



## **The Combined Accommodation Assessment System (CAAS) Frequently Asked Questions (FAQs)**

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

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 It is out-of-date – for example, at the moment charges depend in part on how close the home is to a phone box, and yet modern expectations, like a fast broadband connection, are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

### **What are we changing to?**

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

### **What factors will be assessed?**

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

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

The Armed Forces Pay Review Body (AFPRB) will continue to independently recommend the top rate – band A – with an overall spread of charges that is broadly equivalent to the current system. Because CAAS uses new criteria, almost everyone's charge will change. Charges will increase for about three-quarters of occupants and decrease for the other quarter. All rises will be capped to a set amount each year. The cap will vary according to rank and house size, but will be around £40 a month for junior officers and £20-30 for other ranks. For the majority of properties, the total change to the monthly charge, staggered over several years, will be between £50 to £75 a month from its current level. This removes the unequal discount between property types under the current 4TG, to provide a simple and uniform discount that is equal and fair to all.

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

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

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

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

The additional funds will also allow us to significantly increase investment in energy efficiency. We will run a programme that will benefit approximately 8000 service families – by 2019 they will see a direct reduction in their energy bills of up to £500 a year. We will also redesign the Fuel Subsidy Scheme so that most families in SFA should expect to pay less than the national average energy bill using Energy Performance Certification (EPC) methodology.

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

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

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

No, we won't be correcting errors under the old system, even where occupants have been undercharged.

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

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

**When will I find out what will happen to my charge?**

We need to assess all of our properties to ensure that the charges under the new system are accurate. For UK occupants, you will have received an estimate of the new charge for your property in July 2015. Once the assessment programme is complete, occupants in the UK and Overseas will then receive confirmation between October 2015 and February 2016 of the property specific assessment that will take effect from April 2016.

**I would prefer the system to stay as it is. Can I refuse the surveyor access to my SFA?**

Please refer to your Service Licence To Occupy Service Family Accommodation (SFA) which states that agents and contractors must be allowed access to the property with a sufficient period of notice given to you. Also, please be aware that occupants whose SFA has been selected for survey will receive at least 2 weeks' notice of the appointment and will have the opportunity to change the appointment to a more suitable time if required.

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

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

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

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

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

Nothing will happen prior to April 2016, so the charges under the current 4TG will continue to apply. Your charge will change in April 2016 dependent upon the assessment of the property against the new CAAS criteria.

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

The charge on your new property will be the same as that for the previous occupant of that home. The same protection system will apply to spread any significant increases over a number of years.

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

While MOD continues to invest in SFA to improve standards, the improvements are based on a rolling programme constrained by current funding. A programme of investment in Energy Efficiency is already being delivered and will continue with £8M programmed in 15/16, as will improvements to kitchens, bathrooms etc. with a programme of £16M in 15/16.

**When will the change affect me?**

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

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

A series of New Employment Model road shows will take place in late 2015/early 2016 where CAAS will be explained and there will be an opportunity for you to ask any questions. Read more information about CAAS at: <https://www.gov.uk/government/publications/combined-accommodation-assessment-system-the-new-accommodation-charging-system-explained>