrades, infill developments, large scale redevelopments or simply managing the release of properties onto the open market. Where investment is required, this approach could enable the leveraging in of specialist expertise along with external private finance and investment.

- (iv) **Delivering new Defence homes as part of Defence development land:** Where developments are being delivered on Defence development land in locations where there is a requirement for additional or replacement Defence homes, such homes can be secured more cost-effectively as part of the overall transaction than if purchased in the general housing market. This includes the provision of affordable Defence housing on a site by site basis and taking into account the cost of the provision of such housing as part of the overall land receipt. This would allow the land to be harnessed more effectively both to deliver homes for the nation more widely and to meet specific Defence housing requirements as cost-effectively as possible.
- (v) **Maximising opportunities for national growth and infrastructure:** Where operational requirements change, the Ministry of Defence has the potential to release land for sale or development. These sites could be suitable for Defence Developments for housing or mixed-use developments but potentially also other commercial uses such as AI, energy, water or other national infrastructure. The assessment and utilisation of land in this way could support both a better return for the Ministry of Defence by way of 'development dividend' and also boost growth and infrastructure in the national interest.

- (vi) **Forces First:** Currently there is limited or no assessment of whether Defence development land is suitable either for Defence homes or for providing greater housing choices to Service personnel and veterans. Defence Developments would be charged with taking forward appropriate opportunities for prioritising first choice for housing to Service personnel and veterans, including discounted homes, with homes in developments allocated for this purpose. This could include opportunities to support veterans charities and other housing specialists supporting the military. In this way, Defence Developments should embed a Forces First approach.
- (vii) **Estate services and energy transition:** Alongside its development activities, Defence developments can create services to be provided direct to families occupying its properties or on its developments. This might include, for example, the provision of electric vehicle charging bays or storage facilities. Defence land also has specific opportunities relating to energy supply that can contribute to the Government's energy and net zero ambitions.
- (viii) **Skills and Training:** Given the scale of the renewal and development work, there would be opportunities to play a significant role around regional skills hubs and construction training programmes to support wider national needs. Working with industry partners and training colleges as well as across Government, the renewal and development programme can increase capacity in skills that are necessary to deliver national housebuilding ambitions, including through skills and employment opportunities for veterans.



Recommendations



Pillar One Recommendations: A Generational Renewal

- P1.1 New military housing standards should be established for renewing Defence housing, acquiring new Defence homes and managing the Defence housing estate. These military housing standards should aim to achieve and maintain modern property standards comparable with those of high quality large professional landlords, with additional adaptations to better meet military life.
- P1.2 Military housing standards will need to keep pace with the Decent Homes Standard, housing safety requirements, such as the implementation of Awaab's Law in line with the Government's timetable and meeting higher energy efficiency (EPC) expectations. This must include tackling damp and mould and other safety hazards as a priority action.
- P1.3 All renewed properties should be at least EPC C, with an increase in the number of homes meeting EPC B over the renewal period. All new build properties built for Defence purposes should be expected to be at least EPC B, with an increase in the number of homes meeting EPC A.
- P1.4 Health and safety requirements such as landlord's gas and electrical inspections must be met. Appropriate systems and training should be established to provide confidence that modern property management and consumer requirements can be understood and met consistently.
- P1.5 Appropriate systems should be put in place to be able to meet and monitor compliance with home quality and housing safety requirements, with publication on these matters at least annually.
- P1.6 Property and stock condition information, including regular stock condition surveys, should be improved and made more regular so that a full review of the estate is undertaken within, at most, each five-year period.
- P1.7 Data integrity and data management around the condition of homes should be improved so that it becomes reliable and comprehensive.
- P1.8 Modernised and digitised property and asset management systems and processes should be embedded within the Defence Housing Service, with appropriate data management controls.
- P1.9 Future third-party contracting arrangements should include data interoperability requirements.

