Reference: [Redacted]

Meg Hillier MP
Chair of the Public Accounts Committee
House of Commons
London
SW1A 0AA

3 May 2019

Dear Mrs Hillier,

Further to my letter of 7 March 2019 updating the Committee on Annington’s engagement with the Ministry of Defence and the agreement reached in relation to the Married Quarters Estate Site Review process, I am writing to provide an update on another matter on which the Committee asked to be kept informed, namely Annington’s intention to let more surplus properties for rent at prices affordable to someone on an average UK salary.

Since our appearance in front of the Committee 243 houses on 8 sites have been returned to Annington, the majority of which are on sites in Bordon (200) and Canterbury (35). These were handed over at the end of March 2019. Of the homes at Canterbury, 32 will be leased to the London Borough of Redbridge to help it meet the housing needs of its low income constituents. Given the size of site and the unfortunate state of disrepair in which the houses at Bordon were received, it will be some time before this site is ready for occupation and whilst we expect to include a rental component in the scheme, the proportion and occupancy profile is yet to be decided. However, the site lends itself to the type of affordable family housing that we have previously discussed.

You will be aware that Annington has made a commitment to the MoD that in return for releasing 500 properties per annum to it, Annington will provide relief on any dilapidations liability up to £7,000 per property. This equates to 50% of the cost as estimated by the MoD. We hope that, as more void units are released, there will be more opportunities for us to return homes to the national housing stock for the benefit of UK families earning average salaries.

In the past year Annington has also made a number of purchases of housing stock to rent in the open market, including 73 homes in Reading, High Wycombe, Bristol, Cambridge and Milton Keynes from a national housebuilder and an existing portfolio of 104 houses in Gloucester, Bristol and Hedge End. In addition, we are building out 207 apartments in Uxbridge, almost half of which are now let. All of these schemes have been rented at rental levels which meet a need for good quality, reasonably priced homes in the relevant local housing markets. Separate to the Married Quarters Estate, Annington currently has more than 1,800 homes let to the general public throughout England and Wales. However, due to the current uncertainty concerning the impact of Britain leaving the European Union and our focus on working with the MoD to make progress on the Site Review negotiations, Annington and its shareholders have decided to suspend its acquisition programme until there is greater clarity on the outcome. In the event that Annington re-enters the private rental market, it expects to do so under the same strategy previously articulated to the Committee.
I hope that this provides the Committee with sufficient reassurance of Annington’s on-going commitment to meeting the housing needs of families in the UK. The improved relationship with the MoD will be critical to meeting both the future requirements of the Department and the Service people in its care and to Annington’s ability to provide appropriate housing in communities around the country.

Yours sincerely,

[Signature]

James Hopkins
Chief Executive