

Court of Appeal Grants Annington Leave to Appeal MoD Judgement

“We welcome the Court of Appeal’s decision today to give us permission to appeal.

This case raises significant questions for any organisation that enters a contract with the Government as to whether the Government can be trusted to keep its word. This case should worry any domestic or international investor who is considering the UK as a place for investment in infrastructure assets. We agree with the Judge pointing out that this is potentially a matter of wider importance.

We believe the Government’s plan to forcefully repurchase Annington – 27 years after they sold it in a competitive international auction – is not just unlawful, but would waste huge sums of taxpayers’ money buying back homes in desperate need of repair, would damage the UK’s reputation as a safe place to invest, and would completely fail to address the pressing issue of the shameful condition many military families live in.

We question why the Government is considering spending around £8bn of taxpayers’ money on a speculative transaction buying back an asset - the MOD estate - that it sold in 1996, rather than investing in improving military homes. It is not clear to us how this represents good value for money for taxpayers, particularly in a rising interest rate environment. With ten-year government yields at over 4.0%, the costs of interest alone would be over £320m per annum. To put that in perspective, that amount is over 50% more than the MOD currently pays Annington in annual rent on these military homes.

In addition, the MOD continues to hold almost 20% of its homes vacant. This means it is paying rent and maintaining c.7000 family homes in England and Wales which are empty, at a time of unprecedented housing pressure in the country.

We remain confident in our legal case, however we have made repeated efforts to reach a resolution with the Government to avoid years of long and costly litigation. We do this to ensure that all parties can focus on finding a solution to the real priority: addressing the poor quality of the homes many military families find themselves living in.

Although we are not responsible for the maintenance of these homes, over a year ago our shareholders made an offer of £105m in new funds that would be ring-fenced for improving the military estate houses in exchange for ceasing the ongoing legal action. We urge the MOD to engage in a discussion with us to find a win-win solution, one that will use this money to help address the issue of the unacceptable conditions of the housing provided to Militarily Families by the MOD, rather than spending millions and millions on legal fees.”