- P1.10 A professional planned lifecycle maintenance programme should be put in place in line with that comparable with high quality large professional landlords to keep homes working well, reduce overall operating costs and improve the experience for service families.
- P1.11 A single housing supply and demand forecasting model should be developed and maintained. This should provide a rolling ten-year forecast including the type and number of properties required by housing zone. It should be capable of supporting impact assessments around changes in the overall size of the Armed Forces as well as more granular mobility costs, for example by specialism or regiment.
- P1.12 Defence homes should remain in public ownership.
- P1.13 Collaborative and detailed working with front line commands around military assignments should be undertaken to implement the renewal and development programme.
- P1.14 Mid-tour moves may be needed for the efficient management of renewal works but these should be minimised. Where such service moves are required the cost of these should be met in the usual way.
- P1.15 Service families should be involved in local renewal plans around regeneration and major works in their home areas.
- P1.16 An Annual Report of the performance of the Defence Housing Service against its strategic objectives, including in relation to meeting the Decent Homes Standard, should be presented to Parliament.
- P1.17 A 'bricks and mortar' approach to widening access to accommodation, delivering on the main commitments made in this area under the Modernised Accommodation Offer (MAO), should be put in place that prioritises building, buying and bringing back into use homes for Service personnel. This approach should be fully embedded within the renewal and development programme for the Defence housing estate.
- P1.18 An additional rental support accommodation allowance should be provided to qualifying Service personnel for the purposes of widening access for those families whose needs cannot be met in a particular location.
- P1.19 Detailed information on the roadmap to widening access should be provided to families as soon as possible, and certainly before April 2026, and this change of approach to widen access should be phased in on a sensible timeframe.
- P1.20 Empty properties (voids) should reduce over time in line with the programme of works and the 'right-shaping' of the estate, so that year on year there should be demonstrable reductions in the number of empty homes within the operational core housing estate. Progress in reducing the number of empty core properties should be monitored and reported on at least annually.

- P1.21 The correct number of core homes required to be available for operational reasons should be properly planned and provided for.
- P1.22 New broader housing zones should become the core approach for housing allocations enabling greater housing options for families as well as administration and financial efficiencies.
- P1.23 Proposed housing zone boundaries should be subject to consultation with the Forces Families Federations and front-line commands before being finalised.
- P1.24 Detailed consideration should be given to any resultant impact on travel allowances ensuring that the most mobile cohorts continue to be able to be posted as a priority allocation to each duty station. There should be a presumption that, where possible, families are not required to move if their duty station remains within the relevant zone.
- P1.25 A generational renewal of the Defence housing estate should be put in place, starting work immediately on a ten year programme of renewal and development to fix Defence housing and meet operational needs.
- P1.26 Key principles of a generational renewal should include:
- A) The end of a 'fix on fail' approach.
 - B) The delivery of lifecycle planned maintenance programme for major works and a reactive programme of repairs.
 - C) By the end of the renewal and development programme, at least one-third of the Defence housing estate should be new homes, with the remainder of homes renewed to high quality military renewal standards.
 - D) Military homes to be provided for military personnel.
 - E) Where Defence homes are made available they must meet the needs of all Service personnel and their families, including right-sized, suitable homes across all ranks.
- P1.27 Policies should be updated to modern property criteria that is readily comparable to civilian standards, including space standards, and property allocation and rents policy and guidance should be streamlined accordingly. Systems should be put in place so that compliance with comparable overcrowding requirements can be made and action taken to address any issues accordingly.
- P1.28 A renewal pathway, that identifies the outline programming for the renewal and development work, should be put in place and published.

Pillar Two Recommendations: Forces First

- P2.29 A standalone, professional, Defence housing organisation should be established, the Defence Housing Service, with a service ethos at its heart that puts the needs of Service personnel and their families first.
- P2.30 The Defence Housing Service should be accountable for meeting its delivery function to the Ministry of Defence and Defence Ministers through its departmental governance arrangements. This may include through its establishment as an arms-length body and this should be further evaluated.
- P2.31 Housing officers delivering services to families on the frontline should be given the training and flexibility to be able to respond swiftly to the needs of families including empowering local decision-making for routine matters. This should include future discretion to make small, but important, repairs or improvements on a case-by-case basis within a local context.
- P2.32 Decisions around day to day housing and estate management issues, such as play equipment and paint colours, must sit with the Defence Housing Service.
- P2.33 More effective administration systems should be put in place to ensure that appropriate information is available to reflect families' housing needs and ensure that disabilities and special education needs can be better met.
- P2.34 The new Consumer Charter for Forces Families launched by the Secretary of State for Defence in April 2025 should be the cornerstone for the new approach for services to families and should be regularly reviewed and updated. Performance against ongoing consumer commitments to families should be measured and published at least annually.
- P2.35 Dedicated housing officers should provide a day to day point of contact for families, ensuring repairs and issues are properly prioritised, with checks that work has been carried out to the right standard.
- P2.36 An ongoing programme of visual inspection monitoring should become standard practice to ensure that the expected changes are happening on the ground, in addition to good quality data and contractual performance monitoring.

- P2.37 A 'one-stop shop' portal should be put in place which also links to the veterans VALOUR recognised centres and includes information about schemes available in the wider housing market that support Armed Forces personnel and veterans, including as part of the new Forces First approach. Relevant housing information should be made available to those accessing support via the VALOUR programme.
- P2.38 The Forces Help to Buy scheme should be reviewed with a view to increasing uptake, including against current property prices and its application in different family circumstances.
- P2.39 Additional savings products which specifically support the circumstances of mobile Armed Forces should be considered. This might include additional retention bonuses and access to credit unions.
- P2.40 The cost of welfare based and discretionary housing allocations should be routinely identified and quantified by the Ministry of Defence.
- P2.41 As maturity improves around forecasting and the forecasting model, the total number of family homes impacted by the use of Service personnel discretion should fall within, and not be in addition to, the management margin (being the number of homes set aside to provide operational flexibility and mobility).
- P2.42 A single streamlined housing complaints system should be put in place with an independent redress mechanism for UK Defence family housing. The Armed Forces Commissioner which has been newly created by statute can provide that independent redress in a similar way to ombudsman schemes otherwise available to residents in the housing sector.
- P2.43 Where non serving persons do not have access to systems in the same way for their serving person, nominated access or similar arrangements should be put in place to support them being able to take all decisions around their family housing.
- P2.44 The role of the Forces Families Federations should be formally recognised by the Defence Housing Service and Ministry of Defence as a whole, including as required consultees for policy changes that affect accommodation.
- P2.45 The newly constituted Defence Housing Service should embed service family representation within its independent governance arrangements.
- P2.46 A separate detailed review should be undertaken in order to make recommendations for the improvement of conditions to properties and service standards as well as potential financial and operational efficiencies for the provision of overseas accommodation (both SFA and SLA).

Pillar Three Recommendations: Delivering for the Nation

- P3.47 The Defence Housing Service should drive development and regeneration activities on Defence development land in order to renew the Defence housing estate as well as to deliver additional homes and infrastructure.
- P3.48 In order to accelerate housing delivery and support wider national objectives, a dedicated delivery function should be established within the Defence Housing Service to drive forward more complex regeneration and development activities required around the Defence housing estate and Defence land.
- P3.49 The Defence developments function should have appropriate commercial discretion, including the ability to raise private investment and finance, enter into joint ventures and partnerships and secure the right skills and capabilities - all with the ultimate purpose of supporting defence capability through its activities.
- P3.50 Development activity may be delivered through partnership approaches, including working with other public bodies and through joint ventures. Close working with Homes England and more broadly across UK Government and devolved governments, Mayoral administrations and local government should seek to identify opportunities for additional funding and investment as well as to accelerate the delivery of homes and infrastructure. External private finance and investment can be secured in order to leverage opportunities, maximise value and embed operational efficiencies.
- P3.51 Appropriate arrangements should be put in place to ensure that there are opportunities for businesses, investors and others, especially smaller and regional businesses, to engage with the Defence Housing Service in relation its development and financing activities.
- P3.52 Improved monitoring and accountability should be put in place to ensure that planned development and regeneration can be delivered on time and at pace.
- P3.53 Land that is not required for other military uses should be identified in discussion with front line commands and then brought forward for housing and national infrastructure development where appropriate, replenishing a new Defence Development Fund, which in turn can be used to fund housing and development activity.
- P3.54 A 'Forces First' approach should be embedded in Defence development activities. This should include opportunities for Service personnel and veterans to have purchase



priority for new homes. This would include discounted homes, as well as the provision of homes for housing organisations who provide support and housing for veterans.

P3.55 With a multi-year major renewal and development programme, there should be opportunities for skills training and employment for service leavers and veterans and this should be actively explored with organisations and businesses involved with the Defence development programme.

P3.56 Specific planning powers and flexibilities should be put in place to facilitate the faster delivery of homes and in order to meet the national endeavour to fix Defence homes. This could include exploring innovative development and planning

tools alongside MHCLG, such as the establishment of Development Corporations in line with Government objectives, as well as fast tracking development on Defence owned land where it is solely required for Defence homes.

P3.57 Defence homes are a distinctive form of publicly owned affordable housing provided in the national interest for a specific public good. Accordingly, the Ministry of Defence and MHCLG will explore the most effective mechanisms to put into effect the following:

(i) Defence homes should benefit from affordable housing designation for planning purposes. This would enable Defence homes to be secured through Section 106 agreements as well as purchased by the Ministry



of Defence on a similar basis to a registered provider of social housing; and

(ii) To help drive a new model of land release and higher housebuilding rates on Defence land alongside the delivery of high-quality Defence homes, designating Defence homes as affordable housing will support a 'Forces First' approach for Defence homes so they are given necessary priority in Section 106 agreements.

P3.58 Changes to accommodation policies should be aligned with delivery responsibilities. It is important that this is clearly articulated and embedded in the governance arrangements between the Ministry of Defence and the Defence Housing Service.

P3.59 The cost of maintenance and repairs of heritage and high value assets should be budgeted for separately from the general housing budget, with appropriate additional funding provided to meet these needs. For some higher value and heritage homes, it may be better to reprovise with more modern suitable housing by disposal and the recycling of receipts. For heritage homes, consideration should be given to whether there are heritage capital funding programmes that could be accessed to invest in these homes in the broader national interest of preserving and maintaining heritage assets for the nation.

P3.60 A professional asset management approach should be put in place with periodic asset valuations.

- P3.61 As part of its financial and asset management programme and in a similar way to comparable housing organisations, the Defence Housing Service should be able to manage and/or own additional non-core rental properties.
- P3.62 Funding certainty should be secured through a ring fenced multi-year overall funding settlement (inflation adjusted) that is sufficient to fund the organisation, maintenance, development and renewal programme.
- P3.63 Funding flexibility should be embedded, to include a move away from annularity and to include recycling receipts through the Defence Development Fund and non-core assets to contribute towards the costs of the renewal and development programmes and accelerate the pace at which renewal and development can proceed.
- P3.64 It is not recommended that a wider rent resetting or adjustment to subsidy levels is carried out for 2026/27 (other than periodic inflation related adjustment). This is due to the wider policy work to be carried out as recommended by this Strategy.
- P3.65 As the quality of Defence housing improves, an appropriate and affordable level of rents should be charged, with any changes a matter for consultation with the Armed Forces Pay Review Body and the Forces Families Federations. The overall cost of operating and investing in the Defence housing estate, and the associated funding gap arising from subsidised rents, should be properly understood and met by the Ministry of Defence.
- P3.66 The Armed Forces Pay Review Body should be asked to consider the application of an external benchmark to apply automatically to rent setting over the period of the renewal and development plan, similar to the 'CPI plus' calculation that is used in the social housing sector. This would provide greater certainty to support the investment programme and provide assurance to Service personnel about future rent expectations. Approaches to this should be further evaluated.
- P3.67 A separate detailed review should be undertaken to fully understand and assess the costs of providing Single Living Accommodation, identify opportunities for efficiencies and better costs management as well as to improve the condition and service to Service personnel in SLA.

Focus on: How we have approached the Strategy review work

External membership of the Strategy review team

Chair: *Natalie Elphicke Ross OBE.* Natalie is a national expert in housing and housing policy. She has served as an independent adviser to central and local Government over many years. Natalie led the establishment of the UK wide New Homes Quality Board that was set up to champion quality new homes and better consumer outcomes in housebuilding. Between 2019 and 2024 Natalie served as the Member of Parliament for Dover and Deal. Formerly Natalie was a City law firm partner specialising in complex housing and structured finance law. She has longstanding non-executive boardroom experience from the public and private sectors. She is a Director of the Housing & Finance Institute and its Head of Housing Delivery.

Family Federations: *Cat Calder.* Cat is a committed housing professional with over 13 years of experience advocating for improved living conditions for families in military accommodation. Her expertise in MOD housing regulations and policy has been instrumental in securing policy changes and addressing housing needs. She has held key positions within the Army Families Federation (AFF) and having lived in 11 SFA in 17 years remains an active advocate for better housing solutions within the military.

Senior stakeholder and family

engagement: *James Hall.* James has over a decade's experience working in housing and development, working with the public, private and not-for-profit sectors. He worked extensively on strategy, policy and communications in Westminster and Whitehall, and most recently worked at the Greater London Authority on housing policy and delivery.

Housing development and delivery:

Nigel Holland. Nigel is a former Divisional Chair of Taylor Wimpey plc. With over 30 years' experience in new homes development, regeneration schemes and strategic land management at of the UK's largest residential developers. An entire career of experience in the homes industry, leading large-scale developments both in UK and overseas. Currently a Senior Advisor to The Housing Growth Partnership and a Non-Executive Director, and Chair of the Investment & Development Committee, at The Riverside Group Limited, a G15 Housing Association that has a strong emphasis on regeneration and in the care and support sector.

Cross Government opportunities, planning and investment: *Alexandra Notay.* Alex is an internationally recognised expert on housing, placemaking and ESG. She has 20 years strategic advisory and investment experience having worked extensively across four continents. She is Chair of the Radix Big Tent Housing Commission.

Delivery enterprise: *Bill Yardley.* Bill is an independent consultant and non-executive board director. He is Chair of a residential development company and a non-executive director at the Houses of Parliament. Bill has over 30 years' experience in public and private sector and works at board level in infrastructure, housing, education and the NHS. Bill also sits on the DIO advisory board of the MOD.





The voice of service families

The experience of forces families has been forefront in understanding the current situation and the need for change. As well as embedding representation from the housing specialist, Cat Calder, from the Army Families Federation, the Strategy review team undertook evidence sessions with Helen Fish, from the Navy Families Federation and Mark Hayhurst, from the RAF Families Federation.

Members of the Strategy review team have met directly with service families through housing feedback meetings and visiting Defence homes. This has included visits to occupied and unoccupied homes to examine refurbishment and move in standards, as well to the Pinnacle service centre in Liverpool.

To directly inform the work and recommendations of the review, the Army Families Federation, on behalf of the three families federations, have conducted a detailed questionnaire in June 2025 to serving personnel, spouses and partners

across all three Services. The Future of Defence Housing Questionnaire (Families Questionnaire) received over 6,300 responses, providing valuable insight and information about priorities and needs of serving personnel and their families. This work will continue to be a useful source of information and direction in the implementation of recommendations set out in the report.

Additional qualitative information and quantitative data has been drawn from customer engagement work carried out by and on behalf of the Ministry of Defence, including the important survey series, AFCAS and FAMCAS, and 'roadshow' sessions with contractors and residents. Detailed policy assistance has been provided by the policy accommodation team with the People function of the Ministry of Defence and within the DIO. Detailed financial analysis has been undertaken including in relation to costs and rents.

Contractor engagement

In addition to meetings with families and regular meetings with Ministers, the Strategy review team have benefitted from expert assistance from Andy Hulme, Chief Executive of Hyde housing group. Hyde recently took over the primary contractor for Defence housing, Pinnacle, and Andy has been involved in supporting the early roll out of service changes under the Consumer Charter for Forces Families. Understanding the limits, and the potential for change, provided within the current contractor arrangements is particularly important in view of the duration of the current contractual arrangements.

Wider engagement

During the course of the review, there have been meetings with MPs as well as with local councillors and businesses in some of the Defence development areas.

Veterans' charities and organisations are an important part of the wider Defence family. The Strategy review team were pleased to meet with the Haig Housing Trust and Stoll Foundation as well as taken evidence from the Office for Veteran Affairs within the Ministry of Defence.

Specialist advice and support

David Brewer has overseen the development of the Defence Housing Strategy as the lead responsible officer (SRO) at the Ministry of Defence. He has responsibility for the strategic delivery of Defence homes within the Ministry of Defence. David will be establishing the new Defence Housing Service as its first Chief Executive Officer.

Phil Riley, is responsible for the operational service delivery of Defence homes.

Jo Barker is the Head of the Armed Forces Accommodation Policy and SRO for the Modernised Accommodation Offer.

Colonel James Senior is the Assistant Head of Plans and Requirements for the Defence Infrastructure Organisation within the Ministry of Defence.

Strategy review team secretariat and operational support has been led by **Tony Barlone**.

The Strategy review work has been unusually technical and detailed for a report of this type, in that it has required new data, valuations, development, property, finance and portfolio analysis and information in order to get the heart of the issues and make recommendations for substantial change. Expert support has been provided by specialist teams within the Ministry around information management, data and modelling as well as people/accommodation policy, finance, planning and estate management in order to assist and inform the review. Jones Lang LaSalle, PA Consulting, PwC and others have supported the Ministry teams in this work. Additionally, specialist technical advice has been received on a cross-government basis on finance, planning, development and organisational structure matters, including from Homes England and MHCLG.

More information about the Families Questionnaire

Context

In order to directly inform the work of the Strategy Review team requested that a targeted, independent questionnaire was created to ensure the voices of Service personnel and families were heard. Accordingly a questionnaire was created by the Army Families Federation on behalf of the three families federations to capture their views on three key areas:

- Existing Service Family Accommodation (SFA)
- New builds
- Attitudes to home ownership

Approach

The questionnaire was open from 2–23 June 2025 and was shared consistently across communications channels using agreed messaging by all three families federations, DIO and across all three Services to target regular Service personnel and their partners/spouses. Communication channels included each individual Families Federation website, social media, and across platforms used by each individual service in order to reach as many respondents as possible in order to give an equal and fair chance of participation to all. A qualifying question at the beginning of the survey ensured all respondents were part of this cohort. Organisations were encouraged to share the questionnaire widely to ensure that as many serving personnel and spouses/partners as possible were able to participate should they wish to. The questionnaire was launched via a recognised platform to ensure adherence to data protection legislation and data fidelity. Privacy policy information and how respondent data could be used under UK GDPR was made clearly available in the questionnaire introduction.

Families Questionnaire - Quality Assurance

The questionnaire structure was designed and peer reviewed by the individual members of the Housing Review Team, including DIO and other policy team members to ensure that questions being asked reflected areas of individual expertise, and the Families Federation input ensured that the voice of the families from all three services remained at the heart of the evidence being gathered.

During build, the questionnaire was reviewed by the Defence Infrastructure Organisation Geospatial and Analytics Team (DEX), the families federations and other policy stakeholders to ensure quality of questions and layout. The survey was tested by the Families Federations and DIO to ensure integrity of the questions in terms of meaning and data flow. Quantitative data in this questionnaire was analysed by a DEX analyst using a standard statistical analysis software package.

After completion, data was then peer reviewed by DEX to ensure consistency and data integrity. A number of questions have been asterisked, which are priority scored questions by rank x count. The score for these questions has been calculated by multiplying the number of responses to that particular question by the priority it was given. Visualising the data in this way allows for a more direct comparison between categories, while still taking into account the individual rankings.

The statistical test performed for each question was a chi-squared test. This was chosen for two reasons:

1. Both variables involved in each test were categorical, this made chi-squared the most appropriate statistical test for the data.
2. Chi-squared is unaffected by differences in sample size between groups, therefore the low number of Royal Marine respondents will not affect the results of Service-split analysis.

Qualitative data was analysed and coded using inductive thematic analysis by the Army Families Federation Data Officer. Once data saturation was reached, which means that no further themes could be extracted from the responses received, the coding themes were reviewed and agreed by the Army Families Federation Housing Specialist and Head of Policy.

Key References

- Strategic Defence Review (April 2025)
- Selous report (June 2020)
- Haythornthwaite report (June 2022)
- Kerslake report (April 2024)
- 1st report of 2024/25 session of the Defence Select Committee (December 2024)
- Mears contract: [Insider Media, 11 April 2024]
- FDIS contracts: ['Thousands of service families receive £650-million accommodation boost' www.gov.uk].
- Family demographics: [ONS: Marriage and civil partnership status in England and Wales: Census 2021]
- UK Regular Armed Forces Continuous Attitude Survey Results 2024
- Modernised Accommodation Offer (2023)



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